

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0736-01
Bill No.: HJR 18
Subject: General Assembly; Constitutional Amendments
Type: Original
Date: February 18, 2015

Bill Summary: This legislation proposes a constitutional amendment reducing the number of members of the Missouri House of Representatives from 163 to 120 and increasing the number of members of the Missouri Senate from 34 to 40.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
General Revenue	\$0 or (More than \$7,100,000)	\$0	\$0	\$0 or \$3,175,353
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,100,000)	\$0	\$0	\$0 or \$3,175,353

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
Total Estimated Net Effect on FTE	FTE	FTE	FTE	FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
Local Government*	\$0	\$0	\$0	\$0

* Potential expenses and reimbursements netting to zero if a special election is called for by the Governor.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri House of Representatives (MHR)** estimate the impact of the legislation will first be realized in FY 2023. Estimated annual savings in today's dollar is approximately \$5 million from 43 fewer members.

Member salary (43 x \$35,915)	\$1,544,345
Member staff (43 x \$29,500)	\$1,268,500
Fringe Benefits	\$1,462,820
Per Diem (43 x \$103.80 x 70)	\$310,660
Mileage (43 x \$100 x 19)	\$81,700
Member expense account (43 x \$8,400)	\$361,200
Total Savings	\$5,029,225

Officials from the **Missouri Senate (SEN)** state this proposal would increase the size of the Senate by increasing the number of members from 34 to 40 effective January 1, 2023. This would increase the cost of the Senate by \$1.3 million.

New Senators Salaries (6 x \$35,915)	\$215,490
Senator's Staff (12 x \$43,941)	\$527,292
Fringe Benefits	\$386,284
Per Diem for Senators (6 x \$103.80 x 70)	\$43,680
Mileage (6 x \$108 x 20)	\$12,960
Office allotments (6 x \$21,361)	\$128,166
Total Cost	\$1,313,872

Officials at the **Office of the Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

ASSUMPTION (continued)

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the Governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, sub-section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and sections 116.230-116.290, RSMo. The Secretary of State's Office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session.

Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements.

The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue).

Therefore, the Secretary of State's Office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

Oversight has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2016. This reflects the decision made by the Joint Committee on Legislative Research, that the potential cost of elections should be reflected in the fiscal note. The next scheduled statewide primary election is in August 2016, and the next scheduled general election is in November 2016 (FY 2017). It is assumed the subject within this proposal could be on one of these ballots; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2016.

ASSUMPTION (continued)

Officials from the **Joint Committee on Administrative Rules** assume the proposal will have no fiscal impact on their organization.

Oversight will range the fiscal impact from \$0 (HJR is not approved by the voters) to the estimate proved by the Missouri Senate and the Missouri House of Representatives. Oversight assumes the 102nd General Assembly would begin in January 2023 (with 120 Representatives and 40 Senators). However, the first full year of fiscal impact would be in FY 2024.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018	Fully Implemented (FY 2024)
GENERAL REVENUE				
<u>Savings</u> - MHR 43 fewer members	\$0	\$0	\$0	\$0 or \$5,029,225
<u>Cost</u> - SEN 6 new members	\$0	\$0	\$0	\$0 or (\$1,313,872)
<u>Transfer Out</u> - Office of the Secretary of State - reimbursement of local election authorities for election costs if a special election is called	\$0 or (More than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0 or (More than \$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0 or \$3,715,353</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018	Fully Implemented (FY 2024)
LOCAL ELECTION AUTHORITIES				
<u>Transfer In</u> - Cost reimbursement from the State for special election	\$0 or More than \$7,100,000	\$0	\$0	\$0
<u>Expense</u> - Cost for special election	<u>\$0 or (More than \$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO LOCAL ELECTION AUTHORITIES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

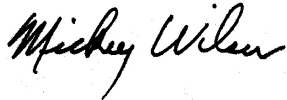
Upon voter approval, this proposed constitutional amendment decreases the number of members of the House of Representatives from 163 to 120 and increases the number of members of the Senate from 34 to 40. The changes take effect beginning with the 102nd General Assembly in 2023.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Missouri House of Representatives
Missouri Senate
Office of the Secretary of State
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
February 18, 2015

Ross Strobe
Assistant Director
February 18, 2015