

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5055-05
Bill No.: HCS for HB 1857
Subject: Elections
Type: Original
Date: February 26, 2018

Bill Summary: This proposal modifies provisions relating to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	\$0	\$0	Up to (\$7,900,000)
Total Estimated Net Effect on General Revenue	\$0	\$0	Up to (\$7,900,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	Up to \$7,900,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume this proposal would compel the state to pay proportional election costs incurred by local election authorities whenever a state-level issue appears on a ballot. In particular, this proposal would require the state to pay election costs for each primary and general election held in the state, subject to appropriation by the General Assembly. These would include equipment rental costs incurred by local election authorities to procure additional electronic voting machines or portable electronic check-in devices ("poll pads").

In the past, the cost of holding a statewide election, not including equipment rental, has been estimated at \$7 million, based on the 2016 Presidential Preference Primary. The cost of equipment rental, as determined from the 2016 Presidential Preference Primary, is estimated at \$900,000 per election. This gives a total estimated cost of \$7.9 million per statewide election, during which the state's proportional cost is essentially 100% of the total election. It can be assumed that the state's proportional share for primary and general elections held in the state would be less than 100%; for the purposes of this fiscal note, a 50% share is assumed due to other political subdivisions with issues on the ballot. Using this methodology as a guideline, this bill would create estimated costs of up to \$7.9 million in FY 2021.

In addition, SOS assumes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with our core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources. Attorney General's Office may seek additional appropriations if there is a significant increase in litigation.

ASSUMPTION (continued)

Officials from the **Office of State Courts Administrator** assume the proposal may have some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **Office of Prosecution Services** assume the proposal will have no measurable fiscal impact on their organization.

Officials from the **State Auditor's Office** assume the proposal will have no fiscal impact on their organization. Any impacts may be absorbed through current appropriations.

In response to a previous version, officials from the **St. Louis County Directors of Elections** assume because this legislation removes the provision that the state is not liable for costs of general or primary elections in even numbered years, we believe we could potentially see savings of up to \$1.5 million.

However, if the state does not have the funds to reimburse the Election Board and because this removes the \$50/day fine on municipalities who do not pay by the due date, this could actually cost up to \$1 million.

It is unclear which direction this could go, and we believe that the actual cost/savings could be somewhere in between these two extremes.

In response to a previous version, officials from the **Kansas City Election Board** assume if HB 1857 were to become law, the State's pro-rata expense in even-numbered years could range from \$300,000 to \$500,000.

Officials from the **Missouri Ethics Commission, Department of Revenue, Office of the State Treasurer, Office of the State Public Defender** and **Department of Corrections** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Platte County Board of Election** assume the proposal will have no fiscal impact on their organization.

Oversight assumes there will be a positive fiscal impact to local election authorities if election costs are paid by the state in even-numbered years, subject to appropriation; therefore, Oversight will reflect a savings to local election authorities up to the potential costs estimated by SOS.

ASSUMPTION (continued)

Officials from the following **Local Election Authorities** and **Board of Election Commissioners**: St. Louis City Board of Elections, Clay County Board of Election Commissioners, Jackson County Election Board, did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Cost - SOS</u>	\$0	\$0	Up to
Proportional Cost for August 2020			(\$3,500,000)
Primary Election			
Equipment Rental	<u>\$0</u>	<u>\$0</u>	<u>(\$450,000)</u>
<u>Total Cost - SOS</u>	<u>\$0</u>	<u>\$0</u>	Up to <u>(\$3,950,000)</u>
 <u>Cost - SOS</u>	 \$0	 \$0	 Up to
Proportional Cost for November 2020			(\$3,500,000)
General Election			
Equipment Rental	<u>\$0</u>	<u>\$0</u>	<u>(\$450,000)</u>
<u>Total Cost - SOS</u>	<u>\$0</u>	<u>\$0</u>	Up to <u>(\$3,950,000)</u>
 ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	 <u>\$0</u>	 <u>\$0</u>	 Up to <u>(\$7,900,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019	FY 2020	FY 2021
LOCAL ELECTION AUTHORITIES			
<u>Savings</u> - state paying for August 2020 Primary Election	\$0	\$0	Up to \$3,950,000
<u>Savings</u> - state paying for November 2020 General Election	<u>\$0</u>	<u>\$0</u>	Up to <u>\$3,950,000</u>
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES	<u>\$0</u>	<u>\$0</u>	Up to <u>\$7,900,000</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal modifies laws relating to elections. In its main provisions, the bill:

- (1) Applies the rules in Chapter 115, RSMo, to all public elections if there is no more specific statute;
- (2) Makes technical changes to references and names;
- (3) Requires the state to pay proportional costs for all types of elections under Sections 115.063 and 115.065;
- (4) Sets rules for state and political subdivision payment of election costs to local election authorities. The state will pay costs by the seventh Tuesday prior to the election and special districts and political subdivisions will submit estimates by the fifth Tuesday prior to the election and pay costs within two weeks of the estimate. Rules for reimbursement are also specified in the bill;
- (5) Prohibits removal of candidate names or ballot issues less than eight weeks prior to an election for any reason and sets candidate withdrawal limits at eight weeks prior to the election under Section 115.127;

FISCAL DESCRIPTION (continued)

(6) Specifies that voter registration complaints may be filed with the Election Division within the Secretary of State's Office;

(7) Changes the absentee ballot deadline from one week to two weeks prior to an election;

(8) Prohibits independent parties or candidates from submitting candidates for vacancies in state representative or state senate special elections after the 21st day after the Governor issues a writ of election to fill the vacancy; and

(9) Sets uniform time period of 10th Tuesday prior to an election for specified rules on vacancies under Sections 115.361 and 115.363; and

The proposal has an effective date of November 7, 2018, except that it also has a delayed effective date of January 1, 2019, for certain sections involving election costs.

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

SOURCES OF INFORMATION

Office of the Secretary of State
St. Louis County Directors of Elections
Kansas City Election Board
Missouri Ethics Commission
Department of Revenue
State Auditor's Office
Platte County Board of Elections
Department of Corrections

Ross Strope



Acting Director
February 26, 2018