

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3094-01
Bill No.: HB 1462
Subject: Elections; Constitutional Amendments; Secretary of State
Type: Original
Date: January 14, 2020

Bill Summary: This proposal modifies provisions relating to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	\$0	\$0	\$31,150 to \$95,950
Total Estimated Net Effect on General Revenue	\$0	\$0	\$31,150 to \$95,950

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Petition Trust Fund	\$14,350 to \$43,250	\$18,200 to \$54,100	(\$18,200) to (\$54,100)
Total Estimated Net Effect on <u>Other</u> State Funds	\$14,350 to \$43,250	\$18,200 to \$54,100	(\$18,200) to (\$54,100)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume the proposal adds a filing fee for initiative petitions. Each petition filed with the Secretary of State's Office for preliminary approval to circulate would need to be accompanied by a \$350 filing fee, refundable for petitions which qualify to appear on the ballot.

With regard to the filing fee (§116.050), 371 initiative petition samples were submitted for approval in the 2018 election cycle. At \$350 each, this would equate to at least \$129,850 in fees (plus some additional money for those petitions exceeding 10 pages). It is expected that adding a filing fee will result in a reduction in the number of filed petitions. We assume a 75% reduction in filings, resulting in 93 filings per 18-month cycle \$32,550 ($\$350 \times (371 \times 25\%)$). This money would default to general revenue in the case of any petitions which do not qualify for the ballot. While this revenue would accrue in the fund during FY 2021 and FY 2022, we would not be able to determine which fees would be refunded and which would devolve to the state until FY 2023. Four petitions during the 2014-16 cycle and five petitions during the 2016-18 cycle qualified to appear on the ballot; the SOS assumes 4 successful petition submissions per petitions cycle, for a refund total of \$1,400 in FY23. The remaining funds would default to general revenue during FY23 as well, after which filing fees for the 2024 petition cycle would begin accruing.

FY21 Revenue (2022 Petition Cycle): up to \$14,350 ($8/18 \times \$32,550$) - (8/18 because petitions can be filed from November 2020 through June 2021).

FY22 Revenue (2022 Petition Cycle): up to \$18,200 ($10/18 \times \$32,550$) - (10/18 because petitions can be filed from July 2021 through the early May 2022 submission deadline).

FY23 Expenditures (Refunds for 2022 Petition Cycle): approximately \$1,400 (up to \$31,150 ($\$32,550 - \$1,400$) will default to GR from 2022 petition cycle)

FY23 Revenue (2024 Petition Cycle): up to \$14,350 (same as FY 2021 - new petition cycle)

Oversight notes that it is difficult to determine what percentage of reduction in filing initiative petitions (IP) may occur as a result of this proposal (assumed to be a 75% reduction by SOS). Therefore, Oversight will reflect the potential reduction as a range from 25% - 75%, resulting in 93-278 filings per 18-month cycle ($\$32,550 - \$97,300$). Oversight will assume, regardless of the reduction in IP filings, the number of IP's that are successfully placed on the ballot will remain constant at 4.

ASSUMPTION (continued)

FY 2021 would result in Revenue of \$14,350 to \$43,250 (93 to 278 x 8/18 x \$350)

FY 2022 would have net impact of \$18,200 to \$54,100 (93 to 278 x 10/18 x \$350)

FY 2023 would result in Revenue of \$14,350 to \$43,250 (same as FY 2021)

Reduction Percentage	Reduction Number of Filings from base of 371	Total Number of Filings per 18 Month Cycle
25%	93	278
50%	186	185
75%	278	93

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization.

Officials from the **Platte County Board of Elections, Kansas City Election Board, Jackson County Election Board, Madison County Clerk, and St. Louis County Board of Elections** assume the proposal will have no fiscal impact on their organization.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

Oversight assumes that the majority of the monies will be transferred from the trust fund to General Revenue after the general elections (in FY 2023 for the FY 2021-2022 filing season) and biennially thereafter).

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Transfer In</u> - SOS - retained filing fees for initiative petitions that are not certified sufficient to be on the ballot (§116.050) from 18 month filing season	<u>\$0</u>	<u>\$0</u>	\$31,150 to <u>\$95,950</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	\$31,150 to <u>\$95,950</u>
PETITION TRUST FUND			
<u>Revenue</u> - SOS - retained filing fees for initiative petitions that are not certified sufficient to be on the ballot (§116.050)	\$14,350 to \$43,250	\$18,200 to \$54,100	\$14,350 to \$43,250
<u>Cost</u> - SOS - filing fees refunded for initiative petitions that qualify to be on ballot (§116.050)	\$0	\$0	(\$1,400)
<u>Transfer Out</u> to GR - initiative petition fees that have not been refunded (§116.050) from previous 2 fiscal years	<u>\$0</u>	<u>\$0</u>	(\$31,150) to <u>(\$95,950)</u>
ESTIMATED NET EFFECT ON PETITION TRUST FUND	<u>\$14,350 to \$43,250</u>	<u>\$18,200 to \$54,100</u>	<u>(\$18,200) to (\$54,100)</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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

The bill requires the use of a uniform standard for initiative and referendum petition signature pages. These pages must conform to the requirements of Sections 116.030 and 116.040, RSMo, and made available for printing and downloading in an electronic format that is created by the Secretary of State.

This bill requires a \$350 refundable fee, to be deposited into the newly created "Petition Trust Fund," for filing an initiative petition with the office of the Missouri Secretary of State under Section 116.050. The fee is refunded if the petition is authorized to appear on the ballot within the two year period after a summary statement is prepared for the petition under Section 116.334. There is an additional \$25 per page filing fee for initiative petitions that are in excess of 10 pages long. The Petition Trust Fund shall be used solely by the Secretary of State for refunding the petition fee and any money not refunded will revert to General Revenue.

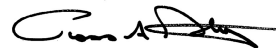
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Office of the State Treasurer
Platte County Board of Elections
Kansas City Election Board
Jackson County Election Board
Madison County Clerk
St. Louis County Board of Elections



Julie Morff
Director
January 14, 2020



Ross Strope
Assistant Director
January 14, 2020