

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3638-03
Bill No.: HCS for SB 587
Subject: Elections; Boards, Commissions, Committees, and Councils; Lobbying;
Constitutional Amendments; General Assembly
Type: Original
Date: May 5, 2020

Bill Summary: This proposal changes the laws regarding elected officials.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	Could exceed (\$150,543)	Up to (\$549,048)	Up to (\$996,143)
Total Estimated Net Effect on General Revenue	Could exceed (\$150,543)	Up to (\$549,048)	Up to (\$996,143)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 27 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Other State Funds	\$0	Up to (\$538,508)	Up to (\$1,077,016)
Secretary of State's Petition Publication Fund	\$15,500 to \$46,500	\$31,000 to \$92,700	\$13,500 to \$44,500
Technology Trust Fund (0266)**	\$0	\$1,411,250	\$2,822,500
Department of Public Safety*	\$1,805,953	\$1,805,953	\$1,805,953
Capitol Police Board*	(\$1,805,953)	(\$1,805,953)	(\$1,805,953)
Total Estimated Net Effect on <u>Other</u> State Funds	\$15,500 to \$46,500	\$903,742 to \$965,442	\$1,758,984 to \$1,789,984

** Reflects a continuation of a fee that is scheduled to expire on December 31, 2021.

* Reallocation of funds and FTE nets to zero.

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
General Revenue	1 FTE	1 FTE	Up to 2 FTE
Department of Public Safety*	-40 FTE	-40 FTE	-40 FTE
Capitol Police Board*	40 FTE	40 FTE	40 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	UP to 2 FTE

* Reallocation of funds and FTE nets to zero.

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 to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

§§2.020 and 2.110

In response to similar legislation, HCS for HB 1655, officials from the **Office of the Secretary of State** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation, SB 639, officials from **Legislative Research Administration** assumed the proposal will have no fiscal impact on their organization.

Oversight notes according to SOS, Missouri Constitutions are provided free of charge. Since 2005, a smaller number of Missouri Constitutions have been printed. Prior to that time period, a Missouri Constitution book would have been up-to-date for years at a time. The SOS must update and reprint new Constitution books every other year.

Following are the last few years of print quantities (cost in parentheses):

February 2019	7,500	(\$16,854)
March 2017	7,500	(\$16,414)
May 2015	7,500	(\$14,796)
December 2013	5,000	(\$9,854)
February 2013	5,000	(\$9,604)

Oversight notes that the Office of the Secretary of State has stated the proposal would not have a direct 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 sections.

ASSUMPTION (continued)

§§8.010, 8.111, 8.170, 8.172, 8.177, and 8.178

In response to a previous version, officials from the **Department of Public Safety - Capitol Police (CP)** stated the transfer from the Department of Public Safety to the "Capitol Police Board" will incur a fiscal impact to the Capitol Police. Costs associated with the reorganization is for the replacement of uniforms, department logos, and department patches. The potential transfer would require Capitol Police to replace all uniform and equipment items that display our current department logo. The words "Department of Public Safety" would be removed from all uniforms and vehicles that display the old department patch/logo/decals.

The redesign of CP's department logo would have to reflect the reorganization from under DPS to the "Capitol Police Board."

Under the proposed legislation, Capitol Police does not see a need to increase its current number of full-time employees (FTE) to complete its mission at this time. If this bill should pass, Capitol Police would request additional funding to cover the initial cost for replacement uniforms, redesign of department patch, and vehicle decal.

Capitol Police will incur costs associated with outfitting 34 officers with new uniform shirts and winter coats with the new department patch. The purchase of new uniform shirts and winter coats are due to the possible redesign of our department patch to remove the words "Department of Public Safety" inscribed on the upper portion of the CP's patch/logo/decals.

Each uniformed member of Capitol Police receives two (2) long sleeve and two (2) short sleeve shirts, which equates to 136 shirts (34*2*2), each requiring replacement patches. Our winter coats (a total of 34) have an outer shell and an inner liner that also functions as a jacket. Winter coats require six (6) patches in all, two (2) department patches, and one (1) police badge on the outer shell and the same for the inner liner jacket.

To remove and replace all department patches at one-time would be difficult and costly. The redesigned patch may not cover the old stitching leaving small holes in the uniform item and some residual binding adhesive. The uniform may also become damaged during the removal process requiring the purchase of a new uniform item. It would also be difficult for an alterations shop to remove and replace all department patches and provide quality service within a specific time frame. It is more efficient and practical to purchase new shirts, and winter coats with the redesigned patch sewn on by a police uniform vendor. Total uniform replacement cost is estimated at \$21,652.

ASSUMPTION (continued)

Capitol Police will need to replace all vehicle decals displayed on five (5) of our six (6) police vehicles as they also display the words "Department of Public Safety" in the upper portion of the decal. CP estimates the cost to replace vehicle decals to be approximately \$7,000.

Uniform and equipment items needed for the proposed reorganization has an initial cost of \$28,652. CP does not foresee any on-going cost after the first year as uniform items will be replaced as needed within our appropriated budget.

The following equipment items and costs will be considered a one-time expense:

Vehicle/office emblems	\$700 per emblem x 10	=	\$7,000
Long-sleeve police uniform shirts	\$78 per shirt x 68 shirts	=	\$5,304
Short-sleeve police uniform shirt	\$66 per shirt x 68 shirts	=	\$4,488
1,000 replacement uniform patches	\$2 per patch x 1,000	=	\$2,000
Replacement of winter coat	\$290 per coat x 34 coats	=	<u>\$9,860</u>
Total costs			\$28,652

Capitol Police consulted with the Office of Administration/Information and Technology Systems Division (OA/ITSD) to determine technology-related costs associated with the bill. At this time, it is unknown which ITSD section would provide services to Capitol Police.

Oversight notes the one-time costs as outlined by Capitol Police to replace existing emblems, department patches, uniforms, vehicle and office emblems that would need to be replaced to reflect the name change. Additionally, Oversight notes OA/ITSD is unable to provide an estimate of the cost associated with moving the information and programs from the Department of Public Safety to a new server under the Board. Oversight will reflect CP's impact as (\$28,652 to Unknown) for fiscal note purposes.

Oversight notes this proposal would transfer the Capitol Police from the Department of Public Safety to the Capitol Police Board. The Capitol Police has been the primary law enforcement agency for the 72-acre state office building campus known as the Capitol Complex since 1983. Officers patrol the buildings and grounds in their jurisdiction 24 hours a day, seven days a week. Patrols are made on foot, by vehicle and on bicycle. Criminal investigations, medical emergencies, traffic accidents, security and fire alarms and security escorts are only a few of the many incidents and calls for service officers provide to over 15,000 state employees and over 200,000 annual visitors to the seat of government. Using the Governor's Executive Budget recommendation for FY 2021, Oversight will show a transfer of \$1,805,953 and 40 FTE from the Department of Public Safety to the Capitol Police Board.

ASSUMPTION (continued)

Officials from the **Missouri House of Representatives (MHR)** state one (1) Human Resource Analyst II at an annual salary of \$46,000 would be needed to support the human resources, budget and reporting needs of the Capitol Police Board. The MHR states they have not included costs for operations that are currently located in HB 8 (DPS). It is unclear which budget bill and department the Capitol Police's operating appropriations would fall under. If their budget would fall under the House purview, MHR presumes there would be an increase to the House budget equal to the decrease to DPS's budget to accomplish the reallocation. This is not shown in our fiscal response.

Oversight does not have any information contrary to that provided by MHR. Therefore, Oversight will reflect MHR's impact for fiscal note purposes.

Officials from the **Missouri Senate (SEN)** assume Section 8.111 - Establishes the Capitol Police Board (Composed of five members total - 1 Senate, President Pro Tem or designee) and fiscal impact is to the Senate Contingent Appropriation

EXPENSE	TOTAL AVERAGE MILES*			RATE PER MILE**	# OF SENATORS EST TOTAL PER MEETING
Mileage	257	0.43	1	110.51	
FISCAL IMPACT PER MTG:					110.51

Assumptions: As written, bill does not allow for compensation to attend meetings. Board meetings are held in Jefferson City during the interim

Oversight notes this proposed legislation establishes the Capitol Police Board. The committee shall be composed of five members of which one senator is appointed by the President Pro Tempore of the Senate; The members of the committee would serve without compensation but could seek reimbursement for actual and necessary expenses.

This proposed legislation would require that the committee meet, at minimum, each quarter.

Oversight assumes a total cost of the joint committees established in this bill as Less than \$10,000 per year.

ASSUMPTION (continued)

In response to a previous version, officials from the **Governor’s Office (GOV)** stated section 8.111 establishes the “Capitol Police Board” which will consist of five members: the Governor or their designee, the Speaker of the House of Representatives or their designee, the President pro tempore of the Senate or their designee, the Chief Justice of the Missouri Supreme Court or their designee, and the chair of the State Capitol Commission. There should be no added cost to the Governor’s Office as a result of this measure.

In response to a previous version, officials from the **Office of Administration - Budget and Planning** stated this proposal has no direct impact on B&P, has no direct impact on general and total state revenues and will not impact the calculation pursuant to Art. X, Sec. 18(e).

§§21.403, 21.405, 575.040, 575.050, 575.160, 575.270, 575.280, 575.330, and 576.030

In response to a previous version, officials from the **Department of Corrections (DOC)** stated this proposal creates two D felonies and three E felonies for certain offenses committed against a body of the General Assembly.

For the new nonviolent class D felonies created in sections 575.040 and 575.280, the department estimates 6 people will be sentenced to prison and 10 to probation. The average sentence for a nonviolent class D felony offense is 5 years, of which 2.8 years will be served in prison with 1.7 years to first release. The remaining 2.2 years will be on parole. Probation sentences will be 3 years.

Change in prison admissions and probation openings with legislation

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	6	6	6	6	6	6	6	6	6	6
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	10	10	10	10	10	10	10	10	10	10
Change (After Legislation - Current Law)										
Admissions	6	6	6	6	6	6	6	6	6	6
Probations	10	10	10	10	10	10	10	10	10	10
Cumulative Populations										
Prison	6	12	17	17	17	17	17	17	17	17
Parole			1	7	13	13	13	13	13	13
Probation	10	20	30	30	30	30	30	30	30	30
Impact										
Prison Population	6	12	17	17	17	17	17	17	17	17
Field Population	10	20	31	37	43	43	43	43	43	43
Population Change	16	32	48	54	60	60	60	60	60	60

ASSUMPTION (continued)

For the new nonviolent class E felonies created in sections 575.050, 575.330, and 576.030, the Department estimates three people will be sentenced to prison and six to probation. The average sentence for a nonviolent class E felony offense is 3.4 years of which, 2.1 years will be served in prison with 1.4 years to first release. The remaining 1.3 years will be on parole. Probation sentences will be 3 years.

Change in prison admissions and probation openings with legislation

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	3	3	3	3	3	3	3	3	3	3
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	6	6	6	6	6	6	6	6	6	6
Change (After Legislation - Current Law)										
Admissions	3	3	3	3	3	3	3	3	3	3
Probations	6	6	6	6	6	6	6	6	6	6
Cumulative Populations										
Prison	3	6	6	6	6	6	6	6	6	6
Parole			3	4	4	4	4	4	4	4
Probation	6	12	18	18	18	18	18	18	18	18
Impact										
Prison Population	3	6	6	6	6	6	6	6	6	6
Field Population	6	12	21	22	22	22	22	22	22	22
Population Change	9	18	27	28	28	28	28	28	28	28

The combined cumulative impact on the department is estimated to be 23 additional offenders in prison and 52 on field supervision by FY23; however, due to the narrow scope of the new crimes, the department believes the impact may not be that high, and could be as low as zero.

ASSUMPTION (continued)

	# to prison	Cost per year	Total Costs for prison	Change in probation & parole officers	Total cost for probation and parole	# to Probation and Parole	Grand Total - Prison and Probation (includes a 2% inflation)
Year 1	9	(\$6,386)	(\$47,895)	0	\$0	16	(\$47,895)
Year 2	18	(\$6,386)	(\$117,247)	0	\$0	32	(\$117,247)
Year 3	23	(\$6,386)	(\$152,812)	1	(\$76,515)	52	(\$229,327)
Year 4	23	(\$6,386)	(\$155,868)	1	(\$68,824)	59	(\$224,692)
Year 5	23	(\$6,386)	(\$158,985)	1	(\$69,567)	65	(\$228,553)
Year 6	23	(\$6,386)	(\$162,165)	1	(\$70,320)	65	(\$232,485)
Year 7	23	(\$6,386)	(\$165,408)	1	(\$71,083)	65	(\$236,492)
Year 8	23	(\$6,386)	(\$168,717)	1	(\$71,854)	65	(\$240,571)
Year 9	23	(\$6,386)	(\$172,091)	1	(\$72,635)	65	(\$244,726)
Year 10	23	(\$6,386)	(\$175,533)	1	(\$73,425)	65	(\$248,958)

If this impact statement has changed from statements submitted in previous years, it is because the DOC has changed the way probation and parole daily costs are calculated to more accurately reflect the way the Division of Probation and Parole is staffed across the entire state.

In December 2019, the DOC reevaluated the calculation used for computing the Probation and Parole average daily cost of supervision and revised the cost calculation to be used for 2020 fiscal notes. For the purposes of fiscal note calculations, the DOC averaged district caseloads across the state and came up with an average caseload of 51 offender cases per officer. The new calculation assumes that an increase/decrease of 51 cases would result in a change in costs/cost avoidance equal to the cost of one FTE staff person. Increases/decreases smaller than 51 offenders are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases. For instances where the proposed legislation affects a less specific caseload, DOC projects the impact based on prior year(s) actual data for DOC's 44 probation and parole districts.

The DOC cost of incarceration is \$17.496 per day or an annual cost of \$6,386 per offender. The DOC cost of probation or parole is determined by the number of P&P Officer II positions that would be needed to cover the new caseload.

ASSUMPTION (continued)

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC’s impact for fiscal note purposes.

Officials from the **Missouri Office of Prosecution Services (MOPS)** assumed the proposal will have no measurable fiscal impact on MOPS. The creation of a new crime creates additional responsibilities for county prosecutors which may, in turn, result in additional costs, which are difficult to determine.

§§21.855 and 21.925

Officials from the **Missouri House of Representatives** state no fiscal impact is anticipated. Joint Committee expenses are typically covered using the Senate’s Joint Continent Expenses appropriation. Otherwise, the House will absorb any reasonable expense incurred by member serving on committee.

Officials from the **Missouri State Senate (Senate)** anticipate a negative fiscal impact to reimburse for travel to the established committees.

Section 21.885 - Establishes the Joint Committee on the COVID-19 Response (Composed of 18 members - 3 Senators, 3 Reps, 12 other members) and fiscal impact is to the Joint Contingent Appropriation

EXPENSE	TOTAL AVERAGE MILES*			RATE PER MILE**	# OF SENATORS EST TOTAL PER MEETING
Mileage - Senators	257	0.43	3	331.53	
Mileage - Reps	268	0.43	3	345.72	
Mileage Unknown		0.43	12	-	
KNOWN FISCAL IMPACT:					677.25

Assumptions: Board meetings are held in Jefferson City during the interim

Section 21.925 - Establishes the Joint Committee on the MO Constitutional Convention (Composed of 8 members - 4 Senators and 4 Reps) and the fiscal impact is to the Joint Contingent Appropriation

ASSUMPTION (continued)

EXPENSE	TOTAL AVERAGE MILES*			RATE PER MILE**	# OF SENATORS EST TOTAL PER MEETING
Mileage - Senators	257	0.43	4	442.04	
Mileage - Reps	268	0.43	4	460.96	
FISCAL IMPACT PER MTG:					903.00

Assumptions: Board meetings are held in Jefferson City during the interim

JOINT CONTINGENT FISCAL IMPACT PER MEETING:	\$1,580.25
SENATE CONTINGENT FISCAL IMPACT PER MEETING:	\$110.51

* average of the total roundtrip miles for current sitting senators, 31 This cost estimate is for 6 Legislators only

* average of the total roundtrip miles for current sitting Representatives, Per Leticia Long 1/9/20

** current rate as set by the Office of Administration

Oversight notes this proposed legislation establishes the Joint Committee on the COVID-19 response. The committee shall be composed of eighteen members of which three representatives are appointed by the Speaker of the House of Representatives and three senators appointed by the President Pro Tempore of the Senate; each shall appoint two members from the majority party and one member from the minority party. The members of the committee would serve without compensation but could seek reimbursement for actual and necessary expenses paid by the joint contingent fund.

Oversight notes this proposed legislation establishes the Joint Committee on the Missouri Constitutional Convention for which the committee shall consider whether convening a constitutional convention is in the best interest of the state. The committee shall be composed of eight members of which four are appointed by the Speaker of the House of Representatives and four appointed by the President Pro Tempore of the Senate; each shall appoint two members from the majority party and two members from the minority party. The members of the committee would serve without compensation but could seek reimbursement for actual and necessary expenses.

This proposed legislation would require that the committee meet, at minimum, each quarter.

ASSUMPTION (continued)

Oversight assumes a total cost of the joint committees established in this bill as Less than \$10,000 per year.

§27.010

In response to a similar proposal HB 769 from 2019, officials from the **Office of the Attorney General** assumed no fiscal impact.

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

§§30.260-30.758

Officials from the **Office of the State Treasurer (STO)** state that total state revenue will decrease because linked deposit loans earn less in interest than other options that the State Treasurer has to invest in as a result of this proposal.

The current activity for the Linked Deposit Program is as follows:

Small Business Program	\$256,644,377
Job Enhancement Program	\$ 700,000
Alternative Energy Program	\$ 0
Agriculture Program	\$190,655,584
Local Government Program	\$ 14,960,735
Multi-Family Housing Program	<u>\$ 43,625,460</u>
Total Active Deposits	\$506,596,156
Approved and Waiting Placement	\$ 5,285,387
Awaiting Approval	\$ 425,636
In Progress	<u>\$ 9,935,287</u>
Total	\$522,242,466

ASSUMPTION (continued)

Fiscal Impact

39% to GR - \$688,584

61% to all other interest earning funds - \$1,077,016

Formula

Average 5 year agency bond: 3.00 callable or 2.75 bullet = Average of 2.875% the state earns

Average yield on linked deposit is .668%

Opportunity cost is 2.207% (2.875% - 0.668%)

$\$80,000,000 (\$800,000,000 - \$720,000,000) * 2.207\% = \$1,765,600$

GR	39% x \$1,765,600 =	\$688,584;
Other	61% x \$1,765,600 =	<u>\$1,077,016</u>
Total		\$1,765,600

The STO stated the fiscal impact is staggered; no impact in FY 2021, half of \$1,765,600 in FY 2022, and a full impact in FY 2023.

Oversight notes the proposal increases the aggregate cap from \$720 million to \$800 million. Current law states that no more than \$110 million shall be used for linked deposits to eligible small businesses. This proposal will increase the \$110 million to \$190 million.

Oversight notes that increasing the allocation for Linked Deposits will result in a decrease to state revenue given that there are investments with higher interest rates of return that the STO could take advantage of. The interest rate environment with lending institutions will not be constant and Oversight is unable to determine the amount of businesses that would utilize the Linked Deposit program in the future. Therefore, Oversight will reflect a loss to general revenue of up to \$688,584 and a loss to other state funds of up to \$1,077,016 (STO estimate of interest lost with program being fully utilized with the additional \$80,000,000).

Oversight also notes there is potential savings to local political subdivisions if they choose to utilize the Linked Deposit Program. Therefore, Oversight will reflect an unknown positive fiscal impact to political subdivisions to the extent they avail themselves of up to \$80 million in increased linked deposit authority.

ASSUMPTION (continued)

Oversight notes this increase in the Linked Deposit program may have positive benefits to the various Missouri businesses and entities that utilize the program. Oversight considers these benefits to be indirect impacts and have not reflected them in the fiscal note.

Officials from the **Department of Commerce & Insurance (DCI)** assume the proposal will have no fiscal impact on their organization.

§36.020

In response to similar legislation HB 1566, officials from the **Office of Administration**, the **Department of Public Safety - Missouri National Guard**, the **Department of Transportation** and the **Missouri Department of Conservation** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct 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 sections.

§44.080

This section states that no state of emergency declared by a county executive shall be imposed or continue for more than fifteen days without a 60 percent majority vote of the county governing body approving and setting the number of days beyond the 15 days.

Oversight assumes this change will have no fiscal impact on state or local governments.

This section of the proposal has an emergency clause.

§§56.092 , 67.5151, and 590.119

These sections specify that a prosecuting or circuit attorney, sheriff, Police Commissioner in St. Louis City, Chief of Police in St. Charles and St. Louis County, or any law enforcement agency that is conducting an investigation related to fraud or theft by a public servant or an offense of misconduct within the attorney's or law enforcement agency's jurisdiction may request the State Auditor to audit all or part of the jurisdiction in which he or she represents or the law enforcement agency serves regarding the receipt and expenditure of public funds. Also, the governing body of a county, with a majority vote, may request such audit. The

ASSUMPTION (continued)

State Auditor must report any findings to the attorney or law enforcement agency that requested the audit.

Officials from the **Office of the State Auditor** state this legislation should have no fiscal impact to their agency. Any impact can be absorbed through current appropriations.

Oversight assumes this change will have no fiscal impact on state or local governments.

§§51.050, 55.060, 58.030, 60.010, 77.230, 79.080 105.035, 115.306, 115.357, 162.291, 190.050, 204.610, 247.060, 249.140, 321.130, 483.010

In response to similar legislation HCS for HB 1787, officials at the **Department of Revenue**, the **Office of the State Courts Administrator**, the **Office of the Secretary of State** and the **State Tax Commission** each assumed no fiscal impact to their respective agencies from this proposal.

In response to similar legislation HCS for HB 1787, officials at the **City of Brentwood** assumed there would be more administrative work than a fiscal impact resulting from this proposal.

Oversight will assume no fiscal impact for the City of Brentwood.

In response to similar legislation HCS for HB 1787, officials at the **City of Kansas City**, the **City of Springfield**, the **City of O'Fallon**, the **Kansas City Election Board**, the **St. Louis County Board of Elections**, the **Jackson County Election Board** and the **Platte County Board of Elections** each assumed no fiscal impact to their respective entities from this proposal.

Oversight notes that the Office of the Secretary of State, the Department of Revenue, the Office of the State Courts Administrator, the State Tax Commission, the City of Kansas City, the City of O'Fallon, the City of Springfield, the Kansas City Election Board, the St. Louis County Board of Elections, the Jackson County Election Board and the Platte County Board of Elections have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

ASSUMPTION (continued)

Oversight notes §105.035 requires a signed affidavit stating that all state income taxes and property taxes, both personal and real were paid or no taxes are owed for the two fiscal years immediately prior to the filing deadline for the elected office. Oversight assumes any cost would be taken care of by the candidate for office and no fiscal impact would occur from this proposal.

Oversight also notes that no person appointed to an elected public office will be delinquent on their municipal taxes. However, a signed and notarized affidavit is not being required to justify.

Oversight assumes any cost would be taken care of by the candidate for office and no fiscal impact would occur from this section.

§§105.470 and 105.485

Officials from the **Missouri Ethics Commission** assume the proposal will have no fiscal impact on their organization. However, if the Commission receives a significant violations during the process established in Section 105.955.14 (2), (3), RSMo or complaints received increase significantly an Investigator would be required to provide the proper oversight.

§§115.631 and 115.637

In response to similar legislation HB 2298, officials from the **Kansas City Election Board, Jackson County Election Board, Platte County Board of Elections, and St. Louis County Board of Elections** each assumed the proposal will have no fiscal impact on their organization.

Oversight notes the proposal creates a new class one election offense, which are deemed felonies connected with the exercise of the right of suffrage. Conviction of any of these offenses shall be punished by imprisonment of not more than five years or by fine of not less than \$2,500, but not more than \$10,000 or by both such imprisonment and fine. Oversight notes according to the Office of the State Courts Administrator, there were no charges filed under this section for the last two years. Oversight will assume any fiscal impact from the changes in the bill will be minimal.

§§116.030, 116.040, 116.045, 116.050, 116.130, 116.160, 116.230, 116.332

Officials from the **Office of the Secretary of State (SOS)** assumed under this bill, each initiative petition filed with the Secretary of State's Office for preliminary approval to circulate would need to be accompanied by a \$500 filing fee, plus \$25 for each page over two pages in length.

ASSUMPTION (continued)

For the most active petition cycle on record, the 2018 cycle, 371 initiative petition samples were submitted for approval. At \$500 each, this would equate to at least \$185,500 in fees (plus some additional money for those petitions exceeding two 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 from this peak, resulting in approximately 93 filings per 15-month cycle with a revenue total of \$46,500 ($\$500 \times (371 \times 25\%)$). This money would be credited to the newly-created Petition Publications Fund and will help offset the costs associated with the SOS's statutory publication requirements, which are estimated to be \$65,000 per page of length. While this revenue would accrue in the fund throughout 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. Filing fees would be refunded to those petitions which are certified as sufficient to appear on the ballot, which was four petitions during the 2014-16 cycle and five petitions during the 2016-18 cycle. The SOS assumes 4 successful petition submissions per petitions cycle for a refunded total of \$2,000. Expenditure of all available funds will happen in FY23 when publications costs are incurred, with the invoice to be paid in October.

FY21 Revenue (2022 Petition Cycle): up to \$15,500 ($93 \times 5/15 \times \500) - (5/15 because petitions can be filed from late January 2021 through June 2021).

FY22 Revenue (2022 Petition Cycle): up to \$31,000 ($93 \times 10/15 \times \500) - (10/15 because petitions can be filed from July 2021 through the early May 2022 submission deadline).

FY23 Expenditures (Refunds for 2022 Petition Cycle): approximately \$2,000 (up to \$44,500 $\$46,500 - \$2,000$) will default to GR from 2022 petition cycle)

FY23 Revenue (2024 Petition Cycle): up to \$15,500 (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 15-month cycle ($\$46,500 - \$139,000$). 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.

FY 2021 would result in Revenue of \$15,500 to \$46,500 ($93 \text{ to } 278 \times 5/15 \times \500)
FY 2022 would have net impact of \$31,000 to \$92,700 ($93 \text{ to } 278 \times 10/15 \times \500)
FY 2023 would result in Revenue of \$15,500 to \$46,500 ($93 \text{ to } 278 \times 5/15 \times \500)

ASSUMPTION (continued)

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

Officials from the **Office of Administration - Budget and Planning** assume Subsection 116.050.2 would require the SOS to collect an initiative and referendum petition filing fee of five hundred dollars for each petition sample sheet filed, and an additional filing fee of twenty-five dollars for each page of text of the measure in excess of two pages. The subsection requires the filing fee be deposited in the state treasury and credited to the secretary of state's petition publication fund. OA BAP defers to the SOS to estimate the impact of these provisions on TSR and 18e calculations.

In response to similar legislation HB 1811, officials from the **Office of the State Treasurer** assumed the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the Office of the State Treasurer has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary.

In response to similar legislation HB 1811, officials from the **Platte County Board of Elections, Jackson County Election Board, and St. Louis County Board of Elections** each assumed the proposal will have no fiscal impact on their respective organizations.

Oversight assumes the proposal will potentially increase fiscal impact regarding ballot length and printing costs to local election authorities. Therefore, Oversight will reflect a zero to unknown cost to local governments on the fiscal note.

ASSUMPTION (continued)

§§347.740, 351.127, 355.023, 356.233, 359.653, 400.9-528, 417.018

Officials from the **Office of the Secretary of State (SOS)** state:

This proposal extends the SOS's technology trust fund. The fund pays for the establishing, procuring, developing, modernizing and maintaining:

1. An electronic data processing system and programs capable of maintaining a centralized database of all registered voters in the state;
2. Library services offered to the citizens of this state;
3. Administrative rules services, equipment and functions;
4. Services, equipment and functions relating to securities;
5. Services, equipment and functions relating to corporations and business organizations;
6. Services, equipment and functions relating to the Uniform Commercial Code;
7. Services, equipment and functions relating to archives;
8. Services, equipment and functions relating to record services; and
9. Services, equipment and functions relating to state and local elections.

A conservative estimate for each fiscal year was based on historical fee collections as follows:

Collected			Average
FY2017	FY2018	FY2019	
\$ 2,809,522	\$ 2,829,228	\$ 2,828,747	\$ 2,822,499

The Secretary of State states they reserve the right to offset or request additional resources for estimated fiscal note impacts during the budget process.

Officials from the **Office of Administration - Budget and Planning** assume the legislation postpones the current sunsets on a number of fees charged by the SOS. Because these provision do not otherwise alter these fees, they will have no effect on calculations of TSR or 18e.

Oversight notes that the Technology Trust Fund (0266) had a balance of \$4,880,175 as of December 31, 2019. Oversight notes the proposal extends the sunset of collection into the SOS' Technology Trust Fund from December 31, 2021 (FY 2022) to December 31, 2026. Oversight will reflect a continuation of this fee starting on January 1, 2022 (FY 22). Oversight will assume six months of impact in FY 2022.

ASSUMPTION (continued)

Bill as whole:

In response to a previous version, officials from the **Office of the Secretary of State (SOS)** assumed 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 the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the 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 the core budget. Therefore, the 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 require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **State Auditor's Office, Department of Public Safety-National Guard, Department of Revenue, Department of Public Safety-Missouri State Highway Patrol, Department of Health and Senior Services, Department of Elementary and Secondary Education, Legislative Research, Department of Public Safety-Office of the Director, Department of Transportation, Department of Public Safety-Gaming Commission, Department of Public Safety-Fire Safety, Missouri Consolidated Health Care Plan, Missouri Tax Commission, Department of Public Safety-Alcohol and Tobacco Control, Department of Public Safety-State Emergency Management Agency, and Office of State Courts Administrator** each assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Attorney General's Office, Office of Administration-Administrative Hearing Commission, Missouri Department of Conservation, Department of Social Services, Office of the State Public Defender,** and

ASSUMPTION (continued)

Department of Natural Resources each assumed the proposal will have no fiscal impact on their organization.

Oversight notes that the above agencies have stated the proposal would not have a direct 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.

Officials from the **City of Kansas City, City of O’Fallon, City of Columbia, Platte County Board of Elections, St Louis County Board of Elections, and Springfield Police Department** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Jackson County Election Board, St. Charles County Election Authority, St. Louis County, and Kansas City Election Board** each assumed the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Lost opportunity for higher returns - STO</u> (\$30.753) Decrease in investment returns	\$0	Up to (\$344,292)	Up to (\$688,584)
<u>Costs - CP (\$8.177) One-time costs to</u> replace emblems, uniforms, patches	<u>(\$28,652)</u>	<u>\$0</u>	<u>\$0</u>
<u>Costs - OA/ITSD (\$8.177) Moving CP</u> information and programs from DPS to Capitol Police Board	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>
<u>Costs - of the Joint Committees</u>	Less than (\$10,000)	Less than (\$10,000)	\$0
<u>Costs - MHR (\$8.177)</u>			
Personal Services	(\$38,333)	(\$46,460)	(\$46,925)
Fringe Benefits	(\$22,330)	(\$26,949)	(\$27,104)
Equipment and Expense	<u>(\$3,333)</u>	<u>(\$4,100)</u>	<u>(\$4,203)</u>
<u>Total Costs - MHR</u>	<u>(\$63,996)</u>	<u>(\$77,509)</u>	<u>(\$78,232)</u>
FTE Change - MHR	1 FTE	1 FTE	1 FTE
<u>Cost - DOC - Change in P&P Officers</u>			\$0 or up to...
Personal Services	\$0	\$0	(\$39,532)
Fringe Benefits	\$0	\$0	(\$24,911)
Equipment and Expense	<u>\$0</u>	<u>\$0</u>	<u>(\$12,072)</u>
<u>Total Cost - DOC</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$76,515)</u>
FTE Change - DOC	0 FTE	0 FTE	1 FTE
<u>Cost - DOC (\$§575.040, 575.270 and</u> 575.280) Increased incarceration costs	\$0 or up to <u>(\$47,895)</u>	\$0 or up to <u>(\$117,247)</u>	\$0 or up to <u>(\$152,812)</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	Could exceed <u>(\$150,543)</u>	Up to <u>(\$549,048)</u>	Up to <u>(\$996,143)</u>

<u>FISCAL IMPACT - State Government</u> continued	FY 2021 (10 Mo.)	FY 2022	FY 2023
OTHER STATE FUNDS			
Lost opportunity for higher returns - STO (\$30.753) Decrease in investment returns	<u>\$0</u>	Up to <u>(\$538,508)</u>	Up to <u>(\$1,077,016)</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$0</u>	Up to <u>(\$538,508)</u>	Up to <u>(\$1,077,016)</u>
SECRETARY OF STATE'S PETITION PUBLICATION FUND			
<u>Revenue</u> - SOS - retained filing fees for initiative petitions that are not certified sufficient to be on the ballot (§116.050.2)	\$15,500 to \$46,500	\$31,000 to \$92,700	\$15,500 to \$46,500
<u>Cost</u> - SOS - filing fees refunded for initiative petitions that qualify to be on ballot (§116.050.2)	<u>\$0</u>	<u>\$0</u>	<u>(\$2,000)</u>
ESTIMATED NET EFFECT ON THE SECRETARY OF STATE'S PETITION PUBLICATION FUND	\$15,500 to <u>\$46,500</u>	\$31,000 to <u>\$92,700</u>	\$13,500 to <u>\$44,500</u>
TECHNOLOGY TRUST FUND			
<u>Revenue</u> - SOS - fees collected - extension of the sunset date from 12/31/21 to 12/31/26	<u>\$0</u>	<u>\$1,411,250</u>	<u>\$2,822,500</u>
ESTIMATED NET EFFECT ON TECHNOLOGY TRUST FUND	<u>\$0</u>	<u>\$1,411,250</u>	<u>\$2,822,500</u>

<u>FISCAL IMPACT - State Government</u> continued	FY 2021 (10 Mo.)	FY 2022	FY 2023
DEPARTMENT OF PUBLIC SAFETY			
<u>Reallocation</u> - CP funding and 40 FTE from DPS to Capitol Police Board	<u>\$1,805,953</u>	<u>\$1,805,953</u>	<u>\$1,805,953</u>
ESTIMATED NET EFFECT TO THE DEPARTMENT OF PUBLIC SAFETY	<u>\$1,805,953</u>	<u>\$1,805,953</u>	<u>\$1,805,953</u>
MISSOURI STATE CAPITOL POLICE BOARD			
<u>Reallocation</u> - CP funding and 40 FTE into the Commission	<u>(\$1,805,953)</u>	<u>(\$1,805,953)</u>	<u>(\$1,805,953)</u>
ESTIMATED NET EFFECT TO THE CAPITOL POLICE BOARD	<u>(\$1,805,953)</u>	<u>(\$1,805,953)</u>	<u>(\$1,805,953)</u>
FISCAL IMPACT - Local Government			
	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL POLITICAL SUBDIVISIONS			
Savings - Local Political Subdivisions Linked Deposit Participation §§30.260 - 30.758	<u>\$0</u>	<u>Unknown</u>	<u>Unknown</u>
<u>Cost</u> - Local Election Authorities Increased ballot length (§116.160.2)	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>\$0 to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>

FISCAL IMPACT - Small Business

Small businesses could benefit from continued opportunities to participate in the linked deposit program. Small business credit unions could be affected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation changes the laws regarding elected officials.

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

Department of Public Safety-Capitol Police
State Auditor's Office
Office of Administration-Budget and Planning
Missouri House of Representatives
Missouri Senate
Secretary of State
Office of Prosecution Services
Missouri Ethics Commission
Joint Committee on Administrative Rules
Department of Elementary and Secondary Education
Legislative Research
Department of Public Safety-Office of the Director
Office of the State Public Defender
Department of Transportation
Department of Public Safety-Gaming Commission
Department of Public Safety-Fire Safety
Missouri Consolidated Health Care Plan
Missouri Tax Commission
Department of Public Safety-Alcohol and Tobacco Control
Department of Public Safety-State Emergency Management Agency
Department of Natural Resources
Department of Public Safety-National Guard
Department of Revenue
Department of Public Safety-Missouri State Highway Patrol
Attorney General's Office
Department of Commerce & Insurance

SOURCES OF INFORMATION (continued)

Office of Administration-Administrative Hearing Commission
Office of State Courts Administrator
Missouri Department of Conservation
Department of Social Services
Department of Health and Senior Services
Jackson County Election Board
City of Kansas City
City of O'Fallon
St. Charles County Election Authority
St. Louis County
City of Columbia
Kansas City Election Board



Julie Morff
Director
May 5, 2020



Ross Strobe
Assistant Director
May 5, 2020