

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5062-01
Bill No.: HJR 47
Subject: Constitutional Amendment; Elections; Secretary of State
Type: Original
Date: February 10, 2012

Bill Summary: This proposal changes the number of voter signatures that are required to place an initiative petition or a referendum on a ballot.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or (More than \$7,000,000)		
Total Estimated Net Effect on General Revenue Fund	\$0 or (More than \$7,000,000)		

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Attorney General's Office** assume any potential cost arising from this proposal can be absorbed with existing resources.

Officials from the **Office of the Governor** and **Department of Revenue** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from last year, officials from **Platte County** assumed the proposal would have no fiscal impact on their organization.

Officials from the **Secretary of State's Office (SOS)** assume this resolution requires that every congressional district meet the percentage of signatures required to place an initiative measure on the ballot. If this constitutional amendment is approved, there would be increased personnel costs to the Secretary of State's Office to process the signatures for the additional congressional districts. Based on the 2010 petition cycle, an average of 23,784 signatures per congressional district were submitted for each of the five petitions returned to the Secretary of State's office in 2010. Assuming 1 minute to process each signature and \$15 per hour for staff, the personnel costs to the Secretary of State's Office could be \$71,340.

23,784 signatures per CD x 3 additional CD = 71,352 additional signatures per petition
71,352 signatures x 1 minute to process = 71,352 minutes
71,352 minutes/60 min = 1,189 hrs
1,189 hrs x \$15/hr = \$17,835 per petition
\$17,835 per petition x 4 petitions submitted in 2010 = \$71,340

This resolution will create significant personnel costs to local election authorities to verify the additional signatures.

Oversight assumes SOS and local election authorities are already required to verify signatures. Oversight assumes SOS could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, SOS could request funding through the appropriation process.

ASSUMPTION (continued)

SOS assumes unless a special election is called for the purpose, Joint Resolutions are submitted to a vote of the people at the next general election. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people and Article XII section 2(b) authorizes the governor to call a special election to submit constitutional amendments to a vote of the people.

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 Section 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 2011, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$1.02 million to publish (an average of \$170,000 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 the November election in fiscal year 2013. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. The next scheduled general election is in November 2012 (FY 2013). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2013.

To estimate the expense the state would incur for reimbursing local political subdivisions for an election, Oversight requested expense estimates from all election authorities for an election. Eighty-six out of the one hundred fifteen election authorities responded to Oversight's request. From these respondents; the total election expense that would have to be reimbursed by the state government is over \$7 million. Therefore, Oversight will reflect a potential cost borne by the state in FY 2013 of over \$7 million for reimbursement to the local political subdivisions.

ASSUMPTION (continued)

Oversight assumes the Governor could call for a special election to be held prior to November 2012 regarding this joint resolution; however, if a special election is not called, the subject will be voted on at the general election in November, 2012.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Transfer Out</u> - reimbursement of local election authorities for election costs	\$0 or (More than \$7,000,000)	\$0	\$0
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0 or (More than \$7,000,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL ELECTION AUTHORITIES			
<u>Transfer In</u> - cost reimbursement from the State for election	\$0 or More than \$7,000,000	\$0	\$0
<u>Expense</u> - cost for election	\$0 or (More than \$7,000,000)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<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 changes the number of voter signatures that are required to place an initiative petition or a referendum on a ballot. Currently, an initiative petition proposing an amendment to the Missouri Constitution must be signed by 8% of the legal voters in each of two-thirds of the Congressional districts. The resolution changes the requirement to 8% of the legal voters in each Congressional district.

Currently, a referendum petition must be signed by 5% of the legal voters in each of two-thirds of the Congressional districts. The resolution changes the requirement to 5% of the legal voters in each Congressional district.

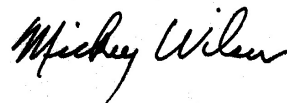
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Revenue
Attorney General's Office
Office of the Governor
Platte County

NOT RESPONDING

Laclede County
Butler County
Jasper County



Mickey Wilson, CPA
Director
February 10, 2012