

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5150-05
Bill No.: HCS for HB 1442
Subject: State Attorney General; Elections; Governor and Lt. Governor; Secretary of State
Type: Original
Date: February 8, 2012

Bill Summary: This proposal requires the Governor to appoint acting officeholders, changes the ban on appointees running for the office to which they were appointed and changes the referendum clause.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or (Greater than \$7,000,000)	\$0 or (Greater than \$7,000,000)	\$0 or (Greater than \$7,000,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Greater than \$7,000,000)	\$0 or (Greater than \$7,000,000)	\$0 or (Greater 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 **Office of the Governor**, **Office of the State Auditor** and **Office of the State Treasurer** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** also assumes many bills that are considered by the General Assembly that would require the SOS 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 SOS 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 number 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 SOS 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 costs of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

Oversight assumes the SOS could absorb the costs of advertising the statewide ballot measure related to this proposal within their current appropriation level. If multiple bills pass or if multiple ballot initiatives are validated which require similar advertising at substantial costs, the SOS could request funding through the appropriation process.

In response to a previous version, the SOS assumed that a special election would be called for the purpose of replacing a statewide office holder. If a special election is called to elect the office holder, section 115.063.2 RSMo requires the state to pay the costs. SOS assumes that if a special election is called for this purpose rather than being voted on at a general election, the cost of the special election has been estimated to be \$7 million based on the cost of the previous Presidential Primary and a cost determined by Legislative Oversight.

ASSUMPTION (continued)

Oversight has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having a statewide election voted on during a special election in each fiscal year. 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. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in each of the fiscal years. To estimate the expense the state would incur for reimbursing local political subdivisions for a special 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 each fiscal year of over \$7 million for reimbursement to the local political subdivisions.

SOS also states that 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 \$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, 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 request funding through the appropriation process.

Officials from the **Missouri Lieutenant Governor** and **Attorney General's Office** did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Expense</u> - reimbursement of local political subdivisions for special election costs	\$0 or (More than <u>\$7,000,000</u>)	<u>\$0 or (More than \$7,000,000)</u>	<u>\$0 or (More than \$7,000,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0 or (More than \$7,000,000)</u>	<u>\$0 or (More than \$7,000,000)</u>	<u>\$0 or (More than \$7,000,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - cost reimbursement from the State for special election	\$0 or More than \$7,000,000	\$0 or More than \$7,000,000	\$0 or More than \$7,000,000
<u>Expense</u> - cost for special election	\$0 or (More than <u>\$7,000,000</u>)	<u>\$0 or (More than \$7,000,000)</u>	<u>\$0 or (More than \$7,000,000)</u>
ESTIMATED NET EFFECT ON 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

Currently, the Office of United States Senator and most statewide offices, except for the Office of Governor, may be filled by a gubernatorial appointment when there is a vacancy. This bill requires elections to be held on the general election day if that is possible in order to ultimately fill the positions of United States Senator, Lieutenant Governor, Attorney General, Secretary of State, State Auditor, and State Treasurer or for a special election called for such purposes.

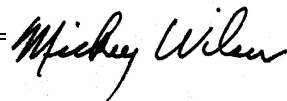
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Governor
Office of the Secretary of State
Office of the State Auditor
Office of the State Treasurer

NOT RESPONDING

**Missouri Lieutenant Governor
Attorney General's Office**



Mickey Wilson, CPA
Director
February 8, 2012