

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0252-02
Bill No.: HB 342
Subject: Campaign Finance
Type: Original
Date: March 5, 2015

Bill Summary: This proposal incorporates provisions related to campaign finance reform.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Ethics Commission (MEC)** assume §130.032 would implement campaign finance limits. The implementation of the above responsibilities would require the following additional resources:

- \$15,120 in expense and equipment to acquire contract services that would develop the MEC internal search capabilities for oversight of the campaign finance committees' adherence to the specific contribution limits, as established in 105.955.14, RSMo. Current campaign finance data collection would allow the MEC to use search capabilities, providing for a manual review by MEC staff of adherence to the established limits.
- 2 Business Analysts to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business Analysts would review committee reports for compliance, prepare necessary notices, track the receipt of payment, and coordinate the necessary collection efforts. Currently two Business Analysts assist 2,800 committees in filing campaign finance reports, prepare and disseminate 15,000 notices, and review 11,000 campaign finance reports.

In 2008, Senate Bill 1038 repealed campaign finance contribution limits in Missouri. At that time, the MEC did not reduce its number of FTE due to the cutback in the number of complaints and investigations caused by the campaign limits being repealed. Therefore, **Oversight** assumes the current FTE should be able to handle the increased number of complaints and investigations due to the limits being reimposed. Oversight assumes this proposal has no fiscal impact on the MEC.

Oversight assumes that the MEC has programmers on staff to handle the reprogramming of the computer systems and would not need to contract for these services. MEC did not reduce its programming staff when the campaign limits were repealed with SB 1038 and therefore the current FTE should be able to handle the increased programming responsibilities.

MEC assumes if the Commission identifies 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.

Oversight assumes that should MEC have a significant increase in complaints, they can seek additional resources through the appropriation process.

ASSUMPTION (continued)

Officials at the **Department of Corrections (DOC)** assume the estimated impact of the new class D felony is one prison admission who will serve 12 months in prison and three years on parole and two probation cases who will serve three years on supervision.

Because the class D felony is for a third conviction of the offense the first admissions are not expected to occur until the third year after the proposal is enacted on August 28, 2015. The impact of this legislation will not be fully recognized until year five, FY 2020.

The FY 2014 average cost of supervision is \$6.72 per offender per day or an annual cost of \$2,453 per offender. The DOC cost of incarceration is \$16.725 per day or an annual cost of \$6,105 per offender.

The DOC would assume this legislation will result in long term costs as indicated in the chart below.

	# to Prison	Cost per year	Total Cost Prison	# to Probation	Cost per year	Total Cost of Probation	Grand Total Prison and Probation
Year 1	0	\$6,105	\$0	0	\$2,453	\$0	\$0
Year 2	0	\$6,105	\$0	0	\$2,453	\$0	\$0
Year 3	1	\$6,105	\$6,105	2	\$2,453	\$4,906	\$11,456
Year 4	1	\$6,105	\$6,105	5	\$2,454	\$12,270	\$19,500
Year 5	1	\$6,105	\$6,105	7	\$2,455	\$17,185	\$25,210
Year 6	1	\$6,105	\$6,105	7	\$2,456	\$17,192	\$25,722
Year 7	1	\$6,105	\$6,105	7	\$2,457	\$17,199	\$26,244
Year 8	1	\$6,105	\$6,105	7	\$2,458	\$17,206	\$26,777
Year 9	1	\$6,105	\$6,105	7	\$2,459	\$17,213	\$27,321
Year 10	1	\$6,105	\$6,105	7	\$2,460	\$17,220	\$27,876

ASSUMPTION (continued)

Oversight assumes that the incarceration of one offender and supervision of two offenders would create a minimal fiscal impact and DOC could absorb the costs with existing resources.

Officials at the **Office of the Attorney General (AGO)** assume this proposal mentions the AGO as one of three categories of investigators to perform work currently conducted by the Missouri Ethics Commission. The extent of the work referred to the AGO will require one (1) additional FTE investigator. If the investigatory caseload significantly increases, the AGO may seek additional appropriations. The AGO estimates an approximate FTE cost of \$70,000 each year.

Oversight assumes that it is unclear how many complaints would be referred to AGO. Therefore, Oversight assumes AGO could absorb the FTE cost with existing resources. Should AGO see a significant increase in complain to justify an FTE, AGO can seek additional resources through the appropriation process.

Officials at the **Office of the State Public Defender (MSPD)** assume for the purpose of this proposal, and as a result of excessive caseload, the MSPD cannot assume existing staff will provide competent, effective representation for any new cases where indigent persons are charged with the proposed new crimes relating to campaign contributions. MSPD is currently providing legal representation in caseloads in excess of recognized standards.

While the number of new cases may be too few or uncertain to request additional funding for this specific proposal, the MSPD will continue to request sufficient appropriations to provide competent and effective representation in all cases where the right to counsel attached.

Officials at the **Department of Revenue (DOR)** assume this proposal outlines the contribution limits authorized according to the individual's elected office. The provisions of this section set limitations from \$750 to \$5,000. This proposal limits the total aggregate amount of any one contributor to \$32,400. This proposal further establishes the base year amount as the contribution limits prescribed on January 1, 2016. The provisions of subsection 6 require the reporting of contributions before January 1, 2016 as a separate account.

This will require 503.28 hours of programming at \$75 per hour for a total of \$37,746.

Oversight notes that the contribution limits will be monitored by MEC and would not fiscally impact DOR.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and

ASSUMPTION (continued)

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 at the **St. Charles County Clerk's Office** assume adding the duty that the county's prosecuting attorney would aid in investigations as directed by the Missouri Ethics Commission would be a new state mandated activity and, therefore, the state would be required to appropriate and pay the county for any costs of such investigations in accordance with Article X, Section 21 of the Missouri Constitution.

Officials at the **Office of State Courts Administrator**, the **Office of the Prosecuting Attorney**, the **St. Louis City Board of Election Commission**, the **St. Louis County Board of Election Commission**, the **Platte County Board of Election Commission**, the **Jackson County Board of Election Commission**, and the **Lincoln County Clerk's Office** each assume no fiscal impact from this proposal to their respective organizations.

Officials at the following boards of election commission: Kansas City Board of Election Commission, Clay County Board of Election Commission, and Jackson County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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 proposed legislation appears to have no direct fiscal impact.

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

Missouri Ethics Commission
Department of Revenue
Office of the Attorney General
Department of Corrections
Office of the Secretary of State
Office of the Prosecuting Attorney
Office of the State Public Defender
Office of the State Courts Administrator
St. Louis County Board of Election Commission
Platte County Board of Election Commission
Lincoln County Clerk's Office
St. Louis City Board of Election Commission
Jackson County Board of Election Commission
St. Charles County Clerk's Office



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