

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1705-06  
Bill No.: SJR 13  
Subject: Auditor, State; Attorney General, State; Campaign Finance; Constitutional Amendments; Elections; Ethics; General Assembly; Governor & Lieutenant Governor; Political Parties; Secretary of State; Treasurer, State  
Type: Original  
Date: May 6, 2015

Bill Summary: This proposal establishes the Missouri Anti Corruption Amendment.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0 or (Greater than \$7,100,000)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Greater than \$7,100,000)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Missouri Anti-Corruption*	\$0	\$0	\$0
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Income and costs net to \$0.

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	0 or Unknown	0 or Unknown	0 or Unknown
Missouri Anti-Corruption Fund	0 or Unknown	0 or Unknown	0 or Unknown
<b>Total Estimated Net Effect on FTE</b>	<b>0 or Unknown</b>	<b>0 or Unknown</b>	<b>0 or Unknown</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Transfer In and Cost net to zero.

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. 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.

Officials at the **Office of the Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the Governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, §115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

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 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 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 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and the SOS was appropriated \$1.19 million to publish the full text of the measures. Due to this reduced funding,

ASSUMPTION (continued)

the SOS reduced the scope of the publication of these measures. In FY 2015, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). Despite the FY 2015 reduction, the SOS will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. 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 again change the amount or continue to not designate it as an estimated 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 a special election in fiscal year 2016. 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 statewide primary election is in August 2016 and the next scheduled general election is in November 2016 (FY 2017). It is assumed the subject within this proposal could be on that ballot; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2016.

Officials at the **Office of the State Auditor (SAO)** estimated job costs of \$35,000 for the required duties in relation to this proposal based on the job cost totals from the last time the SAO audited the Ethics Commission. Since this proposal, would require an audit every two years the estimate would be for every other year.

**Oversight** notes that the audit would be bid out to an independent auditor and assumes the first audit would be bid out in FY 2017.

Officials at the **Department of Economic Development**, the **University of Central Missouri**, the **Department of Public Safety's Missouri Gaming Commission**, the **Department of Public Safety's Division of Capitol Police**, the **Department of Public Safety's Office of the Director**, the **Department of Public Safety's Veterans Division**, the **Department of Natural Resources**, the **Office of the State Courts Administrator**, the **Everton School District**, the **Platte County Board of Election Commission**, the **Department of Elementary and Secondary Education**, the **Department of Transportation**, the **State Technical College of Missouri**, and the **Metropolitan Community College - Kansas City** each assume no fiscal impact from this proposal to their respective organizations.

**Oversight** notes that the proposal creates a new fund, the Missouri Anti-Corruption Fund. Oversight has no basis to estimate the amount of penalties which would be deposited into the

ASSUMPTION (continued)

Fund and assumes the moneys provided to the fund by the Director of Revenue would come from the state's general revenue.

**Oversight** will assume, for fiscal note purposes, that the provisions of this proposal are self-enforcing as of the effective date of the proposal and that Missouri Anti-Corruption Fund income and costs (Ethics Commission administration of provisions of this proposal and political contribution rebates) will net to zero each fiscal year.

**Oversight** assumes the Missouri Ethics Commission may incur costs if this SJR is approved; however, without their response, Oversight will assume an unknown amount of costs. Oversight will range the fiscal impact from \$0 (SJR is not approved by voters) to an unknown estimate of costs.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Cost - State Auditor</u>			
Contract for Ethics Commission audits	\$0	\$0 or (\$35,000)	\$0
<u>Costs - Missouri Ethics Commission</u>			
		\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost - Department of Revenue</u>			
Transfer to the Missouri Anti-Corruption Fund	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Transfer Out - Secretary of State - reimbursement of location election authority costs if a special election is called by the Governor</u>			
	\$0 or (Greater than <u>\$7,100,000</u> )	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or (Greater than <u>\$7,100,000</u>)</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>MISSOURI ANTI-CORRUPTION FUND</b>			
<u>Income</u> - Fines, Transfers in from the General Revenue Fund, other sources	\$0	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - Ethics Commission Administration of provisions of this proposal, contribution rebates, other	<u>\$0</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON MISSOURI ANTI-CORRUPTION FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>LOCAL ELECTION AUTHORITIES FUND</b>			
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or (Greater than \$7,100,000)	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election	\$0 or (Greater than <u>\$7,100,000</u> )	\$0	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES FUNDS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

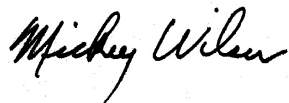
The proposed Amendment would establish several provisions relating to campaign finance and ethics.

The proposal contains a severability clause.

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 Economic Development  
Metropolitan Community College - Kansas City  
University of Central Missouri  
Department of Public Safety's Missouri Gaming Commission  
Department of Natural Resources  
Department of Public Safety's Division of Capitol Police  
Office of the State Auditor  
Everton School District  
Office of the State Courts Administrator  
Department of Public Safety's Office of the Director  
Department of Public Safety's Veterans Division  
Platte County Board of Election Commission  
Department of Elementary and Secondary Education  
Department of Transportation  
State Technical College of Missouri



Mickey Wilson, CPA  
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May 6, 2015

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