

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5005-01  
Bill No.: HB 1289  
Subject: Constitutional Amendments; Elections  
Type: Original  
Date: February 5, 2018

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Bill Summary: This proposal modifies provisions for ballot initiatives and referendums.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Petition Publication Fund	\$25,500	\$31,500	(\$33,500)
Signature Verification Fund	\$0	\$666,830	(\$666,830)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$25,500</b>	<b>\$698,330</b>	<b>(\$700,330)</b>

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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$666,830</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume this proposal adds two separate fees related to initiative petitions. Each petition filed with the SOS for preliminary approval to circulate would need to be accompanied by a \$500 filing fee, plus \$10 for each page over 10 pages in length. Those petitions which are submitted with signatures, if paid circulators were employed, would be required to submit a fee equal to \$0.90 times the minimum number of signatures required for the petition to be sufficient.

Between 11/9/16 (start of the new 2-year petitions cycle) and 11/8/17, 303 initiative petition samples have been submitted for approval in the 2018 election cycle. At \$500 each, this would equate to at least \$151,500 in fees (plus some additional money for those petitions exceeding 10 pages). It is expected that adding a filing fee will result in a reduction in the number of filed petitions. SOS assumes a 75% reduction in filings, resulting in 76 filings per year with a revenue total of \$38,000. 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 \$180,123.15 per page of length.. While this revenue would accrue in the fund throughout FY 2019 and FY 2020, SOS would not be able to determine which fees would be refunded and which would devolve to the state until FY 2021. Filing fees would be refunded to those petitions which are certified as sufficient to appear on the ballot, which was four of the five petitions submitted (as opposed to filed) during the previous petitions cycle from 2014 to 2016. The SOS assumes 4 successful petition submissions per petitions cycle. Expenditure of all available funds will happen in FY21 when publications costs are incurred, invoice should be paid in October.

### **Petition Publications Fund**

#### FY19

Revenue: \$25,500 (76 x 8/12 x \$500) – 8/12 because petitions can be filed from November 2018 through June 2019.

Expenditures: \$0

#### FY20

Revenue: \$31,500 (76 x 10/12 x \$500) – 10/12 because petitions can be filed from July 2019 through very early May 2020.

Expenditures: \$0

ASSUMPTION (continued)

FY21

Revenue: \$25,500 (76 x 8/12 x \$500) – 8/12 because petitions can be filed from November 2020 through June 2021.

Expenditures: \$57,000 (\$25,500 from FY19, \$31,500 from FY20) – FY21 monies not received until after election so will not be available for expenditure.

For the 2020 petition cycle, the minimum number of signatures required for sufficiency is 100,126 for a statutory initiative or a referendum petition and 160,199 for a constitutional initiative petition. At \$0.90 per signature, this would result in a fee of at least \$90,113.40 for statutory initiatives or referendums and \$144,179.10 for constitutional initiatives if any paid circulators are employed on a given petition drive. For reference, all initiative petitions filed with signatures in 2016 (four constitutional, one statutory) and the referendum filed in 2017 indicated that paid circulators were employed for at least part of their signature-gathering efforts. If the number of petitions received in 2020 is comparable to that of 2016, \$666,829.80 in fees (\$144,179.10 x 4 + \$90,113.40) would be collected and deposited into the newly-created Petition Signature Verification Fund during FY 2020. These monies would be disbursed in FY 2021 to local election authorities on a pro-rata basis in compensation for processing and verifying petition signatures.

**Signature Verification Fund**

FY20

Revenue - \$666,829.80

FY21

Expenditure - \$666,829.80

Officials from the **Kansas City Election Board** assume that election authorities could possibly receive a pro-rata payment for processing petition signatures which have previously been funded by our election funds. In even numbered election years, staff processes over a 100,000 petition signatures, therefore any payment to offset the expense would benefit the entities paying for the election.

Officials from the **Office of Prosecution Services** assume the proposal will have no measurable fiscal impact.

Officials from the **Office of the State Treasurer, Department of Corrections, Office of State Courts Administrator, Office of the State Public Defender, Missouri Senate, and Missouri House of Representatives** each assume the proposal will have no fiscal impact on their

ASSUMPTION (continued)

respective organizations.

Officials from the **Platte County Board of Elections** and **Jackson County Board of Election Commissioners** both assume the proposal will have no fiscal impact on their respective organizations.

Officials from the following **local election authorities and board of election commissions**: St. Louis City Board of Elections, Clay County Board of Election Commission, St. Louis County Board of Elections and did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (8 Mo.)	FY 2020	FY 2021
<b>PETITION PUBLICATION FUND</b>			
<u>Revenue</u> - SOS - petition filing fees	\$25,500	\$31,500	\$25,500
<u>Cost</u> - SOS - publishing petitions and refunds for successful petitions	<u>\$0</u>	<u>\$0</u>	<u>(\$59,000)</u>
<b>ESTIMATED NET EFFECT ON PETITION PUBLICATION FUND</b>	<b><u>\$25,500</u></b>	<b><u>\$31,500</u></b>	<b><u>(\$33,500)</u></b>
<b>SIGNATURE VERIFICATION FUND</b>			
<u>Revenue</u> - SOS - signature verification fees	\$0	\$666,830	\$0
<u>Cost</u> - SOS - disbursement of fees to local election authorities	<u>\$0</u>	<u>\$0</u>	<u>(\$666,830)</u>
<b>ESTIMATED NET EFFECT ON SIGNATURE VERIFICATION FUND</b>	<b><u>\$0</u></b>	<b><u>\$666,830</u></b>	<b><u>(\$666,830)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (8 Mo.)	FY 2020	FY 2021
<b>LOCAL ELECTION AUTHORITIES</b>			
<u>Revenue</u> - Local Election Authorities - disbursement of fees from SOS	<u>\$0</u>	<u>\$0</u>	<u>\$666,830</u>
<b>NET EFFECT TO LOCAL ELECTION AUTHORITIES</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$666,830</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal changes laws regarding initiatives and referendums. In its main provisions the bill:

- (1) Requires the text of proposed initiatives to be in 12 point font with numbered pages;
- (2) Requires an initial \$500 filing fee for each referendum petition sample sheet with an additional \$10 fee for each page over a ten page limit;
- (3) Prohibits the use of referenda to modify or supersede federal law or regulation or to accomplish acts delegated to the state legislature by federal law or the Constitution of the United States;
- (4) Creates a petition signature verification fund to consist of monies from an \$.90 per signature collection fee for those petitions using paid circulators. The Secretary of State may use the funds for verification of signatures;
- (5) Increases the length limit of summary statements for ballot language from 50 to 150 words;
- (6) Authorizes the General Assembly to appropriate additional monies into the signature verification fund and to pay local election authorities for signature verification;
- (7) Authorizes the Secretary of State's office and the office of the Attorney General to reject petitions on the basis of noncompliance with the Constitution of the United States or the Constitution of Missouri; and

FISCAL DESCRIPTION (continued)

(8) Clarifies that court-ordered challenges to ballot titles invalidate signatures collected prior to the court order.


The proposal has a delayed effective date of November 7, 2018.

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  
Kansas City Election Board  
Office of Prosecution Services  
Office of the State Treasurer  
Department of Corrections  
Office of State Courts Administrator  
Office of the State Public Defender  
Missouri Senate  
Missouri House of Representatives  
Platte County Board of Elections  
Jackson County Board of Election Commissioners

Ross Strope



Acting Director  
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