

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5005-02
Bill No.: Perfected HCS for HB 1289
Subject: Constitutional Amendments; Elections
Type: Original
Date: April 18, 2018

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	(\$1,251,475)	(\$246,208)	(\$246,208)
Total Estimated Net Effect on General Revenue	(\$1,251,475)	(\$246,208)	(\$246,208)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Petition Publication Fund	\$25,500	\$31,500	(\$33,500)
Total Estimated Net Effect on <u>Other</u> State Funds	\$25,500	\$31,500	\$33,500

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume voter registrations will continue to be processed by the county local election authorities (LEA). Once processed, the eligibility will be dated to the date/time of registration submission/address change. Each voter would not be able to complete the electronic signature account process for initiative petitions until the county LEA has completed the registration validation.

This bill adds a fee related to initiative petitions. Each petition filed with the Secretary of State's Office 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.

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

ASSUMPTION (continued)

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

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.

Regarding the electronic signatures for voter registration applications (HA 1), SOS - ITSD estimates a cost for initial development in FY19 of \$1,251,475.20. This cost includes:

special considerations	\$147,000
Contractor	\$260,000
Security Consultant	\$129,600
2 App Development Consultants at \$216,000 each	\$432,000
Database Consultant	\$216,000, and
Security Verification Service	\$30,000.

It also includes \$36,208 for Server and Storage cost.

In FY20 and FY21 there is a cost of \$246,208, which includes \$180,000 for Contractor, \$30,000 for Security Verification Service, and \$36,208 for Server and Storage cost.

SOS assumes this costs would be paid from the General Revenue Fund.

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

Officials from the **Office of the State Treasurer, Office of State Courts Administrator, Department of Corrections,** and **Missouri Senate** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Office of the State Public Defender,** and **Missouri House of Representatives** each assumed the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials from the **Platte County Board of Elections** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Jackson County Board of Election Commissioners** assumed the proposal will have no fiscal impact on their respective organizations.

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

House Amendment 2

Oversight notes that House Amendment 2 eliminates the \$.90 per signature collection fee for petitions using paid circulators and the Signature Verification Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (8 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Cost</u> - SOS - ITSD Development and Maintenance for electronic signature database	<u>(\$1,251,475)</u>	<u>(\$246,208)</u>	<u>(\$246,208)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$1,251,475)</u>	<u>(\$246,208)</u>	<u>(\$246,208)</u>
PETITION PUBLICATION FUND			
<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>
ESTIMATED NET EFFECT ON PETITION PUBLICATION FUND	<u>\$25,500</u>	<u>\$31,500</u>	<u>(\$33,500)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (8 Mo.)	FY 2020	FY 2021
	<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

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

- (1) Requires the Secretary of State to establish a program that will accept electronic signatures for voter registration and name or address changes for voter registration applications,
- (2) Requires the text of proposed initiatives to be no smaller than 12 point font with numbered pages;
- (3) 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;
- (4) 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;
- (5) Increases the length limit of summary statements for ballot language from 50 to 150 words;
- (6) 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
- (7) Clarifies that court-ordered challenges to ballot titles invalidate signatures collected prior to the court order.

The proposal has an 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
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

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Acting Director
April 18, 2018