

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2340-04  
Bill No.: Perfected HCS for HJR Nos. 48, 46, & 47  
Subject: Constitutional Amendments; Ethics; Lobbying; General Assembly; Redistricting  
Type: Original  
Date: April 24, 2019

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Bill Summary: This proposal proposes a constitutional amendment relating to lobbyist gifts, redistricting, and the sunshine law.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	\$0 or (More than \$7,816,750)	\$0 or (\$3,885) to (\$80,631)	\$0 or (\$4,275) to (\$81,312)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (More than \$7,816,750)</b>	<b>\$0 or (\$3,885) to (\$80,631)</b>	<b>\$0 or (\$4,275) to (\$81,312)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 or 1 FTE</b>	<b>0 or 1 FTE</b>	<b>0 or 1 FTE</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Transfer out and transfer in net to zero.

## FISCAL ANALYSIS

### ASSUMPTION

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 \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

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. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

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 2020. 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 2020 and the next scheduled general election is in November 2020

ASSUMPTION (continued)

(FY 2021 for both). It is assumed the subject within this proposal could be on one of these ballots; 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 2020.

Officials from the **Missouri Ethics Commission** assume the proposal will have no fiscal impact on their organization. However, if the Commission receives a significant number of complaints relating to this provision, additional staff would be required to provide the proper oversight.

Officials from the **Office of State Courts Administrator** assume the proposal may have some fiscal impact on their organization but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials from the **State Auditor's Office, Office of the Governor, Missouri Senate, Office of Administration, Department of Labor and Industrial Relations, Missouri House of Representatives, and Office of Administration-Budget and Planning** each assume the proposal will have no fiscal impact on their organization.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

House Amendment 1

**Oversight** assumes House Amendment 1 will have no fiscal impact on local or state governments.

House Amendment 1 to House Amendment 1 (HA 1 to HA 1)

Officials from the **Office of Administration (OA) - ITSD** assume that OA will provide the support for the "Redistricting Public Comment Portal" website established for the bipartisan citizens commission, as currently, state demographic information is published on OA's website (oa.mo.gov) and Amendment 22H for HCS HJR 48, 46 & 47 does not specify a department or office. If the responsibility for establishing and maintaining the website would fall to another office, such as an office tied to the Missouri Legislature, and not OA, the estimated fiscal impact would shift from OA to that office.

**OA-ITSD** states services will be required at a cost of \$16,750 in FY 2020, \$3,885 in FY 2021, and \$4,275 in FY 2022 to implement these changes.

ASSUMPTION (continued)

**Oversight** notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed support the Redistricting Public Comment Portal. ITSD estimates the project would take 216 hours at a contract rate of \$75 per hour, \$250 for storage, and \$300 for security certificate for a total cost to the state of \$16,750 in FY 2020. There would be ongoing costs of \$3,885 in FY 2021 and \$4,275 in FY 2022. Oversight notes that an average salary for a current IT Specialist within ITSD is \$51,618, which totals roughly \$80,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill. Therefore, Oversight will range the fiscal impact from the ITSD estimated cost of contracting out the work (\$16,750) to hiring an additional FTE IT Specialist (roughly \$80,000 per year).

Oversight notes that the proposal is not clear to which department or office is responsible for establishing and maintaining the website. Therefore, Oversight will reflect a zero or cost estimates provided by OA-ITSD on the fiscal note.

House Amendment 3

**Oversight** assumes House Amendment 3 will have no fiscal impact on local or state governments.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs <b>if</b> a special election is called by the Governor	\$0 or (More than <u>\$7,800,000</u> )	<u>\$0</u>	<u>\$0</u>
<u>Cost</u> - OA - ITSD costs (ranged from contracting out programming (\$16,750) to hiring one additional FTE IT Specialist)	\$0 or (\$16,750) to <u>(\$66,632)</u>	\$0 or (\$3,885) to <u>(\$80,631)</u>	\$0 or (\$4,275) to <u>(\$81,312)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0 or (More than \$7,816,750)</u></b>	<b><u>\$0 or (\$3,885) to (\$80,631)</u></b>	<b><u>\$0 or (\$4,275) to (\$81,312)</u></b>
Estimated Net FTE Change for General Revenue	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than <u>\$7,800,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Costs</u> - Local Election Authorities - cost of a special election <b>if</b> called for by the Governor	\$0 or (More than <u>\$7,800,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</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

Upon voter approval, this proposed Constitutional amendment would change ethics provisions. In its main provisions, the amendment:

- (1) Prohibits lobbyist gifts to members of the General Assembly and removes a \$5.00 exemption allowing small gifts;
- (2) Creates an Independent Citizen Redistricting Commission for purposes of redistricting state House and Senate districts. Qualifications for membership on the commission and time limits for redistricting plans are specified in the amendment. The criteria for redistricting will continue to include equal population and contiguity. Communities of interest and political subdivision boundaries including cities and counties are included as criteria for consideration. Compliance with federal law concerning minority districts is also required. The bill also retains the current considerations of partisan fairness and competitiveness for redistricting, but does not require the use of any specific formula;
- (3) Retains a commission of six judges to choose a final map if the independent citizen commission cannot meet its specified deadline; and
- (4) Repeals current redistricting processes involving a nonpartisan state demographer.

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  
State Auditor's Office  
Office of Administration-Budget and Planning  
Office of Administration  
Department of Labor and Industrial Relations  
Missouri Ethics Commission  
Missouri Senate  
Missouri House of Representatives  
Office of the Governor  
Office of State Courts Administrator



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