

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (18-151)**

Subject

Initiative petition from Winston Apple regarding a proposed constitutional amendment to Article III. (Received February 1, 2017)

Date

February 21, 2017

Description

This proposal would amend Article III of the Missouri Constitution.

The amendment is to be voted on in November 2018.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**.

Assumptions

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they can absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no fiscal impact for their department.

Officials from the **Department of Higher Education** indicated this initiative petition would not have a fiscal impact on their department.

Officials from the **Department of Health and Senior Services** indicated no fiscal impact on their department.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** indicated this petition, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated no fiscal impact on their department.

Officials from the **Department of Revenue** indicated this petition will have no fiscal impact on their department.

Officials from the **Department of Public Safety** indicated they see no fiscal impact due to this initiative petition.

Officials from the **Department of Social Services** indicated there is no fiscal impact on their department.

Officials from the **Governor's office** indicated there should be no added costs or savings to their office.

Officials from the **Missouri House of Representatives** indicated reduces membership from 163 to 80. Would first affect FY 21 post the 11/2020 election. FY 21 savings is \$3,879,714 (1/2 year). Savings estimate is \$6,943,036 annually after that.

SAVINGS:

Member salary = $83 \times \$35,915 = \$2,980,945$

Member expense accounts = $83 \times \$8,400 = \$697,200$

Session mileage = 83×268 (ave weekly roundtrip mileage) $\times .37 \times 19$ (weeks of session) = \$156,375

Session per diem = $83 \times \$113.60 \times 70$ (days of session) = \$660,016

Legislative Assistant salary = $83 \times \$29,500 = \$2,448,500$.

Officials from the **Department of Conservation** indicated that no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Department of Transportation** indicated no fiscal impact.

Officials from the **Office of Administration** indicated this proposal amends Article III of the MO Constitution. It reduces the House of Representatives from 163 members to 80 members (five members from each of the 16 representative districts). Two legislative districts will be located in each congressional district. The Senate increases to 40 members (5 from each congressional district). Candidates will be listed on the general election ballot based on results of a primary election held for each party and there are allowances for others to be added to the ballot with a specific number of signatures. It also prescribes a methodology for determining the winners of elections based on a ranked-choice voting system. The amendment is effective January 1, 2019 for the November 2020 general election.

This should not impact their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated costs for their office will increase \$1,461,589 annually.

Officials from the **Secretary of State's office** indicated petition 2018-151 would change the composition of the General Assembly and institute a policy of ranked-choice voting to elect state representatives and senators. This would require all voting machines statewide to either be coded to accept ranked-choice voting (which may require reprogramming) or to be replaced with new machines which do allow ranked-choice voting.

As of the 2013 voting systems survey conducted by the Secretary of State's Office, local election authorities reported that they possessed 8,711 voting machines. The estimated cost for each new voting machine is \$5,000. The total cost to the state will vary

depending on the number of machines which are ready to accept ranked-choice votes or can be reprogrammed to do so. However, using total replacement of all machines as a maximum cost, ranked-choice voting may result in a total impact to general revenue ranging from \$0 up to \$43,555,000.

Additionally, their office 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. Their office 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. Through FY (fiscal year) 2013, the appropriation had 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 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation. In FY 2017 their office was appropriated \$2.6 million to publish the full text of the measures. In FY 2017, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$2.4 million to publish (an average of \$400,000 per issue). Their office 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, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will not have any significant impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from the **City of Kansas City** indicated this petition would have no fiscal impact on their city.

Officials from the **City of Raymore** indicated this petition would have no fiscal impact.

Officials from **Platte County Board of Elections** indicated they anticipate no fiscal impact.

The State Auditor's office did not receive a response from the **Department of Elementary and Secondary Education, Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau,**

the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kirksville**, the **City of Mexico**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Jackson County Election Board**, the **Clay County Board of Election Commissioners**.

Fiscal Note Summary

Legislative operating costs are estimated to decrease for state government by approximately \$5.4 million. This proposal could also result in necessary voting machine replacements statewide at an estimated unknown cost up to \$43.5 million.