

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (18-160)**

Subject

Initiative petition from Winston Apple regarding a proposed amendment to Chapters 130 and 143 of the Revised Statutes of Missouri. (Received February 6, 2017)

Date

February 27, 2017

Description

This proposal would amend Chapters 130 and 143 of the Revised Statutes of Missouri.

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**, and **Missouri Ethics Commission**.

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, their office 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 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 fiscal impact.

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

Officials from the **Department of Revenue** indicated the total estimated costs would be \$381,264 for fiscal year 2018, \$110,394 for fiscal year 2019, and \$111,328 for fiscal year 2020.

The petition specifically allows “corporations” to designate five dollars to the Missouri Elections Trust Fund.

This legislation reduces Total State Revenue by an unknown amount.

Section 143.990

This petition establishes a check-off for individuals and corporations that pay twenty-five dollars (\$25) or more, the ability to designate \$5.00 to the Missouri elections trust fund, \$10.00 if filing combined. For each donation to the trust fund Total State Revenue would be decreased by the same amount.

Administrative Impact:

The Department requires form and programming changes to personal and corporate tax systems.

Personal Tax:

Personal Tax requires two (2) Temporary Tax Employees for keying returns and one (1) Revenue Processing Technician I (Range 10, Step L) for processing returns.

Corporate Tax:

Corporate tax requires one (1) Revenue Processing Technician I (Range 10, Step L).

Integrated Tax System:

The Integrated Tax System requires an additional \$275,746 for programming costs associated with Personal and Corporate income tax systems. Additional first year equipment costs are estimated at \$14,292.

Officials from the **Department of Public Safety-Director's Office** indicated they see no fiscal impact due to this petition.

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

Officials from the **Governor's office** indicated this proposal requires the Governor to nominate the seven members of the Missouri Elections Trust Fund Commission. This can be completed by existing staff so there should be no added costs or savings to their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact to their office.

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:

The proposal enacts two new sections of law.

Section 130.230 creates the Missouri Elections Trust Fund to provide public financing for candidates who agree to meet certain conditions and limitations.

Section 143.990 allows individuals and corporations to designate five dollars of their taxes paid to be deposited in the Missouri Elections Trust Fund instead of into the General Revenue Fund. This will be a cost to general revenue of an unknown amount.

This proposal will have no impact on 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 no fiscal impact on their office.

Officials from the **Secretary of State's office** indicated 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 this proposal would have no impact on 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 their local government estimates the fiscal impact of the above-referenced constitutional amendment for fiscal years 2018, 2019 and 2020 to be as follows:

(reminder: 2018 will likely be a portion of a fiscal year, depending on effective date of amendment)

Revenues: (explain amount per fiscal year and source or reason for increase)

This constitutional amendment will have no fiscal impact on their city.

Savings: (explain amount per fiscal year, reason for savings and area where savings will occur)

This constitutional amendment will have no fiscal impact on their city.

Costs:(explain what type of costs will be incurred, amount per fiscal year and reason)

This constitutional amendment will have no fiscal impact on their city.

Losses:(explain why revenue losses would be expected and amount per fiscal year)

This constitutional amendment will have no fiscal impact on their city.

Officials from the **City of Raymore** indicated no fiscal impact.

Officials from the **Missouri Ethics Commission** indicated the proposed language does not have fiscal impact on their office.

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, and St. Louis Community College.**

Fiscal Note Summary

State government entities expect implementation costs of \$290,000 and annual costs of \$110,000. Also, an unknown amount of revenue will not be available for state General Revenue Fund spending. Local governmental entities expect no costs or savings from this proposal.