

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4779-06
Bill No.: HCS for SCS for SB 630
Subject: Elections
Type: Original
Date: April 30, 2014

Bill Summary: This proposal changes the laws regarding elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	Unknown to (\$40,398)	Unknown to (Up to \$37,536,356)	Unknown to (\$41,783)
Total Estimated Net Effect on General Revenue Fund	Unknown to (\$40,398)	Unknown to (Up to \$37,536,356)	Unknown to (\$41,783)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 12 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§94.902 Public Safety Sales Tax

Changes to this provision would authorize a public safety sales tax for the City of Liberty and City of North Kansas City.

In response to similar legislation filed this year, HB 1853, officials from the **Department of Revenue (DOR)** assumed this part of the proposal would authorize the City of North Kansas City to impose a sales tax for public safety purposes, upon voter approval. DOR officials provided an estimate of the IT cost to implement this proposal of \$1,092 based of 40 hours of programming to make changes to DOR systems.

DOR officials did not indicate any administrative cost to their organization to implement this proposal and **Oversight** assumes any administrative costs could be absorbed with existing resources.

Oversight assumes DOR is provided with core funding to handle a certain amount of computer programming activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

In response to similar legislation filed this year, HB 1853, officials from the **Office of Administration - Division of Budget and Planning (BAP)** assumed this proposal would not result in any additional costs or savings to their organization. This part of the proposal would allow voters in Liberty to approve a sales tax up to ½ of one percent to improve public safety of the city. According to reports from DOR, taxable sales in Liberty totaled \$377.9 million in 2013. Therefore BAP officials estimated this sales tax might generate $(\$377,900,000 \times .005) = \1.9 million (rounded) annually for the city.

The revenues collected would have no impact on General or Total State Revenues; however 1% would be retained in the General Revenue Fund to offset Department of Revenue collection costs. Therefore Total State Revenues could increase by \$19,000 if the sales tax is approved.

In response to similar legislation filed this year, HB 1853, officials from the **City of Liberty** assumed this would authorize the city to seek voter approval for a sales tax that could generate \$1.75 million per year in additional support for police and fire operations.

ASSUMPTION (continued)

In response to similar legislation filed this year, HB 1853, officials from the **Office of the Secretary of State** and the **Joint Committee on Administrative Rules** assumed this proposal would have no impact on their organizations.

Oversight received no other response to this proposal. Oversight notes the proposal would authorize certain cities to enact a public safety sales tax at a rate up to one-half percent, subject to voter approval. For fiscal note purposes, Oversight will include additional revenue for local governments from \$0 to Unknown. Oversight assumes the additional revenues would be spent for public safety purposes and will include additional cost for local governments from \$0 to Unknown. Oversight will also indicate additional revenue for the General Revenue Fund from \$0 to Unknown for the 1% collection charge.

§115.123 Presidential Primary moved to March

In response to similar legislation filed this year, HB 1902, officials at the **Office of the Secretary of State (SOS)** assumed this proposal changes the date of the Presidential Preference Primary to the second Tuesday after the first Monday in March of each presidential election year.

By moving the Presidential Preference Primary Election to the second Tuesday after the first Monday in March, this leaves approximately three weeks between the Presidential Primary and the general municipal election. Voting machines may need to be reprogrammed to accommodate the general municipal election. In the event that local election authorities do not have sufficient time to reprogram their voting machines, additional voting machines may need to be purchased. Because it is difficult to estimate the number of machines needed, the estimated costs are unknown but may be up to \$37,495,000.

For purposes of this fiscal note, it is unclear whether the funding for this proposal will be provided by the state or local governments.

Moving the election too close to the April Municipal election would cause the SOS to have to purchase additional voting systems for the local election authorities. **Oversight** will reflect the cost of the machines in the fiscal note as the estimate provided by SOS.

In response to similar legislation filed this year, HB 1902, officials at the **Platte County Board of Election Commission** assumed this would require the purchase of a separate voting system that would create a one-time cost of \$177,000. The current voting systems would already be in use for the April election making it necessary to purchase additional equipment.

ASSUMPTION (continued)

In response to similar legislation filed this year, HB 1902, officials at the **St. Louis County Board of Election Commission** assumed this proposal would add about \$500,000 to the election cycle costs. This would cover the additional costs of overtime, additional machines and logistical issues as we will be simultaneously performing two elections (March Presidential and April Municipal).

In response to similar legislation filed this year, HB 1902, officials at the **Jackson County Election Board (JCEB)** assumed they do not hold a March election. JCEB does however have a February primary for our largest entity Independence, MO along with our April General Municipal Election which could include 18 cities, 10 school districts, 8 fire districts and 11 water districts.

Currently JCEB does not have enough equipment to conduct back-to-back elections and follow current law on equipment loading and retention of votes. The purchase of additional equipment would need to take place in early 2015, to be prepared for the 2016 election dates this bill would require. Approximate cost of equipment for conduct of a March Presidential Primary would be \$2 million dollars for approximately 200 polls and providing a Precinct Ballot Counter, ADA device and laptops costs for our e-poll-books. It will also increase payroll costs. Part-timers would need to be hired for conduct three elections in three months.

In response to similar legislation filed this year, HB 1902, officials at the **Johnson County** assumed the cost of the Presidential Preference Primary would be the same, approximately \$45,000 to \$50,000 for Johnson County, regardless of whether the election is held in February or March. The issue is the actual day. This proposal would hold the election the third Tuesday after the first Monday in March. In 2016, the first Monday is March 7th. If I am calculating correctly, the third Tuesday after the first Monday is March 22nd. That would mean that we would have a Presidential Primary and a General Municipal election within two weeks of each other. Training and additional judges would be necessary. The impact for all of this is unknown.

Oversight assumes this proposal moves the election to the second Tuesday after the first Monday in March. In Fiscal Year 2016, the date of the next Presidential Primary would become March 15, 2016. Having this election too close to the April Municipal election would result in the need for additional voting systems.

ASSUMPTION (continued)

§115.124 Not having an Election

In response to similar legislation filed this year, SB 593, officials at the **Office of the Secretary of State** and the **St. Louis County Board of Election Commission** each assumed there was no fiscal impact to their respective organizations from this proposal.

In response to similar legislation filed this year, SB 593, officials at the **Platte County Board of Election Commission** assumed any cities, towns or villages calling for a non-election would have a savings of \$150 to \$8,000 per general election. However, they would have costs of \$200 to \$650 for the election legal notices.

In response to similar legislation filed this year, SB 593, officials at the **Kansas City Board of Election Commission** assumed the impact would be less than \$2,000 per election.

In response to a previous version of this proposal, officials at **Lawrence County** and **Lincoln County** each assumed there is no fiscal impact to their respective organizations from this proposal.

In response to the previous version of this proposal, officials at the **Jackson County Board of Election Commission** assumed the impact will be based on which part of their jurisdiction is not having the election. The amount for the legal publication would be \$500 to \$2,000 depending on which newspaper we would be required to utilize.

Oversight assumes this proposal requires political subdivisions that are not having an election to publish the names of the candidates that assume the responsibilities of the office in the newspaper. Oversight assumes this would fiscally impact local political subdivision by an unknown amount for the cost of the newspaper advertisement.

§§115.124 and 115.395 Military Voters

Officials at the **Jackson County Board of Election Commission, Kansas City Board of Election Commission, the Office of the Secretary of State, Platte County Board of Election Commission** and the **St. Louis County Board of Election Commission** each assume there is no fiscal impact to their respective organization from this proposal.

Officials at the **Clay County Board of Election Commission** and **Lincoln County** each assumed in response to the previous version of this proposal, that this proposal would not have a fiscal impact on their respective organizations.

ASSUMPTION (continued)

§115.342 Disqualification as a Candidate for back taxes

In response to similar legislation filed this year, HB 1525, officials at the **Department of Revenue (DOR)** assumed the legislation specifies that no person can be appointed to any public office if delinquent in state income tax, personal property tax, real estate tax, county or municipal taxes or user fees. Collections and Tax Assistance anticipates additional customer contacts on how to become compliant and seek additional payment plan requests. Collections and Tax Assistance requires one (1) Tax Collection Technician I for contact on the delinquent tax line and one (1) Revenue Processing Technician I for contacts to the field offices. Each technician requires CARES equipment and license. In total, DOR assumes a cost of approximately \$83,000 per year for these two FTE.

Oversight assumes that the individuals who are being appointed are already compliant with their taxes. A no tax letter is needed for these individuals and can be requested from the Revenue Processing Technician I position. Therefore, Oversight will reflect the cost for this position.

In response to similar legislation filed this year, HB 1525, officials at the **City of Columbia** assume an unknown fiscal impact from this proposal.

Oversight assumes that the only time officials are appointed to public office is when there is a vacancy in an unexpired term. Therefore, cities and counties would not have many appointees to check and could absorb the costs with existing resources. Oversight additionally assumes that those appointed to the position would be compliant in paying their taxes and therefore this would not generate any additional income.

In response to similar legislation filed this year, HB 1525, officials at the **State Tax Commission** and the **Office of the Secretary of State** each assumed no fiscal impact to their respective agencies from this part of the proposal.

In response to similar legislation filed this year, HB 1525, officials at the **St. Louis County Board of Election Commission, St. Louis County, the Kansas City Board of Election Commission, the City of Jefferson, the City of Kansas City, Lincoln County, the Platte County Board of Election Commission** and **Cole County** each assumed no fiscal impact to their respective organizations from this part of the proposal.

ASSUMPTION (continued)

§190.336 Recall provisions of emergency services board members

Oversight assumes the occurrence of a recall of an emergency services board member would occur infrequently. Oversight also assumes that if the recall process would progress to the point of being submitting to the voters of the district, that the election would occur on an already scheduled election date; therefore, additional costs would be nominal. With these assumptions, Oversight will assume this provision will not create a fiscal impact to local election authorities.

Bill as a Whole

Officials at the St. Louis City Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015	FY 2016	FY 2017
GENERAL REVENUE			
<u>Additional Revenue</u> - DOR -Collection charges for Public Safety Sales Tax §94.902	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> - Secretary of State - purchase of additional voting equipment §115.123	\$0	(Up to \$37,495,000)	\$0
<u>Costs</u> - Department of Revenue			
Personal Service	(\$21,987)	(\$26,648)	(\$26,914)
Fringe Benefits	(\$11,214)	(\$13,592)	(\$13,727)
Equipment and Expense	(\$7,197)	(\$1,116)	(\$1,142)
<u>Total Costs</u> - Department of Revenue	<u>(\$40,398)</u>	<u>(\$41,356)</u>	<u>(\$41,783)</u>
FTE Change - DOR §115.342	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	Unknown to <u>(\$40,398)</u>	Unknown to (Up to <u>\$37,536,356</u>)	Unknown to <u>(\$41,783)</u>
Estimated Net FTE Change for General Revenue Fund	1 FTE	1 FTE	1 FTE

FISCAL IMPACT - Local Government FY 2015 FY 2016 FY 2017

LOCAL POLITICAL SUBDIVISIONS

Additional Revenues - Local Political Subdivisions - public safety sales tax - §94.902 \$0 or Unknown \$0 or Unknown \$0 or Unknown

Cost - Local Political Subdivisions - Public safety programs §94.902 \$0 or (Unknown) \$0 or (Unknown) \$0 or (Unknown)

Cost - Local Political Subdivisions - newspaper ad §115.124 (Unknown) (Unknown) (Unknown)

ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISION FUNDS **(Unknown)** **(Unknown)** **(Unknown)**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill authorizes the City of Liberty and the City of North Kansas City to impose, upon voter approval, a sales tax of up to .5% solely for the purpose of improving the public safety of the city, including expenditures on equipment, salaries and benefits, and facilities for police, fire, and emergency medical providers.

This bill changes the presidential primary date from the first Tuesday after the first Monday in February to the second Tuesday after the first Monday in March.

Under current law, with the exception of municipal elections, nonpartisan elections in political subdivisions and special districts need not be held when the number of candidates who have filed is equal to the number of positions to be filled.

This act narrows the exception to municipal elections in cities towns and villages with 1,000 or fewer inhabitants. The governing body in those jurisdictions may pass an ordinance to forego such elections when the number of candidates who have filed is equal to the number of positions

FISCAL DESCRIPTION (continued)

to be filled. The passage of such an ordinance authorizes the jurisdiction to refrain from holding such elections for 6 years from its passage, at which time the jurisdiction is required to pass another such ordinance.

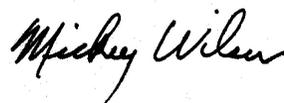
The act requires public notice to be published by the first of the month in which the election would have occurred containing the names of candidates that will be placed in office when the election is not held.

This bill specifies that a person cannot be appointed to any public office if he or she is delinquent in the payment of any state income taxes, personal property taxes, real property taxes on his or her place of residence, or any county or municipal taxes or user fees.

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

City of Columbia
City of Jefferson City
City of Liberty
Clay County Board of Election Commission
Cole County
Department of Revenue
Jackson County Board of Election Commission
Johnson County
Joint Committee on Administrative Rules
Kansas City Board of Election Commission
Lawrence County
Lincoln County
Office of Administration
 Division of Budget and Planning
Office of the Secretary of State
Platte County Board of Election Commission
State Tax Commission
St. Louis County
St. Louis County Board of Election Commission



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