

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5635H.03C
 Bill No.: HCS for HB 2895
 Subject: Elections; Federal - State Relations
 Type: Original
 Date: May 3, 2024

Bill Summary: This proposal modifies provisions related to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	FY 2028
General Revenue*	(\$8,074)	(\$19,766)	(\$30,241)	(Could exceed \$6,441,128)
Total Estimated Net Effect on General Revenue	(\$8,074)	(\$19,766)	(\$30,241)	(Could exceed \$6,441,128)

*Proportional costs of approximately \$6.4 million in March 2028 (FY 2028) for holding a Presidential Preference Primary Election plus DOC incarceration costs for tampering with an election official.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Sections 115.105, 115.123, 115.351, 115.776, 115.904 – Reinstating the Presidential Preference Primary (PPP)

Officials from the **Office of the Secretary of State (SOS)** state this bill would reinstate the presidential preference primary (PPP) election which was previously held in March of any presidential election year to the first Tuesday after the first Monday of April.

The estimated cost of a statewide election is up to \$8 million, based on the cost of the 2022 primary and general election reimbursements. However, due to the date coinciding with the municipal election, the state will share costs proportionally with all political subdivisions holding elections on that day. The SOS estimates that the state would bear anywhere from 50-80% of the overall cost depending on the number and placement of local elections. Assuming the overall cost of the election would be comparable to the \$8 million previously quoted, the state would be responsible for \$4 million to \$6.4 million in proportional cost shares in each presidential election fiscal year, beginning in FY28 (outside the three-year fiscal note cycle). However, it should be noted that this cost could rise since each jurisdiction will require an increased number of ballot styles to accommodate both the partisan presidential primary and their nonpartisan municipal races.

Oversight notes section 115.785 states “All costs of a presidential preference primary shall be paid by the state, except that, pursuant to section 115.065, costs shall be shared proportionately by the state and any political subdivisions and special districts holding an election on the same day as any such primary. For any county with more than five hundred polling places, the state shall assist in assuring adequate poll workers and equipment. Therefore, Oversight will reflect the potential proportional election cost for reimbursement to local political subdivisions in FY 2028.

In addition, the **Office of the Secretary of State** stated this bill would require the SOS to assist in assuring adequate poll workers and equipment for counties containing more than 500 polling places. For the most recent general election held in November 2022, no county claimed to operate more than 500 polling places. However, at least two counties did claim more than 500 precincts at that election, so there may be a potential cost if these counties were forced to open additional polling places. The scope of such potential cost is unknown.

Oversight notes there is no way to determine if particular counties will be operating more than 500 polling places. Therefore, Oversight will also reflect a \$0 to unknown cost to the state for the potential cost of poll workers and equipment for counties containing more than 500 polling places.

The **Office of the Secretary of State** also assumed many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could require additional resources.

In response to a previous version, HB 2895 (2024), officials from the **Platte County Board of Elections** assume the cost to hold a Presidential Preference Primary in 2020 was \$84,155.70. The cost to hold a future Presidential Preference Primary should be near but probably higher than the 2020 amount.

Officials from the **Greene County Clerk's Office** assume SOS' costs for March 2020 was \$192,162. The total cost of the March 2020 election was \$266,341. As the State does not pay for machine rental, poll pad rental, and other portions of election costs, the County costs were approximately \$74,178 for the machine rental, poll pad rental, a portion of clerk salary, a portion of ballot supplies. With the updated increased costs since 2020, a presidential preference primary will cost the State approximately 326,346.17 of allowable costs.

Officials from the **St. Louis City Board of Elections** state this proposal would cost \$500,000.

In response to a previous version, HB 2895 (2024), officials from the **St. Louis County Board of Elections** assumes the proposal will have no fiscal impact on their respective organization.

Oversight notes section 115.785 states all costs of a presidential preference primary shall be paid by the state and for any county with more than five hundred polling places, the state shall assist in assuring adequate poll workers and equipment. Therefore, the fiscal note will reflect the cost and reimbursement to local election authorities netting to zero.

Oversight will reflect an unknown cost to local election authorities for election expenses (machine rental, poll pad rental, a portion of clerk salary, and a portion of ballot supplies) not covered by state as mentioned above by the Greene County Clerk's Office.

Section 115.635 – Tampering with an Election Official

Officials from the **Department of Corrections (DOC)** state this proposal modifies provisions relating to elections. Section 115.635 is modified to include descriptions of offenses related to tampering with an election official. The penalty associated with these offenses is deemed a misdemeanor, unless actions result in death or bodily injury to an election official or their family, in which case the penalty is a class B felony.

As misdemeanors fall outside the purview of the Department of Corrections, they will not be analyzing their projected impact. Thus, as it relates to DOC, the intent of the bill is to create one new class B felony offense. As these are new crimes, there is little direct data on which to base an estimate, and as such, the department estimates an impact comparable to the creation of a new class B felony.

Given the seriousness of class B felony offenses and that the introduction of a completely new class B felony offense is a rare event, the department assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class B felony as their most serious sentence, have an average sentence length of 9.0 years and served, on average, 3.4 years in prison prior to first release. The department assumes one third of the remaining sentence length will be served in prison as a parole return, and the rest of the sentence will be served on supervision in the community.

The cumulative impact on the department is estimated to be 5 additional offenders in prison and 4 additional offenders on field supervision by FY 2033.

Change in prison admissions and probation openings with legislation-Class B Felony

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
New Admissions										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
Probation										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	0	0	0	0	0	0	0	0	0	0
Change (After Legislation - Current Law)										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations										
Cumulative Populations										
Prison	1	2	3	4	5	5	5	5	5	5
Parole						1	2	3	4	4
Probation										
Impact										
Prison Population	1	2	3	4	5	5	5	5	5	5
Field Population						1	2	3	4	4
Population Change	1	2	3	4	5	6	7	8	9	9

	# to prison	Cost per year	Total Costs for prison	Change in probation & parole officers	Total cost for probation and parole	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	1	(\$9,689)	(\$8,074)	0	\$0	0	(\$8,074)
Year 2	2	(\$9,689)	(\$19,766)	0	\$0	0	(\$19,766)
Year 3	3	(\$9,689)	(\$30,241)	0	\$0	0	(\$30,241)
Year 4	4	(\$9,689)	(\$41,128)	0	\$0	0	(\$41,128)
Year 5	5	(\$9,689)	(\$52,438)	0	\$0	0	(\$52,438)
Year 6	5	(\$9,689)	(\$53,487)	0	\$0	1	(\$53,487)
Year 7	5	(\$9,689)	(\$54,557)	0	\$0	2	(\$54,557)
Year 8	5	(\$9,689)	(\$55,648)	0	\$0	3	(\$55,648)
Year 9	5	(\$9,689)	(\$56,761)	0	\$0	4	(\$56,761)
Year 10	5	(\$9,689)	(\$57,896)	0	\$0	4	(\$57,896)

* If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is \$26.545 per day or an annual cost of \$9,689 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is \$99.90 per day or an annual cost of \$36,464 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

Oversight does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's impact for fiscal note purposes.

In response to a similar proposal, HCS HB 2140 (2024), officials from the **Missouri Highway Patrol**, the **Office of the State Public Defender** the **Office of the State Courts Administrator**, the **Jackson County Election Board**, the **Platte County Board of Elections**, and the **St. Louis County Board of Elections** each assumed the proposal would have no fiscal impact on their respective organizations for this proposal.

Oversight assumes this proposal will not create the number of new cases required to request additional FTE for the SPD and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However, if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

Officials from the **Department of Public Safety - Missouri Highway Patrol**, **Missouri Office of Prosecution Services** and the **St. Louis County Board of Elections** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other local election authorities and county clerks were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	FY 2028
GENERAL REVENUE FUND				
<u>Costs</u> – DOC §115.638 - Increased in incarceration costs	(\$8,074)	(\$19,766)	(\$30,241)	(\$41,128)
<u>Cost</u> - SOS §115.785 Reimbursement of local election authority election costs for PPP	\$0	\$0	\$0	(Could exceed \$6,400,000)
<u>Cost</u> – SOS §115.785 Additional poll workers and equipment	\$0	\$0	\$0	\$0 to (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(\$8,074)	(\$19,766)	(\$30,241)	(Could exceed \$6,441,128)

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	FY 2028
LOCAL POLITICAL SUBDIVISIONS				
<u>Revenue Gain</u> - Local Election Authorities - §115.785 reimbursement of election costs for PPP	\$0	\$0	\$0	Could exceed \$6,400,000
<u>Cost</u> - Local Election Authorities §115.785 - holding PPP election	\$0	\$0	\$0	(Could exceed \$6,400,000)
<u>Cost</u> – Local Election Authorities Election expenses not covered by State	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

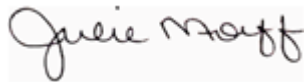
FISCAL DESCRIPTION

This proposal modifies provisions relating to elections, with penalty provisions.

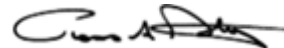
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Corrections
Missouri Office of Prosecution Services
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Greene County Clerk's Office



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