

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4038S.01I
 Bill No.: SJR 70
 Subject: Constitutional Amendments; General Assembly
 Type: Original
 Date: February 5, 2024

Bill Summary: Modifies composition of the House of Representatives and modifies term limits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2034)
General Revenue*	\$0 or (More than \$8,000,000)	\$0	\$0	\$0 or Up to \$9,614,094
Total Estimated Net Effect on General Revenue	\$0 or (More than \$8,000,000)	\$0	\$0	\$0 or Up to \$9,614,094

*The potential fiscal impact of “(More than \$8,000,000)” in FY 2025 would be realized only if a special election were called by the Governor to submit this joint resolution to voters. The savings for fiscal years starting with FY 2033 would only be realized if the joint resolution is approved by voters (reflected as “\$0 or”).

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2034)
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	Fully Implemented (FY 2034)
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	Fully Implemented (FY 2034)
Missouri House of Representatives*	0 FTE	0 FTE	0 FTE	0 or (61 FTE)
Legislative Assistants*	0 FTE	0 FTE	0 FTE	0 or (61 FTE)
Total Estimated Net Effect on FTE	0 FTE	0 FTE	0 FTE	0 or (122 FTE)

*The potential reduction of 61 House members plus a corresponding reduction of 61 House Legislative Assistants (if approved by voters).

- 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	Fully Implemented (FY 2034)
Local Government	\$0*	\$0	\$0	\$0

*The potential fiscal impact to local election authorities (reimbursed by the state) would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

FISCAL ANALYSIS

ASSUMPTION

Officials from **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, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$8 million based on the cost of the 2022 primary and general election reimbursements.

The Secretary of State's 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. 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.

For the FY25 petitions cycle, the SOS estimates publication costs at \$60,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

The Secretary of State's 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, the SOS reserves the right to request funding to meet the cost of the 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 2025. 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 general election is in November 2024 (FY 2025). It is assumed the subject within this proposal could be on this ballot; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2025.

Officials from the **Missouri Senate** assume no fiscal impact from the joint resolution.

Officials from the **Missouri House of Representatives (MHR)** state, if approved, this would reduce MHR membership to 102 Representatives starting with the Legislative Session in the middle of fiscal year 2033.

The first year impact would be an impact to only half of the fiscal year.
Impact FY2033 - \$3,503,668

Additional cost savings realized in FY2034 for the first full year of the change in membership
-\$2,603,111

For a total savings of \$6,106,779 (not counting fringe benefits) - all General Revenue.

Oversight assumes the following potential savings to General Revenue from a reduction in the Missouri House of Representatives of 61 members, along with a corresponding reduction of 61 Legislative Assistants. Oversight will range this potential savings from \$0 (joint resolution is defeated by voters) to a possible reduction of 122 FTE (61 MHR members as well as 61 Legislative Assistants) and a savings of approximately \$9,614,094. This change would begin in January 2033 (FY 2033). The first full fiscal year with this change would be FY 2034.

Member Salary: \$39,264 x 61	=	\$2,395,104
Member fringe benefits	=	\$1,844,549
Per Diems: \$132.80 x 76 days x 61	=	\$615,661
Mileage (avg.): \$3,320.68 x 61	=	\$202,561
Member Expense \$9,000 x 61	=	\$549,000
Legislative Assistant \$36,518 x 61	=	\$2,227,598
LA fringe benefits	=	<u>\$1,779,621</u>
TOTAL		\$9,614,094

Oversight notes there may be other indirect savings as well, including potentially fewer other staff needed with this sizable reduction in House members, and/or potential savings from capitol building improvements.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2034)
GENERAL REVENUE				
<u>Transfer Out - SOS - reimbursement of local election authority election costs if a special election is called by the Governor</u>	\$0 or (More than \$8,000,000)	\$0	\$0	\$0
<u>Savings – MHR – members reduced from 163 to 102 if approved by voters</u>	\$0	\$0	\$0	\$0 or \$9,614,094
FTE impact	0	0	0	Reduction of 122 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (More than \$8,000,000)	\$0	\$0	\$0 or \$9,614,094

*The potential fiscal impact of “(More than \$8,000,000)” in FY 2025 would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2034)
LOCAL POLITICAL SUBDIVISIONS				
<u>Transfer In - Local Election Authorities - reimbursement of election costs by the State for a special election</u>	\$0 or More than \$8,000,000	\$0	\$0	\$0
<u>Costs - Local Election Authorities - cost of a special election if called for by the Governor</u>	\$0 or (More than \$8,000,000)	\$0	\$0	\$0

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2034)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

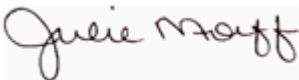
This constitutional amendment, if adopted by the voters, modifies provisions relating to the General Assembly.

Current law provides that the House of Representatives shall consist of 163 members. This act reduces that number to 102 and additionally requires that all House districts shall be wholly contained within a single senate district and no more than three house districts shall be contained within any single senate district created pursuant to section 7 of this article. These changes would take effect beginning in 2033.

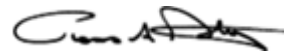
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
 Missouri House of Representatives
 Missouri Senate



Julie Morff
 Director
 February 5, 2024



Ross Strobe
 Assistant Director
 February 5, 2024