

**JBC STAFF FISCAL ANALYSIS  
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING INCREASED ACCOUNTABILITY REQUIREMENTS FOR SPECIAL DISTRICTS.

Prime Sponsors: Senator Carroll M.  
Representative Peniston

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**Summary of Amendments Made to the Bill After the 02/04/09 Legislative Council Staff Fiscal Note Was Prepared (Amended by the Senate State, Veterans & Military Affairs Committee 02/11/09)**

The Senate State, Veterans & Military Affairs Committee Report made the following changes to the bill:

- Adds clarifying language that special districts file a list of eligible electors with the county clerk and recorder in which the district is wholly or partially located or with the designated election official of the district;
- Changes the required submission date of the annual report to March 15 of each year;
- Requires the notice to eligible electors to include a statement providing options to request an application for permanent mail-in voter status;
- Adds the option to provide notice to eligible electors by mailing or electronic transmission if a special district is a member of a statewide association of special districts;
- Eliminates the requirement that the board of a special district must prepare an application for a five-year finding of reasonable diligence within 60 days of receiving a request signed by the lesser of 100 votes, or 1 percent of the eligible electors of the special district; and
- Clarifies a requirement that the purchase and sale of residential real property shall contain a disclosure statement and provides the required language.

None of the above amendments change the fiscal impact of the bill as delineated in the Legislative Council Staff Fiscal Note dated February 4, 2009. Legislative Council staff agrees with this assessment.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs       Does Not Concur       Updated Analysis

Amendments/Appropriation Status

The bill requires but does not contain an appropriation clause. Staff has drafted amendment **J.001** (attached) that inserts an appropriations clause into the bill. This clause appropriates \$13,675 General Fund and 0.2 FTE to the Department of Local Affairs for further allocation to the Division of Local Government, in FY 2009-10 to implement the bill. This clause is consistent with the estimated fiscal impact of the bill as delineated in the Legislative Council Staff Fiscal Note dated February 4, 2009.

Bill Sponsor Amendments

Staff is aware of the following four (4) sponsor amendments. Please note that if the Committee adopts one of the following sponsor amendments, only one, and not multiple sponsor amendments should be adopted due to conflicting requirements:

- Sponsor amendment **L.007** (attached) requires the Division of Local Government to post on its website election results on or after July 1, 2011. This amendment does not change the fiscal impact of the bill as delineated in the Legislative Council Staff Fiscal Note dated February 4, 2009. **If L.007 is adopted, J.001 should also be adopted.**
- Sponsor amendment **L.008** (attached) does not require the Division of Local Government to post election results *unless* the General Assembly makes a separate appropriation for this purpose in the Long Bill. This amendment does not change the fiscal impact of the bill as delineated in the Legislative Council Staff Fiscal Note dated February 4, 2009. *While the amendment does not require an appropriation clause in the bill, it does however require a commensurate appropriation presumably in the FY 2009-10 Long Bill.* **If L.008 is adopted, an appropriations clause is not required and J.001 should not be adopted.**
- Sponsor amendment **L.009** (attached) eliminates the requirement that the Division of Local Government post on its website election results. However, it requires the Division of Local Government to notify the Secretary of State of the election results and requires the Secretary of State to post the election results on the official website of the Department of State. This amendment also requires that an appropriation from the Department of State Cash Fund be made to the Department of State for the expenses of posting the election results.

It should be noted that the amendment does not clearly define in what format the special district election results will be transferred or made available to the public, nor does it delegate authority to an agency to make this determination. Further, due to the short time frame, the Department of State has provided an "informal" estimated fiscal impact of this amendment depending on whether the data is transmitted in paper format and is simply scanned and uploaded to the agency's website (\$6,939) or the data is received electronically, standardized, and presented in a searchable and comparable manner on its website (\$87,080). Given the disparity in cost between the two options provided by the Department of State as well as the disparity between the Department of State's estimated fiscal impact of the amendment and the estimated fiscal impact to the Department of Local Affairs (as delineated in the Legislative Council Staff Fiscal Note dated February 4, 2009), staff believes that the fiscal impact provided in the Legislative Council Staff Fiscal Note dated February 4, 2009, can be applied to either agency, with the exception that funding for the Department of State be funded with cash moneys.

Thus, L.009 is estimated to have a fiscal impact to the Department of State requiring \$13,675 cash funds from the Department of State Cash Fund and 0.2 FTE to post the election results on its website. Staff has drafted amendment **J.002** (attached) that inserts an appropriations clause into the bill. **If L.009 is adopted, J.002 should also be adopted.**

- Sponsor amendment **L.010** (attached) eliminates the requirement that the Division of Local Affairs post election results on its website, thereby eliminating the fiscal impact of the bill. **If L.010 is adopted, an appropriations clause is not required and neither J.001 or J.002 should be adopted.**

### **Point to Consider**

1. The general appropriations bill for FY 2009-10 has not yet been introduced. Legislative Council Staff is currently projecting that General Fund revenues will fall short of funding existing FY 2008-09 operating appropriations, and these appropriations will need to be reduced (or revenues increased) by \$632 million. Once these appropriation reductions are made, revenues will only be sufficient to support a \$29 million (0.4 percent) increase in General Fund operating appropriations in FY 2009-10. **If this bill remains unamended or if sponsor amendment L.007 is adopted, this bill would require \$13,675 General Fund for FY 2009-10, thereby limiting General Fund revenues available for other state operations.**