

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4947-06
Bill No.: SCS for SBs 1014 & 730
Subject: Secretary of State: Elections
Type: Original
Date: February 16, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	Less than (\$3,129,770)	Less than (\$2,403,206)	Less than (\$941,756)
Total Estimated Net Effect on General Revenue Fund	Less than (\$3,129,770)	Less than (\$2,403,206)	Less than (\$941,756)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 14 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of State Court Administrator** assume no fiscal impact on the Courts.

Officials of the **Department of Revenue (DOR)** assume this proposal would do the following:

Section 115.427.7 -

Requires DOR to issue a nondriver license and waive the fee required under subsection 7 of 302.181 to any applicant who signs an affidavit verifying they do not have any other form of photographic personal identification (nondriver license) that meets subsection 1, which basically requires the document to be issued by the United States or state of Missouri. In addition, DOR must design and provide the affidavit that is required.

Requires DOR to provide access to a mobile voter processing system to obtain the photograph and signature to produce the nondriver license for individuals that are physically unable to otherwise visit contract offices, because they are residents of facilities licensed under chapter 198, RSMo and they a physician statement to that affect.

The total cost for processing and issuing any nondriver license photo identification must be paid for by the state through an appropriation to the Department of Revenue.

Local election authorities may assist the department in issuing nondriver license photo identifications.

ASSUMPTION (continued)

ADMINISTRATIVE IMPACT

Constitutional Amendment 3 (2004) authorizes 3% of highway funds to be used to offset the actual cost to collect such funds by the Department of Revenue.

For purposes of this fiscal note, the Department of Revenue assumes all costs will be appropriated from the general revenue fund. Through the appropriations process, the general assembly may appropriate the constitutionally permissible Highway Fund amount to offset the General Revenue Fund cost shown in this fiscal note.

The department assumes that based on the language as written it would affect residents of facilities licensed under chapter 198 and any individual who does not otherwise now have a nondriver license.

41,536	Residents of facilities licensed under chapter 198 who are not likely to be physically able to ambulate to a polling site. (based on statistics from the Department of Health and Senior Services as of January 11, 2006)
<u>x 5%</u>	Estimated number of citizens who are eligible and may apply for a no cost nondriver license
2,077	Estimated annual nondriver licenses applicants

DOR assumes that field coordinators will provide mobile service to individuals that are physically unable to otherwise visit contract offices, because they are residents of facilities licensed under chapter 198, RSMo, who request a nondriver license photo identification and provide a physician's statement to such affect. Based on the estimated volume of applicants the department assumes that current staff levels will be sufficient to provide this service.

The department currently does not have mobile equipment to create a nondriver license; therefore, will incur costs for purchasing cameras and scanners to obtain the photographs and signatures required to produce the nondriver license. The photograph and signature will be electronically transmitted to the central office to create the nondriver license and to be mailed to the resident.

\$ 300	Sony Cyber-Shot 7.2MP
<u>x 14</u>	Field Coordinators
\$4,200	

ASSUMPTION (continued)

\$ 200	Scanners
x 14	Field Coordinators
\$2,800	

Based on the current language as written the number of individuals who currently do not have a photographic personal identification would now be eligible for one at no cost, in addition the current version (4947-06) language can still be interpreted to allow individuals who simply sign the affidavit even though they had or have an acceptable photographic personal identification to now obtain a nondriver at no cost.

The department used the Census for Missouri that showed 4,167,519 individuals 18 or older, then ran a program that indicates there are 3,998,304 individuals currently on the DOR system. Therefore, there are approximately 169,215 individuals who do not have a photographic personal identification:

138,063	Estimated number of individuals who do not currently have a photographic personal identification. (based on the census population of individuals 18 and older, compared to the driver license system = 169,215 AND minus 75% of the individuals previously shown that are residents under chapter 198 = $41,536 \times 75\% = 31,152$)
x 50%	Estimated number of individuals who will apply for a nondriver license. (based on a four average voter turnout for Missouri)

69,032 Potential nondriver license applicants first year of implementation only:

In addition, because the language allows a person to apply for a nondriver license to simply sign an affidavit indicating they do not have a photographic personal identification, applicants who apply for a new, renewal or duplicate nondriver license may do so at no cost.

88,989	Total number of nondriver (new, renewal, duplicate) transactions issued in 2005
x 25%	Estimated number of applicants that would utilize the affidavit indicating that they do not have any other form of photographic personal identification; therefore, would be eligible for a nondriver license at no fee
22,247	Estimated annual nondriver license applicants

ASSUMPTION (continued)

The department will also incur forms, envelopes and postage cost for printing the license and mailing the license to individuals who are not physically able to ambulate to a polling site. In addition, the department will incur costs for providing an affidavit to individuals applying for nondriver license (no cost).

FY07, FY08 & FY09

2,077
x \$.43 (\$.04 envelope & \$.39 postage, licensing material cost is shown in volume below)
\$ 893

FY07

93,356 Estimated number of applicants that will apply for a nondriver license
x \$1.86 Licensing material
\$173,642

FY08 & FY09

24,324 Estimated number of annual applicants that will apply for a nondriver license
x \$1.86 Licensing material
\$ 45,243

FY07

91,279 Estimated number of applicants that will require an affidavit
x \$.025 Affidavit
\$ 2,282

FY08 & FY09

22,247 Estimated number of applicants that will require an affidavit
x \$.025 Affidavit
\$ 556

REVENUE IMPACT

Because the language requires the nondriver license to be provided by the department to an applicant who signs an affidavit stating that they do not have any other form of photographic personal identification at no cost and because this version includes language that exempts the payment of the fee pursuant to 136.055 will re-imbursed to the contract office as indicated in section 115.427. 7, there will be a potential loss in revenue as indicated below.

RWB:LR:OD (12/02)

ASSUMPTION (continued)

FY07 (10 mos)

2,077	Annual applicants for nondriver license from a chapter 198 residents
69,032	Applicants that have never had a nondriver license the will only apply the first year of implementation
<u>+22,247</u>	Annual applicants for new, renewal or duplicate
93,356	Estimated nondriver license
x \$6	Nondriver license fee
\$560,136 /12 X 10 =	
\$466,780	Total potential revenue decrease

93,356	Estimated number of applicants that will apply for a nondriver license
x \$5.00	Contract office processing fee (majority of applicants apply for a 6-yr nondriver license)
\$ 466,780/12 x 10 =	
\$ 388,983	Total potential contract office processing fee decrease

FY08 & FY09

2,077	Annual applicants for nondriver license from a chapter 198 residents
<u>+ 22,247</u>	Annual applicants for new, renewal or duplicate
24,324	Estimated nondriver license
x \$6	Nondriver license fee
\$145,944	Total potential revenue decrease

24,324	Estimated number of annual applicants that will apply for a nondriver license
x \$5.00	Contract office processing fee (majority of applicants apply for a 6-yr nondriver license)
\$121,620	Total potential contract office processing fee decrease

Officials of the **Office of the Secretary of State** assume that:

Section 115.427 paragraph 6 of the bill requires the Secretary of State to provide notice of the personal ID requirements.

The Secretary of State's office will have to register voter registration solicitors.

ASSUMPTION (continued)

It will also be required by statute to investigate, report on, and possibly refer cases submitted as Help America Vote Act complaints.

10. Long-range implications.

In a number of places the bill takes current published rules and codifies them into statute. This approach can lead to inflexibility and the inability to respond to changing federal requirements and definitions for elections or election technology, changing technology approved by the ITA, and any other changing circumstances or issues.

Section 115.427 paragraph 6 of the bill requires the Secretary of State to provide notice of the personal ID requirements. The assumptions necessary for this include:

A quarter page ad through the MO Press Association run twice before each federal election - \$120,000 per run.

Mailings to 4.5 million Missourians to notify them of the new identification requirements.

Production of radio and TV public service announcements - \$1,240.

The bill requires that the Secretary of State print provisional ballots at an estimated cost of \$22,000.

The Secretary of State's office will have to register voter registration solicitors. Over one million voter registration cards were sent out and the number of participants/volunteers in voter registration drives is large so the number of solicitors would also be large. The cost to the office would be for half an FTE or equivalent dollars for temp agency costs to supply someone for data input - estimated at \$15,000.

The Secretary of State's office will also be required by statute to investigate, report on, and possibly refer cases submitted as Help America Vote Act complaints. The state has included similar language in our rules to be in compliance with HAVA. The Secretary of State's office received only a single complaint in 2004 but making this a statutory and visible requirement of law should be expected to increase the number of such complaints. The additional cost is unknown because it is not possible to estimate how many complaints might be received. However, former Sec. of State Blunt estimated the cost of this requirement when the rule was published in 2003 at \$8,500 calculated by assuming 25 grievances per year times 20 hours time spent on each grievance at \$17 per hour for the hourly rate of the employee handling the grievance.

ASSUMPTION (continued)

Many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$1,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Officials of the **Department of Corrections** This proposed legislation modifies laws relating election administration. The penalty provision component of the bill resulting in potential fiscal impact for the DOC, is for up to a class-one election offenses which is deemed a felony. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase in operational cost either through incarceration (FY05 average of \$39.13 per inmate, per day or an annual cost of \$14,282 per inmate) or through supervision provided by the Board of Probation and Parole (FY03 average of \$3.15 per offender, per day or an annual cost of \$1,150 per offender).

In summary, supervision by the DOC through probation or incarceration would result in additional unknown costs to the department. Eight (8) persons would have to be incarcerated per fiscal year to exceed \$100,000 annually. Due to the narrow scope of this new crime, it is assumed the impact would be less than \$100,000 per year for the DOC

Officials of the **Kansas City Board of Election Commission** assume the impact of the proposed legislation would be difficult to calculate due to an increase in administrative complexity. The weak link in any election chain is the poll worker or "Judge" of elections. The bill adds to the Judges' responsibilities, as well it increases steps in procedures for processing Provisional Ballots, the sheer number of which may greatly increase. The printing of additional provisional ballot, envelopes, etc. will be a cost item. It would be well in our jurisdiction to estimate perhaps \$1,000.00 for such an impact.

ASSUMPTION (continued)

Otherwise, it may be prudent to add poll-workers. They must be added in bi-partisan teams. At \$80 x2=\$160x200 polls, there could be as much as \$32,000.00 added to the cost of an August or November election.

One possible flaw in the bill: The photo ID requirement applies to all elections. Provisional ballots are only provided for in August and November elections currently. The expanded use of provisionals will increase the costs of school, municipal, and other special elections.

Officials of the **Laclede County Clerk's Office** assume costs in FY 2006 &2008 for additional Judges, advertisement costs, and other communication costs. Officials estimate election year costs of \$16,000.

Officials of the **Jackson County Board of Election Commission** assume they would have the following fiscal impact:

OFFICE EQUIPMENT:

Ten (10) lines at \$140.00/each month, per line = \$1,400.00 X twelve (12) months:
\$ 16,800.00

Ten (10) wire drops for computers: **\$ 2,500.00 ***

Ten (10) computers with monitor and keyboard: **\$ 14,500.00 ***

Cell phones for polls = 193 additional cell phones at \$13.00 each month =
\$2,509.00/month X twelve (12) months: **\$ 30,108.00**

PERSONNEL:

Training for ten (10) Election Clerks at \$25.00/each, per election = \$250.00/per election
X five (5) elections: **\$ 1,250.00**

Ten (10) Election Clerks at \$90.00/each, per election = \$900.00/per election X five (5)
elections: **\$ 4,500.00**

Two (2) extra Election Judge's, per poll location, plus cost of training; \$80.00/each
Election Judge, plus \$25.00/each for training. Two (2) Election Judge's X 300 polls = 600
Election Judge's. 600 Election Judge's at \$105.00/each, per election = \$63,000.00 X five (5)
elections: **\$315,000.00**

Ten (10) extra persons for verification board to process Provisional Ballots:

Ten (10) Clerks X \$90.00/each, per election = **\$900.00** Plus \$25.00/each for
training, per election = **\$250.00**

\$1,150.00/per day X five (5) days = \$5,750.00 X five (5) elections: **\$ 28,750.00**

ASSUMPTION (continued)

Notification to all registered voters that they need to bring a photo I.D. card to the polls for determination of eligibility = 225,000 voters X .24¢/each for postage: \$ **54,000.00**
 Processing of Notification Cards: \$ **2,000.00**

* **denotes a one time setup charge/fee.**

Jackson County Election officials estimate election cost of \$470,308 of which \$17,000 is one-time costs.

Oversight based upon local election authorities responses will show statewide costs to local government (election authorities) as a negative Unknown, and Oversight expects costs to exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
---	---------------------	---------	---------

GENERAL REVENUE FUND

Cost to Department of Revenue
for:

Equipment	(\$7,000)	\$0	\$0
Expense	(\$176,817)	(\$46,692)	(\$46,692)
Decrease in nondriver license fees & processing	<u>(\$855,763)</u>	<u>(\$267,564)</u>	<u>(\$267,564)</u>
Total Cost to Department of Revenue	(\$1,039,580)	(\$314,256)	(\$314,256)

Cost to Secretary of State
for:

Personal Service (.50 FTE Data Entry)	(\$15,000)	(\$15,000)	(\$15,000)
Expenses	<u>(\$1,975,190)</u>	<u>(\$1,973,950)</u>	<u>(\$512,500)</u>
Total Cost to Secretary of State	(\$1,990,190)	(\$1,988,950)	(\$527,500)

Cost to Department of Corrections
for incarceration/probation costs

<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>	<u>(Less than \$100,000)</u>
------------------------------	------------------------------	------------------------------

ESTIMATED NET EFFECT TO STATE GENERAL REVENUE FUND	<u>Less than</u> <u>(\$3,129,770)</u>	<u>Less than</u> <u>(\$2,403,206)</u>	<u>Less than</u> <u>(\$941,756)</u>
---	--	--	--

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
---	---------------------	---------	---------

**LOCAL GOVERNMENT ELECTION
AUTHORITIES**

<u>Cost</u> to Election Authorities for additional personnel, training, equipment, supplies, etc.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
---	------------------	------------------	------------------

ESTIMATED NET EFFECT TO LOCAL GOVERNMENT*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
--	------------------	------------------	------------------

*** Oversight, on a statewide basis, expects local government election costs to exceed \$100,000.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

Under current law, election authorities arrange registration cards in binders or authorize the creation of computer lists to document voter registration. This act requires election authorities to use the Missouri voter registration system to prepare a precinct register of legally registered voters for each precinct.

The act bars persons from compensating others for registering voters. Those who agree to or offer to submit a voter registration application for another person shall not knowingly destroy, deface, or conceal such an application and shall submit the application to the election authority within seven days of accepting the application. Those in violation of these provisions are guilty of a class four election offense.

Persons paid for soliciting more than ten voter registration applications, other than those paid by the government, must register with the Secretary of State as a voter registration solicitor. A solicitor must be eighteen years old, registered to vote in Missouri, and register for every election

cycle. Penalties for the failure to register are provided in the act.

DESCRIPTION (continued)

The act allows anyone who believes a violation of the Help America Vote Act has occurred, is occurring, or is about to occur may file a complaint with the elections division of the Secretary of State's office. Complaint requirements are established.

The act amends personal identification requirements to be shown to gain voter eligibility at polling places. The identification must be issued by the United States or the state of Missouri, include the individual's name and photograph, and must have not expired before the date of the most recent general election. Voters with physical or mental disabilities, handicaps or sincerely held religious beliefs who do not have sufficient identification are exempt from the requirement if they execute an affidavit stating such a sufficient reason. These individuals may cast a provisional ballot.

The act allows for issuing non-driver's licenses with photographic images to fulfill the identification requirement. The state of Missouri would pay all the legally required fees for applicants for non-driver's licenses. Persons residing in convalescent, nursing, and boarding homes would be issued a non-driver's license through a mobile processing system operated by the Department of Revenue at no cost.

Procedures to be followed to establish a voter's eligibility to vote at a polling place are established. Provisional ballots are allowed in some circumstances. Prior to counting provisional ballots, the election authority must determine if the voter is registered and eligible to vote, and the vote was properly cast. Procedures for this determination are included in the act.

Under the act, state courts shall not have jurisdiction to extend polling hours.

Procedures for inspecting ballot cards are established.

The act makes the engaging in any act of violence, destruction of property having a value of five hundred dollars or more, or threatened act of violence with the intent of denying a person's lawful right to participate in the election process, and knowingly providing false information about election procedures for the purpose of preventing someone from going to the polls, a class one election offense and a felony.

This act repeals provisions requiring election authorities to establish advance voting plans. This act also repeals current law allowing voters to appeal the removal of their name from voter registration records.

This act contains an emergency clause.

DESCRIPTION (continued)

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

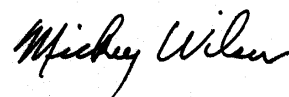
SOURCES OF INFORMATION

Office of Secretary of State
Office of State Courts Administrator
Department of Revenue - Motor Vehicle Division
Department of Corrections
Kansas City Board of Election Commission
Laclede County Clerk
Jackson County Board of Election Commission

NOT RESPONDING

Office of Attorney General

Oversight sent response request to St. Louis City and St. Louis County Board of Election Commissions, and to numerous County Clerks, with no response.



Mickey Wilson, CPA
Director

L.R. No. 4947-06
Bill No. SCS for SBs 1014 & 730
Page 14 of 14
February 16, 2006

February 16, 2006

RWB:LR:OD (12/02)