

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4292-02
Bill No.: SCS for SB 442
Subject: Elections; Secretary of State
Type: Original
Date: February 3, 2012

Bill Summary: This proposal establishes photo identification requirements for voting.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or Unknown to (Unknown greater than \$3,297,092)	\$0 or Unknown to (Unknown greater than \$2,030,602)	\$0 or Unknown to (Unknown greater than \$2,052,099)
Total Estimated Net Effect on General Revenue Fund	\$0 or Unknown to (Unknown greater than \$3,297,092)	\$0 or Unknown to (Unknown greater than \$2,030,602)	\$0 or Unknown to (Unknown greater than \$2,052,099)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Children's Trust Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Endowed Care Cemetery Audit Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
MO Public Health Service Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 13 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE
Total Estimated Net Effect on FTE	0 or 5 FTE	0 or 5 FTE	0 or 5 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 2013	FY 2014	FY 2015
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Section 115.427 Personal Id requirement to vote

Officials at the **Budget and Planning** assume the photo identification requirements will result in additional costs to General Revenue.

Officials at the **Department of Health and Senior Services** assume Section 115.427 of the proposed legislation requires voters to establish their identity and eligibility to vote by providing a form of personal identification to election officials. If an individual does not possess a valid form of personal identification, it may require them to obtain a copy of his/her certified birth certificate to acquire a driver's or non-driver's license. For individuals whose birth has not been recorded, it may cause them to apply for a delayed birth certificate. It is unknown and difficult to estimate the number that might be required to apply to the Bureau of Vital Records for these records.

The proposed legislation also requires the state to provide at least one form of identification required to vote at no cost to any qualified citizen who does not already possess such identification and desires to do so to vote. The proposed legislation does not appear to exempt the Department of Health and Senior Services from collecting the necessary fees for copies of certified birth certificates as set forth in Section 193.265.1, RSMo. The proposed legislation could result in an unknown increase in revenue to General Revenue, the Children's Trust Fund, the Endowed Care Cemetery Audit Fund, and the Missouri Public Health Service Fund. The proposed legislation could also result in an unknown impact to the Bureau of Vital Records to issue the increased demand for birth certificate records.

Officials at the **Department of Revenue (DOR)** assume for the purpose of the fiscal note all costs would be appropriated from the general revenue fund. DOR assumes the administrative impact of this proposal is as follows:

DOR assumes the nondriver license transaction fee and processing fee allowed under section 136.055 would be waived. The actual total cost of the nondriver identification (\$6.00) will be paid for by the state of Missouri which will need to be appropriated.

To determine an estimated number of potential applicants who may be eligible for a nondriver (photo identification) at no cost, the DOR compared the voter records on file with the Secretary of State to the current document holders on record with DOR. This comparison was completed in March 2009. According to the Secretary of State on January 6, 2012, the 2009 numbers have not statistically changed. The next major change is estimated to occur in 2013.

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ASSUMPTION (continued)

253,496	Estimated number of individuals registered to vote who do not have photo identification on file with the Department of Revenue as of March 2009.
<u>125,795</u>	Estimated number of individuals with an expired photo identification document on file with the Department of Revenue, who may need to obtain an updated nondriver license for voting purposes
379,291	Total estimated number of those who may be eligible for a nondriver license (photo identification) document at no cost.
x <u>50%</u>	Estimated number of individuals who would apply for a nondriver license for voting purposes (based on average voter turnout for Missouri (derived from 2006 information).
189,645	Potential nondriver license applicants in the first year of implementation FY 13
189,646	Remaining number of registered voters who may be eligible for a photo identification document after first year of implementation. Based on 2009 counts.
÷ <u>2</u>	
94,823	Estimated number of registered voters who may apply during subsequent fiscal years (FY2014 and FY2015).

In addition, because the language allows a person to apply for a nondriver license at no cost by signing an affidavit indicating they do not have a valid photographic identification document, applicants who have held a document previously and have lost it, allowed it to expire, or other reasons, may now obtain a nondriver license at no cost.

171,509	Total new, renewal and duplicate nondriver licenses issued in FY 2011
x <u>25%</u>	Estimated number of applicants with prior document on file that would utilize the affidavit for a new, renewal or duplicate nondriver license, indicating they do not have any other acceptable form of photographic identification for voting purposes, making them eligible for a nondriver license at no cost to the applicant.
42,877	Estimated annual nondriver license applicants with prior document on file.

Licensing Cost

FY 2013	
189,645	Potential nondriver license applicants first year of implementation FY2012
<u>42,877</u>	Estimated annual nondriver license applicants (previous document)
232,522	Total
x <u>\$2.23</u>	Per document vendor cost for licensing material
\$518,524	Total estimated vendor cost FY 2013 for licensing material

ASSUMPTION (continued)

FY 2014 and FY 2015

94,823	Estimated number of current registered voters who may apply during subsequent fiscal years FY 2013 and FY 2014
<u>42,877</u>	Estimated annual nondriver license applicants (previous document)
137,700	Total
x <u>\$2.23</u>	
\$307,071	Total estimated vendor cost FY 2014 and FY2015 for licensing material

Direct Public Inquiries

While the Secretary of State is responsible for notifying individuals of the requirement to obtain photo identification for voting purposes, it is assumed that the majority of inquiries would be directed to the DOR as the document issuing agency.

Estimating a 50% potential applicant inquiry, DOR assumes that approximately 116,262 (21,439 + 94,823) inquiries through the central office will be received during the first implementation year and approximately 68,851 (21,439 + 47,412) calls in subsequent years. To provide the best call-in service for Missouri citizens DOR will need to add 5 FTE to handle the additional telephone inquiries.

116,262	Total potential applicants/inquiries first year of implementation.
÷ <u>264</u>	Total days of service per annual period
440	
÷ <u>100</u>	Estimated # of calls expected per TIO
5	Estimated # of TIO's required to handle increased call volume FY 2013

Oversight has, for fiscal note purposes only, changed the starting salary for the Revenue Processing Technician I to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees over the last six months of FY 2010 and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Driver License Bureau (DLB)

The proposed changes will require:

- Drafting updates to web site information related to nondriver licenses for voting purposes.
- Updating office procedures.

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ASSUMPTION (continued)

Develop format for nondriver license for voting purposes affidavit.

Development of Missouri Electronic Driver License (MEDL) system change requirements documents to define changes to issuance periods for a no cost driver license or nondriver license for voting and completion of end-user testing by our internal staff. This will require overtime from existing staff in order to perform the testing. See below.

FY 13

Update Web Page - Administrative Analyst III	10 hrs @ \$22.00 = \$ 220
Develop Affidavit - Management Analysis Spec I	40 hrs @ \$20.00 = \$ 800
Develop Procedures - Management Analysis Spec I	40 hrs @ \$20.00 = <u>\$ 800</u>
	Total = \$1,820

Requirements and procedures development and end user testing by DLB:

Administrative Analyst -	160 hrs @ \$24.00(1 1/2) per hr = \$3,840
Management Analyst Specialist II -	240 hrs @ \$23.00 per hr = \$5,520
Revenue Band Manager -	40 hrs @ \$30.00 per hr = <u>\$1,200</u>
	Total = \$10,560

Officials at the **OA- Information Technology Services Division** assume DOR's response to a proposal similar to or identical to this one in a previous session indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's driver license legacy systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$1,060. The value of the level of effort is calculated by a Missouri Electronic Driver License CI (MEDL-CI) (State employee) at \$26.50 per hour for 40 hours.

Revenue Impact

Officials at the **DOR** assume the revenue impact of this proposal states "the total cost associated with nondriver's license photo identification under this subsection shall be borne by the state of Missouri from funds appropriated to the department of revenue for that specific purpose". This money would have to be appropriated to the Department for distribution to the license (fee) offices as required.

For purposes of this fiscal note the Department assumes this includes only the nondriver license (NDL) cost under Section 302.181 and the processing fee allowed under Section 136.055 for the license (fee) offices. Depending on the definition of 'total cost', the revenue impact could be

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ASSUMPTION (continued)

increased or decreased.

FY 2013

232,522	Total Estimated NDL applicants FY 2013
x \$6.00	Nondriver License Fee
\$1,395,132	Total estimated potential loss of revenue in FY 2013

FY 2014 and 2015

137,700	Total estimated NDL applicants FY 2014 and 2015
x \$6.00	Nondriver License Fee
\$826,200	Total estimated potential loss of revenue in FY 2014 and 2015

Fee Office Processing Fees to be reimbursed to contracted license offices

FY 2013

232,522	Total Estimated NDL applicants FY 2013
x \$5.00	Nondriver License Processing Fee
\$1,162,610	Total estimated potential loss of revenue in FY 2013

FY 2014 and 2015

137,700	Total estimated NDL applicants FY 2014 and 2015
x \$5.00	Nondriver License Processing Fee
\$688,500	Total estimated potential loss of revenue in FY 2014 and 2015

Officials at **Lawrence County** assume a \$300 per election mailing costs for mandated advertising.

Officials at the **Kansas City Board of Election Commission** assume there would be a one-time expense of approximately \$65,000. It would consist of \$35,000 for re-training the election day workers and \$30,000 to notify the public through the media.

Oversight assumes the notice required to be provided to citizens informing them of the personal id requirements to vote, is to be included in the election authority's notice they are already required to send. Therefore Oversight assumes that provision would have no fiscal impact.

Oversight assumes this proposal requires a vote of the people to become effective. Oversight assumes that election will be held in November 2012 at the next regularly scheduled general election and therefore the earliest elections affected by this proposal, if passed, are in FY 2013.

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ASSUMPTION (continued)

Oversight assumes that since the proposal requires the State to pay the legally required fees for a person to get a nondriver's license photo identification then general revenue will make the fee payments to the Highway Fund, Cities and Counties. Oversight is showing the cost of the nondriver's license fee as a cost to general revenue. The nondriver's license fee is split between the State Highway Fund, Cities and Counties.

Oversight assumes if this proposal should be approved by the voters of Missouri, certain state departments would realize fiscal impact. Therefore Oversight has shown the impact as "zero or Unknown".

Oversight assumes the proposal states that "the state shall provide at least one such form of the personal identification required to vote at no cost to any otherwise qualified citizen who does not already possess such identification and who desires the identification in order to vote."

Oversight assumes no cost to local governments from this proposal. The legislation specifically states that if no money is appropriated for the funding of the photo id requirement to vote that it shall not be enforced.

Section 115.427 Provisional Ballots

Officials at the **Office of the Secretary of State (SOS)** assume Missouri law requires the SOS to provide provisional ballots envelopes to election authorities. This bill will increase the number of elections in which provisional ballots are available and the number of provisional ballots that will be cast. Based on previous history SOS will require additional funding for printing provisional ballot envelopes per election, which totals \$9,800 per election.

The bill imposes new requirements on local election authorities relating to notifications, additional provisional ballots, training, affidavits and processes with regard to notifying and processing voters. These new state mandates must be funded as additional responsibilities under Article X, section 21 of the Missouri Constitution.

The bill is not limited to statewide elections and will affect every election. The cost per fiscal year will vary based on the number of elections held.

Officials at the **St. Louis County Board of Election Commission** assume it is impossible to estimate the number of people who will vote a provisional ballot due to a photo id requirement. It is estimated to take 3 man days to process each 100 provisional ballots. St. Louis County has 663,000 registered voters. If 1% of the ballots (6,630) voted a provisional ballot it would take

ASSUMPTION (continued)

198 man days and 19 employees to complete the process in the required 10 days. If 2 % of the ballots (13,260) voted a provisional ballot it would take 397 man days and 39 employees to complete the process in the required 10 days.

Officials at **Platte County Board of Election Commission** assume provisional ballot costs of \$950 in 2012; \$100 in 2013; and \$100 in 2014.

Officials at **Monroe County** submitted a response but did not indicate an impact.

Oversight assumes that the Office of the Secretary of State is required to pay for the provisional ballots and therefore the local election authorities would have no additional costs from this provision of this proposal.

Officials from the **Office of the Secretary of State (SOS)** state 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 \$2,500. 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 request funding through the appropriation process.

Officials at the following board of election commissions: St. Louis City Board of Election Commission, Clay County Board of Election Commission and the Jackson County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Barry, Bates, Boone, Buchanan, Butler, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Hickory, Holt, Jackson, Jasper, Jefferson, Johnson, Knox, Laclede, Lafayette, Lincoln, Marion, Miller, Moniteau, Montgomery, New Madrid, Nodaway, Ozark, Pemiscot, Perry, Phelps, Platte, Pulaski,

ASSUMPTION (continued)

Scott, St. Charles, St. Louis, St. Francois, Taney, Texas, Warren, and Webster did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Revenue</u> - Dept. of Health			
Birth certificate fees (115.427)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> - Dept of Revenue/OA-ITSD computer programming changes	\$0 or (\$1,060)	\$0	\$0
<u>Cost</u> - Dept of Revenue licensing materials	\$0 or (\$518,524)	\$0 or (\$307,071)	\$0 or (\$307,071)
<u>Cost</u> - Dept of Revenue reimbursement of the NDL fee paid to the Highway fund, Cities and counties that the State must pay	\$0 or (\$1,395,132)	\$0 or (\$826,200)	\$0 or (\$826,200)
<u>Cost</u> - revenue office processing fee reimbursement	\$0 or (\$1,162,610)	\$0 or (\$688,500)	\$0 or (\$688,500)
<u>Cost</u> - Dept of Revenue Personal Service	\$0 or (\$190,366)	\$0 or (\$112,777)	\$0 or (\$113,904)
Fringe Benefits	\$0 or (\$49,261)	\$0 or (\$59,704)	\$0 or (\$60,301)
Expense and Equipment	\$0 or (\$48,055)	\$0 or (\$6,950)	\$0 or (\$7,123)
<u>Total Cost</u> - Dept of Revenue	\$0 or (\$190,366)	\$0 or (\$179,431)	\$0 or (\$181,328)
FTE Change - DOR	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE
<u>Cost</u> - Secretary of State Provisional ballots (115.430)	(\$29,400)	(\$29,400)	(\$49,000)

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE**

	<u><u>\$0 or Unknown</u></u> <u>to (Unknown</u> <u>greater than</u> <u>\$3,297,092)</u>	<u><u>\$0 or Unknown</u></u> <u>to (Unknown</u> <u>greater than</u> <u>\$2,030,602)</u>	<u><u>\$0 or Unknown</u></u> <u>to (Unknown</u> <u>greater than</u> <u>\$2,052,099)</u>
Estimated Net FTE Change on General Revenue	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE

CHILDREN'S TRUST FUND

<u>Revenue</u> - Dept. of Health Birth certificate fees (115.427)	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**ESTIMATED NET EFFECT ON
 CHILDREN'S TRUST FUND**

\$0 \$0 or Unknown \$0 or Unknown

**ENDOWED CARE CEMETERY
 AUDIT FUND**

<u>Revenue</u> - Dept. of Health Birth certificate fees (115.427)	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**ESTIMATED NET EFFECT ON
 ENDOWED CARE CEMETERY
 AUDIT FUND**

\$0 \$0 or Unknown \$0 or Unknown

**MISSOURI PUBLIC HEALTH
 SERVICE FUND**

<u>Revenue</u> - Dept. of Health Birth certificate fees (115.427)	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**ESTIMATED NET EFFECT ON
 MISSOURI PUBLIC HEALTH
 SERVICE FUND**

\$0 \$0 or Unknown \$0 or Unknown

FISCAL IMPACT - Local Government

FY 2013
(10 Mo.)

FY 2014

FY 2015

**LOCAL PUBLIC HEALTH
DEPARTMENT FUNDS**

Revenue - Dept of Health

Birth certificate fees

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

**ESTIMATED NET EFFECT ON
LOCAL PUBLIC HEALTH
DEPARTMENT FUNDS**

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The act establishes identification requirements for voting. Voters shall produce a non-expired Missouri driver's license; a non-expired or non-expiring Missouri nondriver's license; any identification containing a photograph issued by the Missouri National Guard, the United States armed forces, or the United States Department of Veterans Affairs; or a document issued by the United States or the state of Missouri containing the name of the voter which substantially conforms to the most recent signature in the individual's voter registration records, a photograph, and an expiration date or if expired, the expiration is after the date of the most recent general election.

The state shall provide at least one form of identification required to vote at no cost to the voter. All costs incurred by the election authority associated with implementing the new identification requirements shall be reimbursed from the general revenue upon appropriation.

The election authority shall provide advance notice of the identification requirements to be included in the election authorities elections notices.

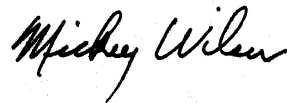
The act requires that provisional ballots be available for all elections except for absentee voting.

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

JH:LR:OD

SOURCES OF INFORMATION

Budget and Planning
Department of Health and Senior Services
Department of Revenue
Kansas City Board of Election Commission
Lawrence County
Monroe County
Office of the Secretary of State
Platte County Board of Election Commission
St. Louis County Board of Election Commission

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 3, 2012