

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1001-01
Bill No.: SJR 5
Subject: Elections; Secretary of State
Type: Original
Date: January 30, 2015

Bill Summary: This proposal allows for photographic identification for voting.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|---|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| General Revenue | \$0 or (More than \$7,100,000) | \$0 | \$0 |
| Total Estimated Net Effect on General Revenue | \$0 or (More than \$7,100,000) | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| Local Government* | \$0 | \$0 | \$0 |

*Transfer Ins and Costs net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assume implementation of these new identification provisions would require the state's election authority (the Secretary of State) and/or local election authorities to provide advance notice of the personal identification documents required to vote.

SOS assumes that prior joint resolutions concerning elections and photo identification have been paired with companion legislation detailing statutory amendments. Thus, for purposes of this fiscal note, the following costs assume that both the joint resolution and any companion statutory changes are passed.

For fiscal year 2017 advance notice advertisements will be provided upon approval by the voters of the constitutional amendment and enactment of implementing legislation and prior to the April 2017 election. For fiscal year 2018 advance notice advertisements will be provided to voters prior to the February and April 2018 elections. For fiscal year 2019 advance notice advertisements will be provided to voters prior to the August 2018 and November 2018 elections. For all subsequent years advance notice advertisements will be provided to voters prior to each federal primary and general election.

Assumptions include:

| | |
|--|------------------|
| Production of radio and TV public service announcements- | \$2,000 |
| Print ad to run twice before an election- | \$203,284 |
| Cable television ad to run twice everyday for eight weeks- | \$299,472 |
| TV and Radio ad to run through broadcast media- | <u>\$497,311</u> |
| Total- | \$1,002,067 |

Upon enactment of implementing legislation, the SOS will send a mailer to all registered voters to notify them of the new identification requirements at a cost of \$2,003,628. A similar mailer will be sent before the 2018 Primary Election. For all other elections, the Secretary of State's office will send mailings to newly registered voters prior to each election. Based on the estimated 355,007 newly registered voters in 2014, this mailer could cost \$173,953.

Mailing to all registered voters:

4,089,038 registered voters x \$0.49 postage, printing and processing= \$2,003,628.

Mailing to newly registered voters prior to each election:

355,007 new registered voters x \$0.49 postage, printing and processing = \$173,953.

ASSUMPTION (continued)

Implementation of this measure's provisions imposes new requirements on election authorities in notifications, additional provisional ballots, trainings, affidavits and processes with regard to notifying and processing voters. Whether the notice requirements fall on SOS or local election authorities, it will be necessary for SOS to request appropriation for these costs. Section 115.430 RSMo requires SOS to provide provisional ballot envelopes to local election authorities. This proposal and any companion joint resolution 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 in the amount of \$9,800 per election.

Furthermore, any new state mandates must be funded as additional responsibilities under Article X, section 21 of the Missouri Constitution.

The new photo identification requirements are not limited to statewide elections but will affect every election. The cost per fiscal year will vary based on the number of elections held. In addition to the general municipal election each April and the primary and general elections in August and November of even numbered years, there are additional days available for public elections in February, March and in August and November of odd numbered years, which are used only as needed.

Oversight notes that SOS's response includes administrative costs that would require the passage of enabling legislation in order to implement the provisions of photo id. Those administrative costs will not be reflected in this fiscal note, but would be included in a fiscal note regarding how photo id would be implemented.

For any joint resolution(s) intended to be paired with this bill, SOS 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. 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. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. Through FY 2013, the appropriation had historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated

ASSUMPTION (continued)

appropriation and SOS was appropriated \$1.19 million to publish the full text of the measures. Due to this reduced funding, SOS reduced the scope of the publication of these measures. In FY 2015, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). Despite the FY 2015 reduction, SOS 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, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

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 \$7.1 million based on the cost of the 2012 Presidential Preference Primary and a cost determined by Legislative Oversight.

Additionally, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislation session. The fiscal impact to the Administrative Rules Division for SOS for this requirement is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, 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 our office can sustain with our core budget. Therefore, 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 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 2016. 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 primary election is in August 2016 and the next scheduled general election is in November 2016 (FY 2017). It is assumed the subject within this proposal could be on one of those ballots; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2016.

ASSUMPTION (continued)

Officials at the **Office of Administration's Division of Budget and Planning** defers to the Office of the Secretary of State for potential special election costs.

Officials at the **Department of Revenue** the **Department of Health and Senior Services** each assume no fiscal impact from this proposal to their respective organizations.

| <u>FISCAL IMPACT - State Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
|---|--|-------------------|-------------------|
| GENERAL REVENUE | | | |
| <u>Transfer Out</u> - Secretary of State - reimbursement of local election authority election costs if a special election is called by the Governor | \$0 or (More than <u>\$7,100,000</u>) | <u>\$0</u> | <u>\$0</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | \$0 or (More than <u>\$7,100,000</u>) | <u>\$0</u> | <u>\$0</u> |
| | | | |
| <u>FISCAL IMPACT - Local Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
| LOCAL ELECTION AUTHORITIES FUNDS | | | |
| <u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election | \$0 or More than \$7,100,000 | \$0 | \$0 |
| <u>Costs</u> - Local Election Authorities - cost of a special election | \$0 or (More than <u>\$7,100,000</u>) | <u>\$0</u> | <u>\$0</u> |
| ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES FUNDS | <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.

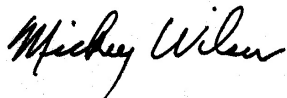
FISCAL DESCRIPTION

Upon voter approval, this constitutional amendment provides that a voter seeking to vote in person may be required by general law to identify himself or herself as a United States citizen and a resident of the state by providing valid, government-issued photo identification. Exceptions may be provided for by general law.

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
Office of Administration's Division of Budget and Planning
Department of Revenue
Department of Health and Senior Services



Mickey Wilson, CPA
Director
January 30, 2015

Ross Strobe
Assistant Director
January 30, 2015