

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1229S.02I  
Bill No.: SB 282  
Subject: Elections  
Type: Original  
Date: February 23, 2021

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Bill Summary: This proposal modifies provisions relating to elections.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
General Revenue	\$0 to (Less than \$100,000)	\$0 to (Less than \$100,000)	\$0 to (Less than \$100,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (Less than \$100,000)</b>	<b>\$0 to (Less than \$100,000)</b>	<b>\$0 to (Less than \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume 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 \$5,000. 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 require additional resources.

**Oversight** notes there could be a potential increase in absentee ballots if this proposal were to be enacted. There may be additional mailing expense for returned voted ballot postage that will be charged to the State of Missouri. In response to similar legislation, SB 657 (2020), the **SOS** stated there may be an increase, but the SOS is not able to quantify it beyond an "unknown." Oversight assumes the cost will not be material, and will reflect a zero to a (Less than \$100,000) annual fiscal impact to the State of Missouri.

In response to similar legislation, HB 334 from 2021, officials from the **Department of Revenue (DOR)** stated:

#### §115.427.2(1)

The proposed change removes the language requiring the individual to sign a statement certifying the individual has no other form of personal identification that meets the current requirements of §115.427.2(1) when applying for a Nondriver identification card for voting transactions.

### Administrative Impact

Currently the Department is required to have the individual who is applying for a Nondriver license for voting purposes, sign a statement at time of application, certifying under penalty of perjury that they have no other form of personal identification that would meet the current requirements of §115.427.2(1).

To implement the proposed change, the Department would be required to:

- Update policies, procedures, and the Uniform License Issuance Manual (ULIM);
- Update forms, manuals, and the Department website;
- Complete business requirements and design documents to modify the Missouri Electronic Driver License (MEDL) issuance system;
- Complete programming and user acceptance testing of the Missouri Electronic Driver License (MEDL) issuance system;
- Train staff.

FY 2022 - Driver License Bureau

Research/Data Assistant	260hrs. @ \$15.98 per hr.	= \$4,155
Research/Data Analyst	280hrs. @ \$23.82 per hr.	= \$6,670
Administrative Manager	40 hrs. @ \$22.24 per hr.	= \$ 890
Total		\$11,715

FY 2022 - Personnel Services Bureau

Associate Research/Data Analyst	20 hrs. @ \$19.09 per hr.	= \$382
Associate Research/Data Analyst	10 hrs. @ \$19.09 per hr.	= \$191
Total		\$573

Total Costs \$12,288

**Revenue Impact**

Currently persons who hold an acceptable identification for voting are not allowed the no-cost nondriver identification for voting since they cannot complete the required affidavit statement. The removal of this limitation may allow persons who already have a valid driver license or other eligible document to apply for the no-cost nondriver for voting. The Department reflects an office denial count for one office YTD in 2020, of 1,025 persons. This amount is significantly higher than normal, with the same office only showing 3 denials in CY 2019 for free nondriver license transaction due to the applicant already having a valid driver license or other eligible document on file. Statewide, this would calculate to an estimated 546 denials. For the purpose of this fiscal note, the Department will use CY 2019 to calculate the impact.

The estimated loss of revenue below reflects the office transaction fee and office processing fee since currently the offices are reimbursed for processing fees related to no fee nondriver for voting transactions not collected at the time of issuance.

NDL Transaction Fee = \$6.00 x 546=	\$ 3,276
Office Processing Fee = \$12.00 x 546=	<u>\$ 6,552</u>
<b>Total Loss of State General Revenue FY 23, FY 24 and on-going</b>	<b>\$ 9,828</b>

Vendor per card cost including postage for NDL  $\$2.4018 \times 546 = \$1,311$  annually FY 23, 24 and on-going.

**This impact could potentially increase on election years when more citizens will utilize the provisions.**

**Oversight** notes that IT costs according to **DOR** are contracted at \$95 per hour. This proposal would result in \$2,873 (30.24 hours x \$95) in FY 2022.

\*\*Oversight notes that there may be a potential increase in loss of revenue during an election year when more citizens will utilize the provisions. According to DOR, the denial count for 1 out of 182 offices was 1,025 persons YTD in 2020 (Presidential Election Year). The loss of revenue is reflected below for that office:

NDL Transaction Fee = $\$6.00 \times 1,025 =$	\$ 6,150
Office Processing Fee = $\$12.00 \times 1,025 =$	<u>\$12,300</u>
<b>Total Loss of State General Revenue FY 23, FY 24 and on-going</b>	<b>\$18,450</b>

Assuming that all 182 offices had the same denial counts, the total loss of revenue would be \$3,357,900 (18,450 x 182). DOR noted that this amount is significantly higher than normal.

Vendor per card cost including postage for NDL  $\$2.4018 \times 1,025 = \$2,461.85$  annually FY 23, 24 and on-going.

**Oversight** assumes that Department of Revenue will be able to accomplish the requirements of the proposal with existing resources; however, during presidential election years, the cumulative impact may require additional appropriations.

In response to similar legislation, HB 334 from 2021, officials from the **Kansas City Election Board** assumed there would need to be additional training for staff and Election Day workers at a cost of \$35,000 (1000 workers @\$35). Also, printing costs of \$5,000 would be needed for a total of \$40,000 if this legislation becomes law.

In response to similar legislation, HB 412 from 2021, officials from the **Kansas City Election Board** assumed the fiscal impact of this proposal would be to hire 2 new permanent employees at \$40,000 each including benefits (2 x \$40,000 = \$80,000). Postage and printing per election would increase \$10,000 to handle the increased volume of absentee voters. Legal notices to notify the public about changes to absentee voting would be \$5,000.

In response to similar legislation, SB 657 (2020), officials from the **Jackson County Election Board** anticipated a 30% increase in mail outs within their jurisdictional boundaries if the proposal should pass. Jackson County Election Board has 250,000 who could qualify under this proposal.

Using Presidential Year 2016 as a guide, the increase in postage costs would be:

March Mail Outs	1,996	30% increase (599) x .70 cents =	\$419.30
April Mail Outs	918	30% increase (276) x .70 cents =	\$193.20
August Mail Outs	1,915	30% increase (575) x .70 cents =	\$402.50
November Mail Outs	11,025	30% increase (3,308) x .70 cents =	<u>\$2,315.60</u>
		<b>Total Postage</b>	<b>\$3,330.60</b>

Additional part-time help to assemble additional mail-outs of absentee ballots:

\$12.00 per hour x 10 minutes per additional mail-outs (6 per hour) 793 hours = \$9,516.00

Reprinting of absentee ballot envelopes and instructions: = \$6,500.00

**Total Fiscal Note for Jackson County Election Board = \$19,346.60**

Officials from **the Platte County Board of Elections, Boone County Clerk's Office, and St. Louis County Board of Elections** each assume the proposal will have no fiscal impact on their organizations.

**Oversight** notes there could be additional training costs in FY 2022, as estimated by the Kansas City Election Board. Therefore, Oversight will assume an unknown potential cost to local election authorities in FY 2022. Oversight will assume local election authorities will not incur a material additional cost beyond FY 2022 from this proposal.

**Oversight** notes there could be an increase in absentee ballots if this proposal were to be enacted. We are unable to determine how many additional individuals will cast an absentee ballot; therefore, Oversight will reflect an unknown fiscal impact for the additional cost to local election authorities.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other local election authorities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>GENERAL REVENUE FUND</b>			
<u>Cost - SOS - returned ballot postage</u>	\$0 to (Less than <u>\$100,000</u> )	\$0 to (Less than <u>\$100,000</u> )	\$0 to (Less than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>\$0 to (Less than <u>\$100,000</u>)</b>	<b>\$0 to (Less than <u>\$100,000</u>)</b>	<b>\$0 to (Less than <u>\$100,000</u>)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>LOCAL ELECTION AUTHORITIES</b>			
<u>Cost - processing additional absentee ballots</u>	(Unknown)	(Unknown)	(Unknown)
<u>Cost - additional training of election day judges</u>	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act modifies various provisions relating to elections.

Under current law, any person seeking to cast an absentee ballot must provide an excuse. This act provides that any person may cast an absentee ballot in person at a place determined by the election authority without stating a reason.

The act repeals a provision of law that expired in 2020 allowing for mail-in voting.

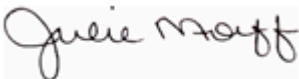
The act also modifies provisions governing forms of identification required to vote. Under current law, any person seeking to vote in a public election must provide a certain form of identification, provided that any person lacking such identification can vote without such a form of identification through the execution of a statement under the penalty of perjury averring, among other things, that the person is who they say they are. This act repeals the provision allowing persons to vote through execution of the statement under penalty of perjury. The act additionally creates new provisions governing the use of provisional ballots in the case of persons who do not possess the proper form of identification in order to vote.

The act repeals a provision requiring the Secretary of State to provide advance notice of the identification requirements for voting in elections as well as a provision requiring all costs associated with the implementation of the voter identification law to be reimbursed from the general revenue by an appropriation for that purpose.

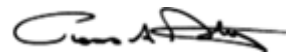
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Office of the Secretary of State  
Department of Revenue  
Platte County Board of Elections  
Kansas City Election Board  
St. Louis County Board of Elections  
Boone County Clerk's Office  
Jackson County Election Board



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