

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1229S.04C
 Bill No.: SCS for SB 282
 Subject: Attorney General; County Officials; Elections; Secretary of State
 Type: Original
 Date: March 7, 2021

Bill Summary: This proposal modifies provision relating to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	\$0	\$0	More than \$7,000,000
Total Estimated Net Effect on General Revenue	\$0	\$0	More than \$7,000,000

*Savings of approximately \$7 million in March 2024 (FY 2024) for not holding a Presidential Preference Primary Election (§115.123.2 & §115.785)

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

Numbers within parentheses: () indicate costs or losses.

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

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

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume this bill removes the requirement to hold a Presidential Preference Primary Election (PPP) every four years. As a result, the State of Missouri would no longer be obligated to pay the costs of such an election.

The payment of election costs is subject to appropriation by the General Assembly. However, if we assume that the Presidential Preference Primary were to be fully appropriated as it has been in years past, we anticipate a cost savings to the state of approximately \$7 million, based on actual expenditures from the 2020 Presidential Preference Primary. Such savings would next occur in FY 2024 as a result of not holding the presidential preference primary in March 2024.

Oversight has reflected, in this fiscal note, the state saving due to removing the requirement to hold a PPP. The next scheduled Presidential Preference Primary election is March 2024 (FY24). Therefore, Oversight will reflect a potential election cost savings for reimbursement to local political subdivisions in FY 2024.

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.

Officials from the **Department of Revenue (DOR)** stated:

§115.427.4(3)

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 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 the 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 and MEDL central application;
- 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

The Department anticipates being able to absorb this administrative impact. If multiple bills are passed that require Department resources, funding may be requested through the appropriations process.

Revenue Impact

Currently persons who hold an acceptable identification for voting are not allowed the no cost nondriver 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>
Total Loss of State General Revenue FY 23, FY 24 and on-going	\$ 9,828

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

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 language in §§115.642 to 115.648 on SB 290, officials from the **Attorney General's Office (AGO)** assumed the proposal will have no fiscal impact on their organization. Any additional litigation costs arising from this proposal can be absorbed with existing personnel and resources, however, the AGO may seek additional appropriations if there is a significant increase in litigation.

Officials from the **Missouri Highway Patrol, Office of the State Public Defender, Office of the State Courts Administrator, Missouri Office of Prosecution Services, and Department of Corrections** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for those agencies.

Officials from **Platte County Board of Elections** state the cost of the 2020 Presidential Preference Primary was \$83,788.70 which was funded by the State through the Secretary of State's office.

Officials from **St. Louis County Board of Elections** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from **Boone County Clerk's Office** assumed the proposal will have no fiscal impact on their organization.

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 –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
<u>Savings</u> - SOS - §115.123.2 reimbursement of local election authority election costs for PPP	\$0	\$0	More than \$7,000,000
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0</u>	<u>More than \$7,000,000</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL ELECTION AUTHORITIES			
<u>Savings</u> - §115.123.2 Local Election Authorities - cost of a PPP election	\$0	\$0	\$0 or More than \$7,000,000
<u>Loss of Revenue</u> - §115.123.2 Local Election Authorities - reimbursement of election costs for PPP	<u>\$0</u>	<u>\$0</u>	\$0 or (More than <u>\$7,000,000</u>)
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES	<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.

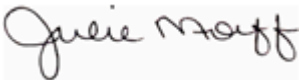
FISCAL DESCRIPTION

This act modifies various provisions relating to elections.

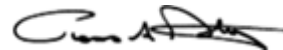
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Revenue
Department of Corrections
Department of Public Safety - Missouri Highway Patrol
Office of the State Public Defender
Missouri Office of Prosecution Services
Office of the State Courts Administrator
Attorney General's Office
Platte County Board of Elections
St. Louis County Board of Elections
Boone County Clerk's Office



Julie Morff
Director
March 7, 2021



Ross Strobe
Assistant Director
March 7, 2021