

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2662S.02I
Bill No.: SB 587
Subject: County Officials; Elections; Revenue, Department of
Type: Original
Date: March 30, 2021

Bill Summary: This proposal modifies provisions relating to voter registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	(\$151,142)	(\$11,988)	(\$12,885)
Total Estimated Net Effect on General Revenue	(\$151,142)	(\$11,988)	(\$12,885)

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

FISCAL ANALYSIS

ASSUMPTION

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

§115.151.3

Requires the Department to transmit voter registration application forms to the appropriate election authority and modifies the requirement to transmit no later than three business days after the form is completed by the applicant.

§115.160.3

Requires the Department to utilize electronic voter registration application forms and to ensure the confidentiality and integrity of the data collected, maintained, received, or transmitted.

§115.160.5

Requires the Department to transmit voter registration information in a secure and electronic manner, including electronic image of the signature of the applicant, in a format compatible with the Missouri voter registration system established in §115.158. The proposed changes further define that each election authority receiving application forms must forward any application that pertains to a different election authority to that election authority in a secure and electronic manner.

Administrative Impact

To implement the proposed legislation, the Department will be required to:

- Coordinate with the Secretary of State to develop requirements for the data and signature file specifications for election authorities;
- OA-ITSD must develop a data pull process for voter registration data collected at the time of license, permit or nondriver license issuance, including electronic signatures;
- OA-ITSD must develop a secure process that is a format compatible with the Missouri voter registration system for sending the required signature and voter registration information file to the data file for submission to the election authorities;
- OA-ITSD Test the file generation and secure transfer process to ensure all required data elements and signature are sent as required;
- Obtain format and procedure approvals from Secretary of State and others as applicable;
- Develop website information to link inquirers to the Secretary of State for information regarding the new automatic voter registration and provisions for declining automatic registration.
- Define requirements to modify the Missouri Electronic Driver License (MEDL) system to modify the voter registration application form data and signature collection to comply with electronic transmission requirements.
- Develop and initiate user acceptance testing for changes the MEDL system.

- Modify office procedures to reflect changes to voter registration application data collection.
- Obtain necessary approvals from all entities for the application and procedure changes as well as data transfer specifications.

FY 2022 – Driver License Bureau

Research/Data Assistant	320 hrs. @ \$15.98	= \$ 5,114
Research/Data Analyst	640 hrs. @ \$23.82	= \$15,245
Administrative Manager	80 hrs. @ \$22.24	= \$ 1,779
Total		= \$22,138

FY 2022 – Personnel Services Bureau

Associate Research/Data Analyst	20 hrs. @ \$19.09	= \$ 382
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Total Costs = **\$22,520**

Cost Savings (based on FY 20 volumes)

Envelopes	16,416 x @\$0.07	= \$ 1,149
Postage	16,416 x @\$0.80	= \$13,133
Motor Voter Card Stock	213,600 x @\$0.045	= \$ 9,612

Total Cost Savings FY2022 and subsequent years = **\$23,894**

Oversight assumes that DOR will be able to accomplish the work with existing resources; however, if multiple bills pass, the cumulative impact may require additional FTE. Oversight will reflect the cost savings as indicated by the Department.

Oversight notes that IT costs according to **DOR** are contracted at \$95 per hour. This proposal would result in \$175,036 (1,842.48 hours x \$95) in FY 2022 with on-going support of \$35,882 in FY 2023 and \$36,779 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 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 \$5,000. 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, they 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 their office can sustain with their core budget. Therefore, they 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.

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

In response to similar legislation HB 372, officials from the **St. Louis County Board of Elections** assumed this proposal would save 350 hours of work a year. At the lowest temporary employee salary, this would save \$13,000 annually. Electronic registrations are much less labor intensive and save quite a bit of time. Temporary employees would normally be processing paper registration forms. If made electronic, they wouldn't require as many temporary employees to process these registrations.

Oversight notes that §115.160 states the director of revenue shall utilize electronic voter registration application forms and provide for secure electronic transfer of voter registration information to election authorities. As stated above by the St. Louis County Board of Elections there would be a savings as a result of electronic registrations. Therefore, Oversight will reflect an unknown positive impact to local election authorities in the fiscal note.

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
GENERAL REVENUE			
<u>Savings – DOR</u> §115.160 Envelopes, postage, and card stock	\$23,894	\$23,894	\$23,894
<u>Cost – DOR</u> §115.160 IT Cost and Maintenance	<u>(\$175,036)</u>	<u>(\$35,882)</u>	<u>(\$36,779)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$151,142)</u>	<u>(\$11,988)</u>	<u>(\$12,885)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings - §115.160.3</u> Local Election Authorities - Electronic registrations	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

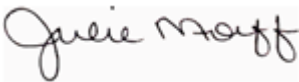
This act requires the use of electronic voter registration application forms by the Director of Revenue. The Director must additionally provide for the secure electronic transfer of voter registration information to election authorities in the manner described in the act. Election authorities are required to accept and process such records. All voter registration information sent electronically to the election authorities shall be printed out by the election authorities and retained for a period of at least two years.

The act requires the Division of Motor Vehicle and Drivers Licensing to transmit voter registration application forms to the appropriate election authority not later than 3, rather than 5, business days after the form is completed by the applicant.

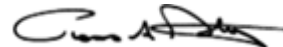
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
Office of the Secretary of State
Platte County Board of Elections
St. Louis County Board of Elections



Julie Morff
Director
March 30, 2021



Ross Strobe
Assistant Director
March 30, 2021