

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3569S.01I
Bill No.: SB 907
Subject: County Officials; Elections; Secretary of State
Type: Original
Date: January 24, 2022

Bill Summary: This proposal modifies provisions governing primary elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	Could exceed (\$350,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	Could exceed (\$350,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Technology Trust Fund (0266)	(\$350,000)	\$0	\$0
Elections Administration Improvement Fund (0157)	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$350,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
*Election Administration Improvement Fund (0157)	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

*Transfers in and costs net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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.

FORMCHECKBOX 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 2023	FY 2024	FY 2025
Local Government	(Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** state this bill authorizes state political party organizations to adopt a closed primary system for elections. This will require significant amendments to the Missouri Centralized Voter Registration Database to allow for the electronic data field "Party Affiliation" to be added along with internal processing, data table linking, sorting, searching and reporting modifications. These changes would have an estimated one-time cost of \$700,000 for seven (7) technical resources paid \$100 dollars per hour for 1,000 hours each in FY23.

The SOS would split the funding for these changes between the Technology Trust Fund and Elections Administration Improvement Fund as follows:

Technology Trust Fund - \$350,000 in FY23

Elections Administration Improvement Fund - \$350,000 in FY23

Oversight notes that as of December, 2021 the Elections Administration Improvement Fund (0157) had a balance of \$21,859,789 and the Technology Trust Fund (0266) had a balance of \$4,541,303.

Oversight notes the money used from Elections Administration Improvement Fund (designated by OA as a federal fund) comes from an annually appropriated GR transfer. Should this transfer be withheld or not fully funded, or if the total cost of MCVR changes from multiple pieces of legislation exceeds the money available, the SOS reserves the right to offset or request additional resources for estimated fiscal note impacts during the budget process.

Oversight notes the money used from Elections Administration Improvement Fund comes from an annually appropriated GR transfer. Therefore, Oversight will reflect the cost of \$350,000 for MCVR Programming to GR. The impact on the Elections Administration Improvement Fund will net to zero.

SOS also notes this bill does not specify the method by which party affiliation will be recorded when a voter selects a party ballot for the first time at a primary election. Depending on the individual election authority, this may require expenses for poll worker training or additional equipment that the SOS may be required to cover under Article X, Section 21. The amount of these expenses is unknown and depends on Local Election Authority (LEA) policy decisions. While this bill does not explicitly require a voter education campaign to inform the public about the new closed primary, such a substantial change to the elections process could still justify such

a campaign. The costs of such an effort are unknown, depending on SOS policy decisions and budget appropriation.

Oversight assumes that voter education campaign costs will occur only in FY 2023. Therefore, Oversight will reflect an unknown cost to SOS on the fiscal note.

Oversight notes that Section 115.168 states that if a voter chooses to change his or her party affiliation within twenty-three weeks of an established political party's primary election, the voter's change shall not be applied by the election authority until after such election. Therefore, Oversight assumes that there will be no additional costs for portable electronic devices at polling locations and that the local election authorities can use existing equipment to handle the provisions of the proposal once tablets have been reprogrammed.

SOS also assumes 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.

In response to similar legislation, SB 154 from 2021, officials from the **Kansas City Election Board** assumed if the proposal becomes law, up to four new permanent employees would need to be hired at \$40,000 each, including benefits. All election day tablets and registration database would need to be re-programmed at \$10,000 and all election day judges would need to be retrained at \$35,000. Postage and printing to add party affiliation information to all 220,000 registered voters in the database would increase by \$80,000. Legal notices to notify the public about the changes to the Primary election would be \$10,000.

Officials from the **Jackson County Election Board** assumed the State of Missouri will appropriate funding needed to the Missouri Secretary of State for changes needed to the Missouri Centralized Voter Registration system to allow party affiliation and/or lack of affiliation. The Jackson County Board of Election Commissioners would see an increase in printing of no less than \$5,000 and no more than \$15,000 to make changes to current poll notification cards, registration forms and any other printing changes.

In addition, if a mailing to all registered voters in Eastern Jackson County is required to obtain political party affiliation information an additional \$140,000 would be required for postage, envelopes and printing of informational material.

Part-time staff to update party affiliations the first year of implementation:

250,000 Register Voters

10 Part-Time Staff @ \$18.00 per hour to add the party affiliation and assist in answering phone calls associated with the change. \$8,000.00

Computers for additional staff. \$12,000.00

Total Fiscal Note: \$165,000 - \$175,000

In response to similar legislation, SB 571 from 2020, officials from the **Henry County Clerk's Office** assumed administrative costs of \$3,500 to maintain and change affiliation requests and postage of \$1,000.

Officials from the **St. Louis County Board of Elections** assume they will have to buy new software to re-program their electronic poll books and mail registrations, they believe this will have a fiscal impact of \$50,000.

In response to similar legislation, SB 571 from 2020, officials from the **Livingston County Clerk** assumed a fiscal impact of \$39,590 in 2020, \$15,140 in FY 2021, and \$33,250 in 2022 for additional employee hours, postage, media, and security at polling places.

In response to similar legislation, SB 571 from 2020, officials from the **Laclede County Clerk** assumed an estimated fiscal impact of \$40,000-\$50,000 for postage, media, and educational publications to inform voters of change

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

Oversight assumes there could be an increased cost to local election authorities in order to send out voter registration cards when voters designate or change their party affiliations. Oversight cannot determine the number of voters that will designate or change party affiliation during a given cycle, therefore will reflect an unknown cost.

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

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE FUND			
<u>Transfer Out - to Elections Administration Improvement Fund - MCVR Programming</u>	(\$350,000)	\$0	\$0
<u>Cost - SOS Voter Education Campaign</u>	(Unknown)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	Could exceed (<u>\$350,000</u>)	<u>\$0</u>	<u>\$0</u>
TECHNOLOGY TRUST FUND			
<u>Cost – SOS MCVR Programming</u>	(<u>\$350,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON TECHNOLOGY TRUST FUND	(<u>\$350,000</u>)	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
ELECTIONS ADMINISTRATION IMPROVEMENT FUND			
<u>Transfer In</u> - from General Revenue - MCVR Programming	\$350,000	\$0	\$0
<u>Cost</u> - MCVR Programming	(\$350,000)	\$0	\$0
NET EFFECT ON ELECTIONS ADMINISTRATION IMPROVEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL ELECTION AUTHORITIES			
<u>Cost</u> - LEA Additional voter registration	<u>(Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES	<u>(Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (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 modifies provisions of law relating to the conduct of primary elections.

Under current law, at each primary election voters are entitled to pick any ballot among the various established political parties, regardless of their political party affiliation or lack of affiliation. This act stipulates that voters are only entitled to cast a ballot in the primary of the political party with which they are affiliated, according to their voter registration.

The act requires persons registering to vote to indicate a political party affiliation. Voters may only choose to be affiliated with an established political party, provided that they may also choose to be unaffiliated. The voter registration form will explicitly notify registrants that if they do not choose a political party affiliation then they will be designated as unaffiliated.

A voter may change his or her political party affiliation at any time, except that changes made less than 23 weeks prior to the primary election or 15 weeks prior to the presidential preference primary will not take effect until after such election has taken place. Any person who has not previously registered to vote in Missouri and who registers to vote after the last day to change party affiliation but before the last to register to vote may vote in the primary election if he or she chooses a political party affiliation or lack of affiliation upon registering to vote.

Any person registered to vote prior to the effective date of this act shall be considered to be unaffiliated with a political party unless he or she:

- Files a change of political party affiliation pursuant to this act; or
- Votes in a primary election that will take place after August 28, 2022, but before September 1, 2024, in which case the election authority must change the person's voter registration to reflect that the ballot chosen by the person is the political party with which he or she is affiliated.

The act requires that any person who files a declaration of candidacy as a party candidate for nomination or election to any office must be affiliated with that political party, according to his or her voter registration, no later than twenty-three weeks prior to the last Tuesday in February (the opening of candidate filing) immediately preceding the primary election in question. Likewise, any person running as an independent candidate or as the candidate for a new party shall be registered as unaffiliated as of the same deadline. These provisions do not apply to candidates for the presidential preference primary.

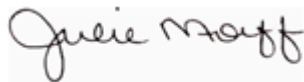
Current law allows party nominating committees of any established political party to select a party candidate under certain situations. This act requires any candidate selected by the committee to be affiliated with such party.

Parts of this act have an effective date of January 1, 2025.

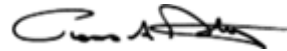
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Kansas City Election Board
Jackson County Election Board
Henry County Clerk
St. Louis County Board of Elections
Livingston County Clerk
Laclede County Clerk
Platte County Board of Elections



Julie Morff
Director
January 24, 2022



Ross Strobe
Assistant Director
January 24, 2022