

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4199S.01I
Bill No.: SB 668
Subject: County Officials; Elections; Secretary of State
Type: Original
Date: March 22, 2022

Bill Summary: This proposal modifies provisions relating to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

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.
- 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	\$0 to (Unknown Could exceed \$250,000)	\$0 to (Unknown Could exceed \$250,000)	\$0 to (Unknown Could exceed \$250,000)

*§115.062 prohibits election authorities from accepting funding, gifts, or grants from any source other than the governing body of a political subdivision, the state of Missouri, or the federal government. This could have a potential negative impact on local elections authorities if they are unable to replace private money with an acceptable source according to this provision.

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 request funding through the appropriation process.

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

§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 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 2023 - Driver License Bureau

Research/Data Assistant	260hrs. @ \$16.30 per hr.	=\$4,238
Research/Data Analyst	280hrs. @ \$24.29 per hr.	=\$6,801
Administrative Manager	40 hrs. @ \$26.38 per hr.	=\$1,055
Total		\$12,094

FY 2023 - Personnel Services Bureau

Associate Research/Data Analyst	30 hrs. @ \$19.46 per hr.	=\$584
Total		\$584

Total Costs	\$12,678
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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 2023.

Revenue Impact

Currently persons who already 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 estimated number of potential applicants who may have a current acceptable identification document for voting and yet request an NDL for voting purposes is 53. This number was determined by reviewing the maximum office denial count statewide in 2021.

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.

Potential annual loss of NDL Transaction Fee = \$6.00 x 53=	\$318
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10 months (FY23) = \$265

Total Loss of State General Revenue FY 24, FY 25 and on-going	\$318
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Potential savings from General Revenue by removing reimbursement of processing fees to license offices for current issuance volumes of nondriver for voting documents would be:

\$12.00 x 1,001(948 annual NDL Voting issuance + 53 denials) = \$12,012 potential revenue savings.

Vendor per card cost including postage for NDL \$2.44112 x 53 = \$129 annually FY 24, 25 and on-going (this is assuming thee applicants would not have completed application today if fee not waived).

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

**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 statewide out of 182 offices was 1,442 persons YTD in 2020 (Presidential Election Year). The loss of revenue is reflected below:

NDL Transaction Fee (Loss) = \$6.00 x 1,442=	(\$ 8,652)
Office Processing Fee (Savings) = \$12.00 x 1,442=	<u>\$17,304</u>
Total Affect to State General Revenue FY 23, FY 24 and on-going	\$8,652

Oversight assumes that Department of Revenue will be able to accomplish the requirements of §115.427.2(1) with existing resources; however, during presidential election years, the cumulative impact may require additional appropriations.

Officials from the **Office of the State Courts Administrator** 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 this agency.

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

Officials from the **Platte County Board of Elections** assume the funds received from private sources in 2020 totaled about \$40,000 of which \$19,000 was spent and would have needed to be covered by public funds if not allowed.

Officials from the **St. Louis City Board of Elections** assume the proposal prohibits election authorities from receiving funding from extra-governmental sources. While it is unclear what sources could be available in the future for such funding, the inability to access such a possibility would have a negative fiscal impact on the bi-partisan St. Louis City Election Board to access funds. Requiring photo ID for voters would likely increase the amount of provisional votes cast which would need to be processed by election board staff within the certification period. Increased staffing and possible overtime would have a negative fiscal impact. This provision also eliminates the duty of the SOS to inform the public of the new ID requirement; lack of information would likely lead to confusion on the part of the voter; and lead to casting of more provisional ballots.

Officials from the **St. Louis County Board of Elections** assume the proposal would prevent them from accepting private money for election administration. This could have a potential impact from \$0-\$2 million.

Oversight notes §115.062 prohibits election authorities from accepting funding, gifts, or grants from any source other than the governing body of a political subdivision, the state of Missouri, or

the federal government. This could have a potential negative impact on local elections authorities if they are unable to replace private money with an acceptable source according to this provision. Therefore, Oversight will reflect a potential loss of \$0 to Unknown that could exceed \$250,000 on the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	\$0	\$0	\$0

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Loss – §115.062 - LEAs</u> Loss of election funding by private sources p. 5	\$0 to (Unknown Could exceed \$250,000)	\$0 to (Unknown Could exceed \$250,000)	\$0 to (Unknown Could exceed \$250,000)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0 to (Unknown Could exceed <u>\$250,000</u>)	\$0 to (Unknown Could exceed <u>\$250,000</u>)	\$0 to (Unknown Could exceed <u>\$250,000</u>)

FISCAL IMPACT – Small Business

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

ISCAL DESCRIPTION

This act modifies various provisions relating to elections.

(Section 115.062)

The act prohibits an election authority from taking or accepting funding, grants, or gifts of any kind from any source other than from the governing body of a political subdivision, the state of Missouri, or the federal government.

(Section 115.427)

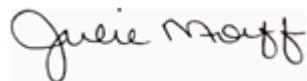
Provisions are modified governing forms of identification required to vote. Under current law, any person seeking to vote in a public election must provide a certain form of identification, provided that any person lacking such identification can vote without such a form of identification through the 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.

Provisions are repealed 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
Office of the State Courts Administrator
Jackson County Board of Elections
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections



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March 22, 2022



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