

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4557S.05A
 Bill No.: SS for SCS for HB 1878, as amended
 Subject: County Officials; Elections; Secretary of State
 Type: Original
 Date: May 4, 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
General Revenue*	Could exceed (\$1,859,500)	More or less than \$5,837,000	Could exceed (\$3,344,500)
Total Estimated Net Effect on General Revenue	Could exceed (\$1,859,500)	More or less than \$5,837,000	Could exceed (\$3,344,500)

*Savings of approximately \$7 million in March 2024 (FY 2024) for not holding a Presidential Preference Primary Election (§115.123.2 & [§115.755 – §115.785])

**§2 allows the Speaker of the House and the President Pro Tempore of the Senate to obtain legal counsel other than from the Attorney General. There is potential that costs for outside counsel could exceed \$250,000 if utilized.

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

* §28.960.3 and §115.225.6 allow the Secretary of State to withhold transaction funds associated with maintenance of voter registration lists and certification for vendors from the Local Election Authorities (LEA). Oversight assumes this could be from various other state funds. Withholding all these funds would be a potential loss to LEAs exceeding \$250,000 but be offset with savings to Other State Funds in the same amount.
 Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Various Federal Funds	Less than (\$1,600,000)	\$0 to Unknown	\$0 or Less than (\$1,600,000)
Total Estimated Net Effect on <u>All</u> Federal Funds	Less than (\$1,600,000)	\$0 to Unknown	\$0 or Less than (\$1,600,000)

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	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Office of the Secretary of State (SOS)** assume this bill would allow voters who have moved from one county to another after the registration deadline for any given election to update their registration in person at the office of their local election authority on Election Day and be eligible to vote, so long as their existing registration was not previously cancelled. It also modifies the public voter information to only contain a voter's year of birth instead of the complete date.

These changes will require program modifications to the Missouri Centralized Voter Registration database. The Secretary of State's Office anticipates that these changes should be accomplished under existing contracts as part of a regular upgrade release cycle. However, it is possible that specialized programming outside of standard contracts may be required to accomplish the necessary changes. The cost of the technical resources that would be needed in such a situation is unknown.

Oversight assumes any additional costs arising from this proposal can be absorbed with existing personnel and resources. However, the SOS may seek additional appropriations if there is a significant increase for technical resources. Therefore, Oversight assumes the SOS will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the SOS for fiscal note purposes due to these provisions.

The **SOS** states this bill also removes the requirement to hold a presidential preference primary election 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 they assume that the presidential preference primary were to be fully appropriated as it has been in years past, they 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.

In addition, **SOS** has noted in response to similar proposals that this would require all direct-record electronic voting machines (DREs) be removed from service by January 1, 2024, with the exception of any machine used solely for disabled voters. Based on most recent survey conducted in 2020, there are 330 DREs in service statewide. All local election authorities (LEAs) which disclosed the use of DREs on the survey have already replaced or have indicated that they are actively planning to replace those machines prior to the date specified in the bill. Therefore, the SOS does not anticipate being required to cover the costs under Article X, Section 21, but will provide assistance to those LEAs using existing grant programs.

Oversight notes this response from the SOS is different from previous years. SOS' response to similar proposals in 2021 (i.e. HB 925) included a per-machine replacement cost of \$5,000 for the 330 DRE's in service statewide (for a total of \$1.65 million). Oversight will utilize SOS' assumption that this change is already in progress and that this bill will not create a material additional fiscal impact to the state.

The **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.

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

§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 2023 - Driver License Bureau

Research/Data Assistant	220 hrs. @ \$16.30 per hr.	= \$3,586
Research/Data Analyst	260 hrs. @ \$24.29 per hr.	= \$6,315
Administrative Manager	80 hrs. @ \$26.37 per hr.	= \$2,110
Total		\$12,011

FY 2023 - Personnel Services Bureau

Associate Research/Data Analyst	20 hrs. @ \$19.47 per hr.	= \$389
Associate Research/Data Analyst	10 hrs. @ \$19.47 per hr.	= \$195
Total		\$584

Total Costs \$12,595

Oversight notes that IT costs for §115.427.2(1) according to **DOR** are contracted at \$95 per hour. This section would result in \$2,873 (30.24 hours x \$95) in FY 2023.

Revenue Impact

DOR states 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 NDV 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 NDV Transaction Fee = \$6.00 x 53 = \$318
 10 months (FY23) = \$265

Total Loss of State General Revenue FY 24, FY 25 and on-going \$318

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 may 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. Oversight also assumes the effects on the General Revenue Fund would not be material.

Officials from the **Department of Corrections, Department of Public Safety- Missouri Highway Patrol, Office of the Governor, Missouri House of Representatives, Missouri Senate, and Missouri Office of Prosecution Services** 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.

In response to a previous version, officials from the **Office of the State Public Defender and Attorney General's Office** both assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to similar legislation, HCS for HB 2140, officials from the **Office of the State Courts Administrator** assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to similar legislation, HCS for HB 2140, officials from the **St. Louis County Board of Elections** assumed the proposed section 28.960 is vague at best and could have negative financial ramifications for county election authorities. This proposed section allows the SOS to conduct discretionary audits of voter records in any Missouri county. The section states that the SOS shall verify whether a voter is alive, where the voter resides, and whether the voter is entitled to vote. This may sound straightforward to the uninitiated, but verifying these things can be difficult in practice. For example, many Missouri voters registered to vote decades ago before the last four digits of the Social Security Number were required when registering. It can be quite difficult to match a death record against a voter with no Social Security Number in the voter database. This same type of ambiguity also exists in questions of residency. Presumably the Secretary of State's office, which heretofore has had no statutory role in registering voters or maintaining the voter list, could make some arbitrary decision that a certain voter or voters should be deleted and the local election authority may disagree with this decision. In a case such as this, the local election authority would be in the precarious position of having funding withheld. This provision does not detail what funding may be withheld or how much. In a worst case scenario the Secretary of State could withhold the State's portion of the potential election funding for the August and November 2022 elections. For St. Louis County this would be about \$1.4 million.

Section 115.160.3 will have the DMV electronically transfer voter registrations to the office would save 350 hours of work a year. At the lowest temporary employee salary, this would save \$13,000 annually.

115.022 would prevent them from accepting private money for election administration. This could have a potential impact from \$0-\$2 million.

In response to similar legislation, HCS for HB 2140, officials from **Platte County Board of Elections** stated in 2020, they received about \$40,000 in funding that would not be allowed in the proposed legislation. The funding was necessary due to added expenses of conducting an election in the midst of a pandemic.

In addition, several of their poll sites in private buildings charge no or reduced rent for Election Day. This legislation could increase costs if election authorities have to pay something for currently free poll sites, or increase costs a lot if election authorities have to pay a fair price for all their poll sites in private buildings.

In response to similar legislation, HB 680 from 2021, officials from the **Platte County Board of Elections** assumed the 2020 Presidential Preference Primary (PPP) cost about \$85,000. That would be the savings for each PPP not held.

In response to similar legislation, HB 680 from 2021, officials from the **Johnson County Clerk's Office** assumed the removal of the Presidential Preference Primary would create a savings of \$43,200 for Johnson County alone. This cost will increase in 2024 due to increased

costs for polling place rent, election judge pay and increased costs for ballot printing and programming. Since reinstating the PPP in 2000, the voter turnout in Johnson County has fluctuated from a low turnout of 6% in 2012 to their highest turnout of 43% in 2016. The cost to taxpayers far outweighs the justification for holding the presidential preference primary, due to a lack of participation by voters and an overall feeling that it is an unnecessary endeavor.

In response to similar legislation, HCS for HB 2140, officials from the **Kansas City Board of Elections** assumed if this legislation is passed, election estimates would increase by \$75,000, (\$50,000 for PPE supplies and \$25,000 for the printing of documents associated with new absentees' information and photo I.D.) Also, the Board wouldn't allow penetration testing as it would void their contract with the vendor. Also, two new staff would be hired to handle all the DMV transactions at \$40,000 per year, including benefits.

In response to similar legislation, HCS for HB 2140, officials from **Jackson County Board of Elections** stated currently the Board uses ballot marking devices for absentee voting. Limiting the use of the ADA ballot marking devices to only those with disabilities will increase ballot printing costs substantially.

The Jackson County Election Board can have up to three hundred (300) different ballot styles in an election and would have to print absentee ballots for each ballot style for absentee voting at a cost of .35 cents per ballot. The Board has no way of knowing who will be voting absentee so at least 2% of each ballot style would have to be printed to cover the walk-in and permanent absentee voters. Currently the Board prints enough absentee ballots for permanent/disabled voters to mail to them and have a small amount for walk-in absentees if the walk-in chooses a paper ballot over the ballot marking device. The ballot marking device allows them to pull up any individual's particular ballot style while also producing a paper ballot at a substantial cost savings.

The Jackson County Election Board along with other Missouri election authorities have invested millions of dollars in ADA machines which are not widely used at the polling locations so making use of them in their absentee department is fiscally responsible and their voters like the machines.

Cost to Election Authority/County

Small Elections \$3,500 per election/per year
Large Elections \$10,000 per election/per year

In response to similar legislation, SB 670 from 2022, officials from the **St. Charles County Election Authority** assumed Section 28.960.3 and Section 115.225.6 state that the SOS may withhold funds from the Local Election Authorities (LEAs). The language does not state which funds may be withheld. As the SOS distributes federal grant funds, the State's "Fair Share" of election costs when appropriated, the Efficiency Grant, absentee mail postage reimbursements and reimbursements for updating the state MCVR database, any and all of these funds could be

withheld by the SOS from the LEA. These funds vary by size of election and LEA and are difficult to calculate a total. Withholding all these funds in 2020 would have cost St. Charles County Election Authority \$1,047,000.

In response to similar legislation, SB 668 from 2022, officials from the **St. Louis City Board of Elections** assumed 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 bipartisan 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 **Kansas City Board of Elections** and **Platte County Board of Elections** both assume the proposal will have no fiscal impact on their organizations.

Oversight notes that §115.160.3 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 due to this provision.

Oversight notes §115.022 prohibits state of Missouri and political subdivisions from receiving or expending private moneys for preparing, administering, or conducting an election, including registering voters. If there is not sufficient appropriation of state funds to proportionally compensate counties pursuant to section 115.063 and 115.065, this section shall not be enforced. 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. This version of the bill allows LEAs to accept private money if there is not sufficient appropriation of state funds. Therefore, Oversight will reflect a zero impact in the fiscal note for this provision.

Oversight notes that §28.960.3 and §115.225.6 state that the SOS may withhold transaction funds associated with maintenance of the voter registration lists and certification for vendors from the LEAs. Therefore, Oversight will reflect a potential loss of \$0 (no funds withheld by SOS) to Unknown (funds withheld by SOS) to the LEAs on the fiscal note. Oversight will reflect a corresponding potential savings of \$0 (no funds withheld by SOS) to Unknown (funds withheld by SOS) to the Other State Funds and Federal Funds on the fiscal note.

Oversight also notes that at the beginning of January 1, 2024, no electronic voting systems shall be used. The use of remaining direct-record electronic voting machines shall be phased out upon mechanical failure. Based on most recent survey conducted in 2020, there are 330 DREs in service statewide. All local election authorities (LEAs) which disclosed the use of DREs on the

survey have already replaced or have indicated that they are actively planning to replace those machines prior to the date specified in the bill. Therefore, Oversight does not anticipate fiscal impact to LEAs for this provision.

Senate Amendment 2 (SA2) - Private Election Funding and Cyber Security Measures

SOS notes this amendment prohibits the SOS or LEAs for accepting private funds. It outlines acceptable in-kind donations that are allowed and authorizes the SOS to withhold funds for any LEA that violates the law. This provision provides that in even number years the state will appropriate funds to proportionally compensate election cost to LEAs as outline in 115.063 and 115.065. If the amount appropriated is less than the previous even-numbered year, private moneys may be received by the SOS to disburse to counties based on registered voters in each county. The private funds received by the SOS cannot exceed the difference between the amount of state fund appropriated in the previous even-numbered year and the amount appropriated in the pending even-numbered year, plus ten percent of the total amount that was appropriated in the previous even-number year.

The amendment provides that every LEA and the SOS shall have a cyber-security review of their office every two years. The provision outlines the specific the specialized requirements of whom would do such review. If a LEA fails to have a cyber-security review the SOS can publicize the fact and withhold funds for the violation unless the funds are federally mandated.

The amendment allows the SOS to require cyber security testing, including penetration testing on vendor machines, programs and systems. Failure of vendor to allow such testing could lead to revoke or withhold of certification.

The amendment allows the SOS to designate an organization for LEAs to join at no cost to provide increase in cyber security and election integrity efforts.

SOS states funding during even-number years for the proportional share of elections costs is unknown for future years. The cost for the FY23 budget, \$6.3M was requested. As expenses for elections rise, the elections cost will need to reevaluated to ensure the amount requested would in fact cover the state's proportional share.

Senate Amendment 3 (SA 3) as amended- Political Party Affiliation

Officials from the **Office of the Secretary of State (SOS)** this provision requires each voter to be affiliated with a political party on their voter registration (or be recorded as unaffiliated). This will require significant amendment 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 1000 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 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 subsection 4 of the proposed new section 115.628 establishes that an appropriate software be available at polling places beginning in 2023 to facilitate voters' initial party selections. This, in turn, requires that a portable electronic device (such as a tablet computer) be made available at each polling place to utilize the software provided. Since the proposed law requires this software (and by extension, the device bearing the software) to be available, the state must pay for this mandate as required by Article X, Section 21 of the Missouri Constitution. While a majority of counties currently utilize electronic poll books which could be adapted to add a party registration field, the SOS estimates that 33 counties with a total of 464 precincts would need to be equipped with two devices per precinct to adequately accommodate voter turnout. Each device would cost about \$1,000 to purchase, for a total of \$928,000 in FY23.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the impact estimated by SOS in the fiscal note.

SOS also assumes for each of the 2,326 polling places statewide, they anticipate that at least two additional poll workers (one from each party) will need to be available to help coordinate the party selection process. Using an estimate of \$125 as the average poll worker stipend (based on a previous survey of local election authorities), at least \$581,500 in state funds will be required to pay the poll workers operating the devices bearing the software for each election. These poll worker stipends will at the very least be paid in FY25 for the 2024 primary and general elections. The state may also be required by Article X, Section 21 of the Missouri Constitution to pay for the use of additional poll workers at municipal elections, in which case this amount will be added once to each fiscal year to cover the 2023, 2024, and 2025 municipal elections.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the impact of Up to \$581,500 in FY23, \$1,163,000 in FY24, and \$1,744,500 in FY25 as estimated by SOS in the fiscal note.

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.

In response to similar legislation, SB 907 from 2022, 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.

In response to similar legislation, SB 907 from 2022, 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

In response to similar legislation, SB 907 from 2022, 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 implement changes for 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 to local election authorities.

Senate Amendment 6 (SA 6) as amended- No Excuse Absentee Ballot in Person

Officials from the **Office of the Secretary of State** 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.

Oversight notes this amendment allows two weeks of no excuse absentee voting. It also provides a non-severability clause if voter ID is struck down by the court no excuse voting will be invalid.

Oversight assumes Senate Amendment 6 as amended will have no fiscal impact. Therefore, Oversight will reflect a zero impact in the fiscal note.

Senate Amendment 7 (SA 7) - Lawsuits Involving the General Assembly

Officials from the **Missouri House of Representatives** assume an unknown fiscal impact, as they do not know if the Speaker would need to secure outside counsel and they have no way of estimating that amount.

Officials from the **Missouri Senate** assume a new appropriation will need to be established to appropriate money for the purpose of paying legal fees. The last time legal fees were paid was in 2010-2011 and the cost was \$75,000 paid from the joint contingent appropriation. In 2017 attorney bids were obtained for potential legal counsel and the bids came in at \$200,000. The case was dropped and nothing was ever paid. These fees would have been paid from the senate contingent appropriation. Therefore, based on past bids from 2017 the Senate would assume costs to be around \$200,000 to be appropriated to the Senate for legal fees.

Oversight notes that Section 2 allows the Speaker of the House and the President pro tem of the Senate to obtain legal counsel other than from the Attorney General, with the cost of representation paid from funds appropriated for that purpose, to represent the House of Representatives or Senate in any action in which they intervene on behalf of the general assembly. Oversight notes that is difficult to determine the cost of outside counsel and if it would be utilized. This funding is also dependent on appropriation, Therefore, Oversight will reflect a \$0 or unknown (secure counsel outside of AGO) that could exceed \$250,000 on the fiscal note.

Officials from the **Office of the Secretary of State** 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.

Senate Amendment 8 (SA 8) - Removes Repeal of Provision Relating to Access to Certain Voting Records

Officials from the **Office of the Secretary of State** 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.

Oversight notes SA 8 removes the repeal of a provision relating to access of certain voting records. Oversight assumes this amendment will have no fiscal impact. Therefore, Oversight will reflect a zero impact in the fiscal note.

Senate Amendment 9 (SA 9) - Audits Required and Conducted by SOS be Solely Paid by State/Federal Funding

Oversight notes that SA 9 clarifies that all audits required by subsection 6 of section 115.225 that are conducted by the Secretary of State shall be solely paid for by state and federal funding

Currently the SOS has federal dollars to draw from for cyber specific expenses. The **SOS** will utilize federal funds to cover the costs directed by this amendment. The estimated cost every two years to conduct cyber-security testing would be \$1.6M. At any future time if there would be no federal funds available to cover the expenses the SOS would need to request GR through the appropriation process.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a cost of \$1.6M in FY23 to Federal Funds as SOS currently has federal dollars to draw from. Oversight will reflect a \$0 up to \$1.6M FY25 to both Federal Funds and General Revenue to conduct cyber security testing as it is difficult to determine what future funds will be available to cover expenses.

Senate Amendment 10 (SA 10) - Modifies Provision Relating to Paper Ballots

Oversight assumes Senate Amendment 10 will have no fiscal impact. Therefore, Oversight will reflect a zero impact in the fiscal note.

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 listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE FUND			
<u>Savings</u> - SOS - reimbursement of local election authority election costs for PPP p. 3	\$0	More than \$7,000,000	\$0
<u>Transfer Out (SA 3) - to Elections Administration Improvement Fund - MCVR Programming p. 10-11</u>	(\$350,000)	\$0	\$0
<u>Cost – (SA 3) - SOS Portable Electronic Devices p. 11</u>	(\$928,000)	\$0	\$0
<u>Cost – (SA 3) – SOS Additional poll workers p. 11</u>	(\$581,500)	(\$1,163,000)	(\$1,744,500)
<u>Cost – (SA 2) – SOS §115.225 Cyber Security Testing p. 15</u>	\$0	\$0	\$0 or (\$1,600,000)
<u>Cost – (SA 7) §2 SEN/MHR legal counsel p.14</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Could exceed (\$1,859,500)</u>	More or less than \$5,837,000	<u>Could exceed (\$3,344,500)</u>
TECHNOLOGY TRUST FUND			
<u>Cost – (SA 3) SOS MCVR Programming p. 10-11</u>	(\$350,000)	\$0	\$0
ESTIMATED NET EFFECT ON TECHNOLOGY TRUST FUND	<u>(\$350,000)</u>	<u>\$0</u>	<u>\$0</u>
ELECTIONS ADMINISTRATION IMPROVEMENT FUND			

<u>Transfer In</u> - (SA 3) from General Revenue - MCVR Programming p.10-11	\$350,000	\$0	\$0
<u>Cost</u> - (SA 3) MCVR Programming p.10-11	(\$350,000)	\$0	\$0
NET EFFECT ON ELECTIONS ADMINISTRATION IMPROVEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OTHER STATE FUNDS			
<u>Savings</u> – §28.960.3 and §115.225.6 Potential withholding by SOS of “Fair Share” funding to LEAs p. 9	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
FEDERAL FUNDS			
<u>Savings</u> – §28.960.3 and §115.225.6 Potential withholding by SOS of “Fair Share” funding to LEAs p. 9	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> – (SA 2) – SOS §115.225 Cyber Security Testing p. 15	(\$1,600,000)	\$0	\$0 or (\$1,600,000)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>Less than (\$1,600,000)</u>	<u>\$0 to Unknown</u>	<u>\$0 or Less than (\$1,600,000)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> - Local Election Authorities - cost of a PPP election p. 3	\$0	\$0 or More than \$7,000,000	\$0
<u>Savings</u> - §115.160.3 Electronic registrations from DOR	Unknown	Unknown	Unknown
<u>Loss</u> – §28.960.3 and §115.225.6 Potential withholding by SOS of “Fair Share” funding to LEAs p. 9	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Loss</u> - Local Election Authorities - reimbursement of election costs for PPP p. 3	\$0	\$0 or (More than \$7,000,000)	\$0
<u>Cost</u> – LEA – (SA 3) Implementation for registering party affiliations p.11	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> – to implement various provisions of the bill	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL IMPACT – Small Business

There could be an impact from the potential statewide loss of Contract Office Processing Fee monies from additional no fee nondriver for voting applications and removal of appropriations language that previously covered the reimbursement of processing fees to contracted license offices. With this proposed language the DOR assumes they will no longer return those fees since funding is not allowed for such and the contractor may see a reduction based on their office nondriver for voting volume.

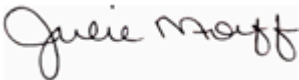
FISCAL DESCRIPTION

This proposal modifies provisions relating to elections.

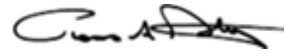
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Attorney General's Office
Department of Corrections
Department of Revenue
Missouri Highway Patrol
Office of the Secretary of State
Office of the State Public Defender
Missouri Office of Prosecution Services
Office of the State Courts Administrator
Platte County Board of Elections
Jackson County Board of Elections
St. Charles Election Authority
St. Louis County Board of Elections
Kansas City Board of Elections



Julie Morff
Director
May 4, 2022



Ross Strobe
Assistant Director
May 4, 2022