

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4082-02  
Bill No.: HJR 64  
Subject: Constitutional Amendments; Elections; Secretary of State  
Type: Original  
Date: February 8, 2010

Bill Summary: This resolution proposes a constitutional amendment changing the laws regarding elections and voting rights.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$0 or Unknown to (More than \$9,198,303)	\$0 or Unknown to (\$5,455,911)	\$0 or Unknown to (\$6,548,749)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or Unknown to (More than \$9,198,303)</b>	<b>\$0 or Unknown to (\$5,455,911)</b>	<b>\$0 or Unknown to (\$6,548,749)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Children's Trust	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Endowed Cemetery Care Audit	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Missouri Public Health Services	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 13 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
General Revenue	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 or 5 FTE</b>	<b>0 or 5 FTE</b>	<b>0 or 5 FTE</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Office of the Governor** assume the proposal will not result in added costs for the office.

Officials from the **Office of the Attorney General (AGO)** assume costs can be absorbed with existing resources. Because AGO is responsible for defending such legislation in constitutionality claims, the AGO assumes the nature of the provisions could create fiscal impact. Therefore, the AGO assumes costs to be unknown, but less than \$100,000.

Officials from the **Department of Health and Senior Services (DOHSS)** state this resolution would submit to voters an amendment to the Constitution requiring voters to establish their qualifications as a US citizen lawfully residing in this state by providing a form of photographic personal identification to election officials. If an individual does not possess valid government-issued photo identification, it may require them to obtain a copy of his/her certified birth certificate to acquire a driver's or non-driver's license. For individuals whose birth has not been recorded, it may cause them to apply for a delayed birth certificate. It is unknown and difficult to estimate the number that might be required to apply to the Bureau of Vital Records for these records.

The resolution also requires the state to provide at least one form of personal identification required to vote at no cost to any qualified citizen who does not already possess such identification and desires to do so to vote. This resolution does not appear to exempt the Department of Health and Senior Services from collecting the necessary fees for copies of certified birth certificates as set forth in Section 193.265.1 RSMo. If approved by the voters of this state, this resolution would result in an unknown increase in revenue to General Revenue, the Children's Trust Fund, the Endowed Cemetery Care Audit Fund, and the Missouri Public Health Service Fund. The resolution would also result in an unknown impact to the Bureau of Vital Records to issue the increased demand for birth certificate records.

The fee for a certified copy of a birth certificate is \$15.00. This revenue is divided between four funds. Funds affected include the Children's Trust Fund, which would collect \$5.00 per certificate; General Revenue would collect \$4.00 per certificate; the Endowed Cemetery Care Audit Fund would collect \$1.00 per certificate; and the Missouri Public Health Services Fund (MOPHS) would collect \$5.00 per certificate. There is an additional \$15.00 fee to establish a delayed birth record, in which revenue is distributed using this same distribution. The Department of Health and Senior Services is unable to determine how many additional birth certificates will be issued as a result of this legislation, and therefore, assumes an unknown amount of revenue will be deposited in these funds.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state the resolution requires their office to provide advance notice of the new amendment. This resolution imposes new requirements of local election authorities and the SOS with regard to notifying and processing voters.

This resolution requires the Secretary of State to provide notice of the personal ID requirements required to vote. The assumptions necessary for this include:

The advance notice provided by the SOS must include at a minimum the "use of advertisements and public service announcements in print, broadcast television, radio, and cable television media."

Production of radio and TV public service announcements-	\$2,000
Print ad to run twice before an election-	\$174,204
Cable television ad to run twice everyday for eight weeks-	\$289,800
TV and Radio ad to run through broadcast media-	<u>\$500,000</u>
Total PSA costs (per election)	\$966,004

The Secretary of State will send a mailer to 4.125 million registered voters to notify them of the new identification requirements at a cost of \$2,037,750 for the 2012 General and Presidential Primary Election. After that, the Secretary of State's office will send mailings to newly registered voters prior to each election. Based on the 244,670 newly registered voters in 2008, this mailer could cost \$120,866.98

Mailing for the 2012 General Election and Presidential Primary:	
4,125,000 registered voters x \$0.414 postage	\$1,707,750
4,125,000 registered voters x \$.08 printing and processing	<u>\$ 330,000</u>
Total mailings cost (once per year)	\$2,037,750

Mailing to newly registered voters prior to each election:	
244,670 new registered voters x \$0.414 postage	\$101,293.38
244,670 new registered voters x \$.08 printing and processing	<u>\$ 19,573.60</u>
Total mailings cost (once per year)	\$120,867

The resolution imposes new requirements on local election authorities in notifications, additional provisional ballots, trainings, affidavits and processes with regard to notifying and processing voters. These new state mandates must be funded as additional responsibilities under Article X, section 21 of the Missouri Constitution.

ASSUMPTION (continued)

The resolution is not limited to statewide elections but will affect every election. The cost per fiscal year will vary based on the number of elections held. There are additional days available for public elections, one in February and one in June, which are held only as needed. In the event an election is held on those days, additional funding will be required to implement this resolution. The cost in fiscal year 2013 will significantly increase because it is the first year in which three elections will be held. The cost for the three elections held in fiscal year 2013 is \$5,056,628.90.

In summary, the SOS anticipates in FY 2012 the cost of mailings (\$2,037,750) plus the cost for public service announcements for both elections (February '12 and April '12) of \$966,004 x 2. In FY 2013, the SOS anticipates the cost of mailings (\$2,037,750) plus the cost for mailings to newly registered voters (\$120,867) plus public service announcement costs (\$966,004) for three elections (August 2012 primary, November 2012 general election and April 2013 election).

Section B.

Unless a special election is called for the purpose, Joint Resolutions are submitted to a vote of the people at the next general election. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people and Article XII section 2(b) authorizes the governor to call a special election to submit constitutional amendments to a vote of the people.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article I, Section 26, 27, 28 of the Missouri Constitution and Section 116.230-116.290, RSMo. 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. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2009, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$1.35 million to publish (an average of \$270,000 per issue). Therefore, the Secretary of State's office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly change the amount or eliminate the estimated nature of our appropriation.

ASSUMPTION (continued)

**Oversight** has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2011. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. The next scheduled general election is in November 2010 (FY 2011). It is assumed the subject within this proposal could be on that ballot; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2011.

To estimate the expense the state would incur for reimbursing local political subdivisions for a special election, **Oversight** requested expense estimates from all election authorities for an election. Eighty-six out of the one hundred fifteen election authorities responded to Oversight's request. From these respondents; the total election expense that would have to be reimbursed by the state government is over \$7 million. Therefore, Oversight will reflect a potential cost borne by the state in FY 2011 of over \$7 million for reimbursement to the local political subdivisions. Oversight assumes the Governor could call for a special election to be held prior to November, 2010 regarding this joint resolution; however, if a special election is not called, the subject will be voted on at the general election in November, 2010.

Officials at the **Department of Revenue (DOR)** assume the applicant will be required to pay the processing fee to the contract license office. The actual cost of the non-drivers ID will be paid for by the state of Missouri, out of general revenue.

To determine an estimated number of potential applicants who may be eligible for a nondriver (photo identification) at no cost, DOR compared the voter records on file with the SOS to the current document holders on record with DOR.

253,496	Estimated number of individuals registered to vote who do not have a photo identification on file with DOR.
<u>125,795</u>	Estimated number of individuals with an expired photo identification document on file with DOR, who may need to obtain an updated nondriver license document for voting purposes.
379,291	Total estimated number of those who may be eligible for a photo identification document.
x 50%	Estimated number of individuals who would apply for a nondriver license for voting purposes (based on average voter turnout for Missouri derived from 2006 information)
189,645	Potential nondriver license applicants in the first year of implementation (FY2011)

ASSUMPTION (continued)

189,646	Remaining number of registered voters who may be eligible for a photo identification document after first year of implementation
<u>÷ 2</u>	
94,823	Estimated number of current registered voters who may apply during FY 2012 and FY 2013.

In addition, because the language allows a person to apply for a nondriver license at no fee by signing an affidavit indicating they do not have a valid photographic identification document, applicants who hold, or held a document previously and have lost it, allowed it to expire or other reasons, may now obtain a nondriver license at no cost.

230,401	Total new, renewal and duplicate nondriver licenses issued in FY 2009.
<u>x 25%</u>	Estimated number of applicants with prior document on file, that would utilize the affidavit for a new, renewal or duplicate, indicating they not have any other acceptable form of photographic personal identification for voting purposes, making them eligible for a nondriver license at no fee
57,600	Estimated annual nondriver license applicants

Licensing Materials Cost:

FY 2011

189,645	Potential nondriver license applicants first year of implementation FY2011
<u>57,600</u>	Estimated annual nondriver license applicants (previous document)
247,245	Total
<u>x \$1.86</u>	Per document vendor cost for licensing material
\$459,875	Total estimated vendor cost FY 2011 for licensing material

FY 2011 and FY 2012

94,823	Estimated number of current registered voters who may apply during subsequent fiscal years FY 2012 and FY 2013
<u>57,600</u>	Estimated annual nondriver license applicants (previous document)
152,423	Total
<u>x \$1.86*</u>	
\$283,507	Total estimated vendor cost FY 2012 and FY2013 for licensing material

\* NOTE: FY12 and FY13 per document price may increase due to expiration of the current contract. DOR is in the process of developing the request for proposal for a new license vendor contract.

ASSUMPTION (continued)

Forms: (DLB assumes the form will be completed at the time of issuance and printed on regular copy payer through the driver license system only)

FY 2011

247,245	Estimated number of applicants required to complete affidavit
x \$ .005	Cost per affidavit document
\$1,236	Total cost per affidavit 1st year

FY 2012 and FY 2013

152,423	Estimated number of applicants required to complete affidavit
x \$ .005	Cost per document
\$762	Estimated cost per affidavit form subsequent years

Direct Public Inquiries:

While the SOS is responsible for notifying individuals of the requirement to obtain photo identification for voting purposes, it is assumed that the majority of the inquires would be directed to the Department of Revenue as the document issuing agency. Estimating a 50% potential applicant inquiry the department assumes that approximately 123,622 (28,800 +94,822) inquiries through the central office will be received during the first implementation year and approximately 76,200 (28,800 + 47,400) calls in subsequent years. To provide the best call-in customer service the department will need to add 5 FTE to handle the additional telephone inquiries.

This legislation will require programming changes to the Missouri Electronic Driver License (MEDL also referred to as Over The Counter-OTC) software and supporting applications. These programming changes will need to be designed and tested at a cost of \$16,800.

Revenue Impact:

The language indicates the total cost associated with nondriver photo identification under this proposed change shall be borne by the state of Missouri. The department assumes this includes the license cost under Section 302.181.

247,245	Total Estimated NDL applicants FY 2011
x \$6.00	Nondriver License Fee
\$1,483,470	Total estimated potential loss of revenue in FY 2011

152,423	Total estimated NDL applicants FY 2012 and 2013
x \$6.00	Nondriver License Fee
\$914,538	Total estimated potential loss of revenue in FY 2012 and 2013

ASSUMPTION (continued)

**Oversight** assumes that since this proposal will be voted on in November 2010, DOR costs could begin starting January 1, 2011.

The nondriver's license fee is split between the State Highway Fund, Cities and Counties. **Oversight** assumes that since the proposal requires the State to pay the legally required fees for a person to get a nondriver's license photo identification then general revenue will make the fee payments to the Highway Fund, Cities and Counties. Oversight is showing the cost of the nondriver's license fee as a cost to general revenue.

**Oversight** assumes DOR's estimate of expense and equipment cost for the new FTE could be overstated. If DOR is able to use existing desks, file cabinets, chairs, etc., the estimate for equipment for fiscal year 2011 could be reduced by roughly \$44,000.

**Oversight** has, for fiscal note purposes only, changed the starting salary for DOR's Revenue Processing Technician I to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

**Oversight** assumes if the proposal is approved by voters in a special election or a general election in FY 2011, the voter ID requirement will become effective in FY 2012.

<u>FISCAL IMPACT - State Government</u>	FY 2011	FY 2012	FY 2013
	(10 Mo.)		
<b>GENERAL REVENUE FUND</b>			
<u>Revenue</u> - Department of Health and Senior Services - birth certificate fees	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - Office of the Attorney General			
Defending legislation in constitutionality claims	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Costs</u> - Secretary of State			
Public Service Announcements	\$0	\$0 or (\$1,932,008)	\$0 or (\$2,898,012)

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2011 (10 Mo.)	FY 2012	FY 2013
<u>Costs - Secretary of State</u>			
Postcard notifications	\$0	\$0 or (\$2,037,750)	\$0 or (\$2,158,617)
<u>Costs - Department of Revenue</u>			
Programming changes	\$0 or (\$16,800)	\$0	\$0
<u>Costs - Department of Revenue</u>			
Licensing materials	\$0 (\$459,875)	\$0 or (\$283,507)	\$0 or (\$283,507)
<u>Costs - Department of Revenue</u>			
Affidavit costs	\$0 or (\$1,236)	\$0 or (\$762)	\$0 or (\$762)
<u>Costs - Department of Revenue</u>			
Reimbursement of the NDL fee paid to the Highway Fund, Cities and Counties that the State must pay	\$0 (\$1,483,470)	\$0 or (\$914,538)	\$0 or (\$914,538)
<u>Costs - Department of Revenue</u>			
Personal Service (0 or 5 FTE)	\$0 or (\$58,401)	\$0 or (\$120,031)	\$0 or (\$123,915)
Fringe Benefits	\$0 or (\$30,625)	\$0 or (\$62,944)	\$0 or (\$64,981)
Expense and Equipment	<u>\$0 or (\$47,896)</u>	<u>\$0 or (\$4,371)</u>	<u>\$0 or (\$4,417)</u>
<u>Total Costs - DOR</u>	\$0 or <u>(\$136,922)</u>	\$0 or <u>(\$187,346)</u>	\$0 or <u>(\$193,313)</u>
FTE Change - DOR	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE
<u>Expense - reimbursement of local political subdivisions for special election costs</u>			
	\$0 or (More than <u>\$7,000,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>\$0 or Unknown to (More than <u>\$9,198,303</u>)</b>	<b>\$0 or Unknown to (<u>\$5,455,911</u>)</b>	<b>\$0 or Unknown to (<u>\$6,548,749</u>)</b>
Estimated Net FTE Change to General Revenue Fund	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE

FISCAL IMPACT - State Government  
(continued)

FY 2011  
(10 Mo.)

FY 2012

FY 2013

**CHILDREN'S TRUST FUND**

Revenue - Department of Health and  
Senior Services - birth certificate fees

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

**ESTIMATED NET EFFECT ON  
CHILDREN'S TRUST FUND**

**\$0 or Unknown**

**\$0 or Unknown**

**\$0 or Unknown**

**ENDOWED CEMETERY CARE  
AUDIT FUND**

Revenue - Department of Health and  
Senior Services - birth certificate fees

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

**ESTIMATED NET EFFECT TO THE  
ENDOWED CEMETERY CARE  
AUDIT FUND**

**\$0 or Unknown**

**\$0 or Unknown**

**\$0 or Unknown**

**MISSOURI PUBLIC HEALTH  
SERVICES FUND**

Revenue - Department of Health and  
Senior Services - birth certificate fees

\$0 or Unknown

\$0 or Unknown

\$0 or Unknown

**ESTIMATED NET EFFECT TO THE  
MISSOURI PUBLIC HEALTH  
SERVICES FUND**

**\$0 or Unknown**

**\$0 or Unknown**

**\$0 or Unknown**

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - cost reimbursement from the State for special election	\$0 or More than \$7,000,000	\$0	\$0
<u>Expense</u> - cost for special election	\$0 or (More than \$7,000,000)	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

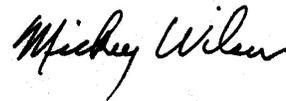
Upon voter approval, this proposed constitutional amendment requires persons seeking to vote to provide election officials with a photographic personal identification including a valid Missouri driver's license or nondriver's license and cards or documents with photographs or a digital image issued by the Missouri National Guard, the United States armed forces, or the United States Department of Veterans Affairs. Other documents with both a signature and photograph issued by Missouri or the United States may also be used to establish a voter's eligibility to vote. The state must provide at least one form of identification at no cost to any otherwise qualified citizen who desires one. Individuals born on or before January 1, 1941, persons with a physical or mental disability, or those who have religious objections to photographic identification may vote by provisional ballot. The Secretary of State will provide notification of the new voting requirements through a variety of media advertisements and public service announcements, and the information on the new requirements must also be posted on the opening page of the official Internet web site of the Secretary of State and the Governor. The Director of the Department of Revenue must prepare and provide an annual report by January 1 to each member of the General Assembly documenting the number of individuals who have requested and received a nondriver's license photo identification for voting purposes.

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

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SOURCES OF INFORMATION

Office of the Secretary of State  
Office of the Governor  
Department of Revenue  
Office of the Attorney General  
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 8, 2010