

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0887-01
Bill No.: HB 216
Subject: Elections
Type: Original
Date: February 4, 2013

Bill Summary: This proposal establishes the voter identification requirements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	\$0	\$0 or Unknown to (\$3,402,641)	\$0 or Unknown to (\$2,133,355)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0 or Unknown to (\$3,402,641)	\$0 or Unknown to (\$2,133,355)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Children's Trust	\$0	\$0 or Unknown	\$0 or Unknown
Endowed Care Cemetery Audit Fund	\$0	\$0 or Unknown	\$0 or Unknown
MO Public Health Service Fund	\$0	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0 or Unknown	\$0 or Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 14 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue		0 or 5 FTE	0 or 5 FTE
Total Estimated Net Effect on FTE	0 FTE	0 or 5 FTE	0 or 5 FTE

- 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

§ 115.427 Photo Identification requirements to vote

Officials at the **Office of Administration - Budget and Planning** assume this proposal would result in additional costs to General Revenue but defer to Department of Revenue and Office of the Secretary of State (SOS) to provide the estimate.

Officials at the **Department of Health and Senior Services (DOH)** assume Section 115.427 of this proposal requires voters to establish their identity and eligibility to vote by providing a form of personal identification to election officials. If an individual does not possess a valid form of personal 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.

This proposal also requires the state to provide at least one form of 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 proposal does not appear to exempt DOH from collecting the necessary fees for copies of certified birth certificates as set forth in Section 193.265.1, RSMo. This proposal could result in an unknown increase in revenue to General Revenue, the Children's Trust Fund, the Endowed Care Cemetery Audit Fund, and the Missouri Public Health Service Fund. This proposal could also result in an unknown impact to the Bureau of Vital Records to issue the increased demand for birth certificate records.

Officials at the **Department of Revenue (DOR)** assume, for the purpose of the fiscal note, all costs would be appropriated from the General Revenue Fund. DOR assumes the administrative impact of this proposal is as follows:

Driver License Bureau (DLB)

The proposed changes will require drafting updates to web site information related to nondriver licenses for voting purposes, updating office procedures, developing a format for nondriver license for voting purposes affidavit and developing a reporting form. Additionally, the Missouri Electronic Driver License system would need changing to define changes to issuance periods for a no cost driver license or nondriver license for voting and completion of end-user testing by our internal staff. This will require overtime from existing staff in order to perform the testing. See below:

ASSUMPTION (continued)

FY 15

Update Web Page - Administrative Analyst III	10 hrs @ \$22.00 = \$ 220
Develop Affidavit - Management Analysis Spec I	40 hrs @ \$20.00 = \$ 800
Develop Procedures - Management Analysis Spec I	40 hrs @ \$20.00 = <u>\$ 800</u>
	Total = \$1,820

Requirements and procedures development and end user testing by DLB:

Administrative Analyst -	160 hrs @ \$24.00(1 1/2) per hr = \$3,840
Management Analyst Specialist II -	240 hrs @ \$23.00 per hr = \$5,520
Revenue Band Manager -	40 hrs @ \$30.00 per hr = <u>\$1,200</u>
	Total = \$10,560

Officials at the **OA- Information Technology Services Division** assume modifications will need to be made to the following systems:

Missouri Electronic Driver License CI	\$27.05 x 120 hours = \$3,246
Central Driver Information System	\$27.05 x 20 hours = <u>541</u>
TOTAL	\$3,787

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 SOS to the current document holders on record with DOR. This comparison was completed in March 2009. According to SOS on January 6, 2012, the 2009 numbers have not statistically changed. The next major change is estimated to occur in 2013. Updated statistics are not available at this time.

253,496	Estimated number of individuals registered to vote who do not have photo identification on file with the Department of Revenue as of March 2009.
125,795	Estimated number of individuals with an expired photo identification document on file with the Department of Revenue, who may need to obtain an updated nondriver license for voting purposes
379,291	Total estimated number of those who may be eligible for a nondriver license (photo identification) document at no cost.
<u>x 50%</u>	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 FY 15
189,646	Remaining number of registered voters who may be eligible for a photo

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ASSUMPTION (continued)

identification document after first year of implementation. Based on 2009 counts.

÷ 2

94,823 Estimated number of registered voters who may apply during subsequent fiscal years (FY2016).

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

199,242 Total new, renewal and duplicate nondriver licenses issued in FY 2012
x 25% Estimated number of applicants with prior document on file that would utilize the affidavit for a new, renewal or duplicate nondriver license, indicating they do not have any other acceptable form of photographic identification for voting purposes, making them eligible for a nondriver license at no cost to the applicant.
49,811 Estimated annual nondriver license applicants with prior document on file.

Licensing Cost

FY 2015

189,645 Potential nondriver license applicants first year of implementation FY2015
49,811 Estimated annual nondriver license applicants (previous document)
239,456 **Total**
x \$2.22 Cost per card of \$1.81 and mailing cost of \$.41 per card
\$531,592 **Total estimated vendor cost FY 2015 for licensing material**

FY 2016

94,823 Estimated number of current registered voters who may apply during subsequent fiscal years FY 2016
49,811 Estimated annual nondriver license applicants (previous document)
144,634 **Total**
x \$2.22
\$321,087 **Total estimated vendor cost FY 2016 for centrally issued license document materials and mailings costs**

Direct Public Inquiries

While SOS is responsible for notifying individuals of the requirement to obtain photo identification for voting purposes, it is assumed that the majority of inquiries would be directed to the DOR as the document issuing agency.

ASSUMPTION (continued)

Estimating a 50% potential applicant inquiry, DOR assumes that approximately 119,729 (24,906 + 94,823) inquiries through the central office will be received during the first implementation year and approximately 72,318 (24,906 + 47,412) calls in subsequent years. To provide the best call-in service for Missouri citizens DOR will need to add 5 FTE to handle the additional telephone inquiries. Since the next general election is to be held in November 2014, additional FTE required by the fiscal note will be calculated to begin in November 2014.

119,729	Total potential applicants/inquiries first year of implementation.
÷ 264	Total days of service per annual period
454	
÷ 100	Estimated # of calls expected to be handled per FTE
5	Estimated # of FTEs required to handle increased call volume FY 2015

Oversight has, for fiscal note purposes only, changed the starting salary for the five Revenue Processing Technician I's 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 over the last six months and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight will show the FTE costs starting in Fiscal Year 2015 to allow the Department of Revenue to begin the implementation of this proposal.

Revenue Impact

Officials at **DOR** assume the revenue impact of this proposal states "the total cost associated with nondriver's license photo identification under this subsection shall be borne by the state of Missouri from funds appropriated to the department of revenue for that specific purpose". This money would have to be appropriated to DOR for distribution to the license offices as required.

For purposes of this fiscal note DOR assumes this includes only the nondriver license (NDL) cost under Section 302.181 and the office processing fee allowed under Section 136.055 for the license (fee) offices. Depending on the definition of "total cost", the revenue impact could be increased or decreased.

FY 2015	
239,456	Total Estimated NDL applicants FY 2015
x \$6.00	Nondriver License Fee
\$1,436,736	Total estimated potential loss of revenue in FY 2015

ASSUMPTION (continued)

FY 2016	
144,634	Total estimated NDL applicants FY 2016
<u>x \$6.00</u>	Nondriver License Fee
\$867,804	Total estimated potential loss of revenue in FY 2016

Fee Office Processing Fees to be reimbursed to contracted license offices

FY 2015	
239,456	Total Estimated NDL applicants FY 2015
<u>x \$5.00</u>	Nondriver License Processing Fee
\$1,197,280	Total estimated potential loss of revenue in FY 2015

FY 2016	
144,634	Total estimated NDL applicants FY 2016
<u>x \$5.00</u>	Nondriver License Processing Fee
\$723,170	Total estimated potential loss of revenue in FY 2016

Oversight assumes the notice required to be provided to citizens informing them of the personal id requirements to vote, is to be included in the election authority's notice they are already required to send. Therefore Oversight assumes that provision would have no fiscal impact.

Oversight assumes this proposal requires a vote of the people to become effective. Oversight assumes that election will be held in November 2014 at the next regularly scheduled general election and therefore the earliest elections affected by this proposal, if passed, are in FY 2015.

The proposal states that "the state shall provide at least one such form of the personal identification required to vote at no cost to any otherwise qualified citizen who does not already possess such identification and who desires the identification in order to vote."

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. The nondriver's license fee is split between the State Highway Fund, Cities and Counties.

Oversight assumes if this proposal should be approved by the voters of Missouri, certain state departments would realize fiscal impact. Therefore Oversight has shown the impact as "zero or Unknown".

Oversight assumes no cost to local governments from this proposal. The legislation specifically states that if no money is appropriated for the funding of the photo id requirement to vote that it shall not be enforced.

ASSUMPTION (continued)

Officials at the **Office of the Secretary of State (SOS)** assume this proposal enacts extensive new state mandates on local election authorities in regards to notification of voters that must be funded as additional responsibilities under Article X, section 21 of the Missouri Constitution. Implementation of the identification provisions would require local election authorities to provide advance notice of the personal ID documents required to vote. The advance notice shall be provided in a manner calculated to inform the public generally of the new personal identification requirements by the local election authorities. To inform the public generally of these new requirements, the costs are estimated to be:

Assumptions include:

Production of radio and TV public service announcements-	\$2,000
Print ad to run twice before an election-	\$203,284
Cable television ad to run twice everyday for eight weeks-	\$299,472
TV and Radio ad to run through broadcast media-	<u>\$497,311</u>
Total-	\$1,002,067

Upon enactment of implementing legislation, the local election authorities will send a mailer to all registered voters to notify them of the new identification requirements at a cost of \$1,878,712. A similar mailer will be sent before the 2016 Primary Election. For all other elections, local election authorities will send mailings to newly registered voters prior to each election. Based on the estimated 355,007 newly registered voters in 2012, this mailer could cost \$159,753.

Assumptions include:

Mailing to all registered voters:
4,174,916 registered voters x \$0.45 postage, printing and processing= \$1,878,712

Mailing to newly registered voters prior to each election:
355,007 new registered voters x \$0.45 postage, printing and processing = \$159,753

For fiscal year 2015 advance notice advertisements will be provided upon approval by the voters of the constitutional amendment and enactment of implementing legislation and prior to the April 2015 election. For fiscal year 2016 advance notice advertisements will be provided to voters prior to the February and April 2016 elections. For fiscal year 2017 advance notice advertisements will be provided to voters prior to the August 2016 and November 2016 elections. For all subsequent years advance notice advertisements will be provided to voters prior to each federal primary and general election.

Oversight assumes this proposal requires the local election authorities to provide notice of the photo identification requirement to vote in their notice required under section 115.127 and 115.129. Additionally this proposal removes language requiring tv and radio advertisements. Therefore, Oversight assumes this proposal would not have a fiscal impact on the local election authorities or the SOS.

ASSUMPTION (continued)

§ 115.430 Provisional Ballots

Officials at the **SOS** assume Missouri law requires the SOS to provide provisional ballot envelopes to election authorities. This bill will increase the number of elections in which provisional ballots are available and the number of provisional ballots that will be cast. Based on previous history, SOS will require additional funding for printing provisional ballot envelopes per election, which totals \$9,800 per election. The additional funding is estimated to be \$12,300 in FY 2015 and \$41,700 in FY 2016.

The bill imposes new requirements on local election authorities relating to notifications, additional provisional ballots, training, 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.

The bill is not limited to statewide elections and will affect every election. The cost per fiscal year will vary based on the number of elections held.

Officials at the **Platte County Board of Election Commission** assume provisional ballot costs \$250 in FY 2014, \$950 in FY 2015 and \$250 in FY 2016.

Oversight assumes that SOS is required to pay for the provisional ballots and therefore the local election authorities would have no additional costs from this provision of this proposal.

Bill as a Whole

Officials from the **SOS** state 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 \$2,500. 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 at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

ASSUMPTION (continued)

Officials at the following board of election commissions: Kansas City Board of Election Commission, St. Louis City Board of Election Commission, Clay County Board of Election Commission, St. Louis County Board of Election Commission and the Jackson County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Audrain, Barry, Bates, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Clay, Cole, Cooper, DeKalb, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Marion, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne, Webster and Worth did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2014	FY 2015	FY 2016
GENERAL REVENUE			
<u>Revenue - Dept. of Health</u>			
§ 115.427 - Birth certificate fees	\$0	\$0 or Unknown	\$0 or Unknown
<u>Cost - Dept of Revenue/OA-ITSD</u>			
computer programming changes	\$0	\$0 or (\$3,787)	\$0
<u>Cost- Dept of Revenue</u>			
licensing materials	\$0	\$0 or (\$531,592)	\$0 or (\$321,087)
<u>Cost - Dept of Revenue</u>			
reimbursement of the NDJ fee paid to the Highway fund, Cities and counties that the State must pay	\$0	\$0 or (\$1,436,736)	\$0 or (\$867,804)
<u>Cost - revenue office processing fee</u>			
reimbursement	\$0	\$0 or (\$1,197,280)	\$0 or (\$723,170)
<u>Cost - Dept of Revenue</u>			
Personal Service	\$0	\$0 or (\$115,019)	\$0 or (\$116,169)
Fringe Benefits	\$0	\$0 or (\$58,366)	\$0 or (\$58,950)
Expense and Equipment	<u>\$0</u>	<u>\$0 or (\$47,561)</u>	<u>\$0 or (\$4,475)</u>
<u>Total Cost - Dept of Revenue</u>	\$0	\$0 or (\$220,946)	\$0 or (\$179,594)
FTE Change - DOR	\$0	0 or 5 FTE	0 or 5 FTE
<u>Cost - Secretary of State</u>			
§ 115.430 - Provisional ballots	<u>\$0</u>	<u>\$0 or (\$12,300)</u>	<u>\$0 or (\$41,700)</u>
ESTIMATED NET EFFECT ON		\$0 or Unknown	\$0 or Unknown
GENERAL REVENUE		<u>\$0</u>	<u>to (\$2,133,355)</u>
Estimated Net FTE Effect on General Revenue	0 FTE	0 or 5 FTE	0 or 5 FTE

FISCAL IMPACT - State Government FY 2014 FY 2015 FY 2016
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CHILDREN’S TRUST FUND

Revenue - Dept. of Health
 § 115.427 - Birth certificate fees \$0 \$0 or Unknown \$0 or Unknown

ESTIMATED NET EFFECT ON CHILDREN’S TRUST FUND **\$0** **\$0 or Unknown** **\$0 or Unknown**

ENDOWED CARE CEMETERY AUDIT FUND

Revenue - Dept. of Health
 § 115.427 - Birth certificate fees \$0 \$0 or Unknown \$0 or Unknown

ESTIMATED NET EFFECT ON ENDOWED CARE CEMETERY AUDIT FUND **\$0** **\$0 or Unknown** **\$0 or Unknown**

MISSOURI PUBLIC HEALTH SERVICE FUND

Revenue - Dept. of Health
 § 115.427 - Birth certificate fees \$0 \$0 or Unknown \$0 or Unknown

ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICE FUND **\$0** **\$0 or Unknown** **\$0 or Unknown**

FISCAL IMPACT - Local Government FY 2014 FY 2015 FY 2016

LOCAL PUBLIC HEALTH DEPARTMENT FUNDS

Revenue - Dept of Health
 § 115.427 - Birth certificate fees \$0 \$0 or Unknown \$0 or Unknown

ESTIMATED NET EFFECT ON LOCAL PUBLIC HEALTH DEPARTMENT FUND **\$0** **\$0 or Unknown** **\$0 or Unknown**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill changes the laws regarding the identification requirements for voting in a public election. In its main provisions, the bill:

- (1) Specifies that a person seeking to vote in a public election must establish his or her qualifications as a United States citizen lawfully residing in this state by presenting a form of personal identification containing a photograph of the individual to election officials. All costs incurred by an election authority to implement the photo identification requirements must be reimbursed by the state. If there is no appropriation and distribution of state funds, the election authority must not enforce the photo identification requirement;
- (2) Allows an individual to vote by casting a provisional ballot after signing an affidavit if he or she does not possess a required form of personal identification because of the inability to pay for a birth certificate or other documentation necessary to obtain the identification;
- (3) Requires the state to provide at no cost at least one form of personal identification required to vote to a qualified individual who does not already possess the required identification and desires the identification in order to vote; and
- (4) Repeals the provision requiring the Department of Revenue to provide a nondriver's license photo identification to a disabled or elderly person through a mobile processing system.

The bill will become effective only upon voter approval of a constitutional amendment that authorizes the General Assembly to require the photo identification.

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

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Revenue
Office of Administration
 Budget and Planning
Office of Attorney General
Office of the Secretary of State
Platte County Board of Election Commission



Ross Strope
Acting Director
February 4, 2013