

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2799-01
Bill No.: HJR 38
Subject: Constitutional Amendment; Elections
Type: Original
Date: April 23, 2007

Bill Summary: This proposal is a constitutional amendment regarding voting identification.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	(\$1,151,171 to \$1,251,171)	(\$650,824)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$1,151,171 to \$1,251,171)	(\$650,824)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Department of Revenue	0	8 FTE	8 FTE
Total Estimated Net Effect on FTE	0	8 FTE	8 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 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume this resolution requires the DOR to issue a form of valid photo identification at no cost to any citizen who does not already possess such identification and who desires the identification to vote. The department used the Census for Missouri that showed 4,167,519 individuals 18 or older, then ran a program that indicates there are 3,998,304 individuals currently on the DOR system. Therefore, there are approximately 169,215 individuals who do not have a photographic personal identification.

169,215	Estimated number of individuals who do not currently have a photographic personal identification. (based on the census population of individuals 18 and older, compared to the driver license system = 169,215.
X 50%	Estimated number of individuals who will apply for state phone identification. (Based on a four year average voter turnout for Missouri).
84,608	Potential state photo identification applicants first year of implementation only.

In addition, because the language allows a person to apply for a state photo identification DOR assume that they simply sign an affidavit indicating they do not have a photographic personal identification showing they are lawfully present in the United States, applicants who apply for a new, renewal or duplicate nondriver license may do so at no cost.

88,989	Total number of nondriver (new, renewal, duplicate) transactions issued in 2005.
X 25%	Estimated number of applicants that would utilize the affidavit indicating that they do not have any other form of photographic personal identification; therefore, would be eligible for a state photo identification at no fee.
22,247	Estimated annual state photo identification applicants.

ASSUMPTION (continued)

STAFFING

During the peak periods prior to the 2010 primary and general elections, the department will incur staffing and expenditure costs for the following:

- Eight (8) full-time Revenue Licensing Technician I's to answer telephone inquiries
- Fifteen (15) temporary Revenue Licensing Technician I's to answer telephone inquiries

During the off peak periods after the November 2008 general election and until the FY10 primary and general elections, the department will reduce staff to the following:

- Eight (8) full-time Revenue Licensing Technician I's to answer telephone inquiries

Oversight assumes that the temporary employees would be employed from March 2010 to November 2010 for the major election year of 2010. For this fiscal note, 4 months (March - June 2010) costs for the temporary employees have been shown in Fiscal Year 2010. The remaining 5 months of costs (July - November 2010) would occur in Fiscal Year 2011 and are outside the scope of this fiscal note. (The cost in Fiscal Year 2011 for the temporary employees would be \$78,930).

Officials at the **Department of Revenue** assume additional costs.

DIRECT PUBLIC INQUIRIES

DOR will require the following associated costs to handle these inquiries, which is anticipated to begin immediately upon passage of this language.

Anticipating a 100% potential applicant inquiry, the department assumes that approximately 106,855 (84,608 + 22,247) inquiries through the central office will be received. The department will provide an 800 number, dedicated to issuance of the voter state photo identification program. A monthly maintenance for the 1-800 line of \$630 x 8 mos = \$5,040. Based on other current 800 lines the average cost of a call is \$.25 per call. $106,855 \times \$0.25 = \$26,714$. $12 \times \$26,714 = \$320,568$ for FY09. DOR will use the previously installed 800 line.

The department will use the previously installed fax lines and pay a \$30 monthly charge x 8 months = \$240 for FY09 and \$360 for FY10.

CONTRACT OFFICE INQUIRIES

In addition, the department anticipates that 25% of potential applicants visiting the contract offices will require the contract office to contact the central office. Therefore, there will be approximately 26,714 (84,608 + 22,247 = 106,855 X 25% = 26,714) inquiries from the contract

ASSUMPTION (continued)

offices to the central office.

DOR will use the current contract office 1-800 line. Because this 800 line already exists there will not be the \$100 installation fee. Based on other current 800 lines the average cost of a call is \$.25 per call. $26,714 \times \$0.25 = \$6,679$ / $12 \times 8 = \$4,453$ for FY09 and \$6,679 for FY10.

OVERTIME/OFFICE OPEN

In anticipation of the high volume of applicants that will need last minute assistance before the 2010 primary and general election, DOR will require contract offices to be open on the Saturday prior to the election and the same amount of hours as a polling site (6 a.m. - 7 p.m.) on election day. This proposal requires "the total cost associated with the state photo identification under this proposal shall be borne by the state of Missouri from funds appropriated to the department of revenue for that specific purpose." Because of this requirement the department will incur costs to pay approximately 23 employees for 11 hours of overtime at \$12 per hour for the additional hours worked on the Saturday prior to the election and on Election Day. $23 \times 11 = 253 \times \$12 = \$3,036$ overtime. In addition, overtime costs for five central office staff will be required for the Saturday before the election and on Election Day to provide internal coverage for contract offices that will be open. Cost for overtime of those staff will be \$1,620.

Oversight assumes that DOR could arrange staff hours to cover the hours needed to distribute the photo identifications without accumulating any overtime costs.

Officials at the **Department of Revenue** assume additional costs.

LICENSING MATERIAL

The department will incur costs for providing an affidavit to individuals applying for a state photo identification (no cost). **Licensing Material:**

FY09

106,855	Estimated number of applicants that will apply for state photo identification
x \$1.86	Licensing material costs
\$198,750	

FY10

22,247	Estimated number of annual applicants that will apply for state photo identification
x \$1.86	Licensing material costs
\$ 41,379	

ASSUMPTION (continued)

Forms

FY09

106,855	Estimated number of applicants that will require an affidavit
x <u>\$.025</u>	Affidavit Costs
\$ 2,671	

FY10

22,247	Estimated number of applicants that will require an affidavit
x <u>\$.025</u>	Affidavit Costs
\$ 556	

REVENUE IMPACT

Because the language requires the state photo identification to be provided by the department to an applicant who signs an affidavit stating that they do not have any other form of photographic personal identification at no cost. The contract offices by statute charge a processing fee and because this language states that the state photo identification shall be provided at no cost to the citizen the department assumes a potential revenue loss that includes the cost to the actual cost of the license, the license fee to the citizen and the processing fee for the contract offices. The total cost shown do not include any cost to political subdivision.

FY09

84,6082	*Applicants that have never had a nondriver license that will only apply the first year of implementation. These applicants, prior to this proposal, would not be required to obtain a nondriver license; therefore, there will be 'no loss in revenue'.
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The 22,247 below are the number of applicants that applied for a new, renewal or duplicate in FY05; therefore there would be a loss in revenue as shown.

22,247	Annual applicants for new, renewal or duplicate
x <u>\$6</u>	Nondriver license fee
\$133,482	Total potential revenue decrease

106,855	Estimated number of applicants that will apply for a nondriver license (84,608 + 22,247)
x <u>\$5.00</u>	Contract office processing fee (majority of applicants apply for a 6-yr nondriver license)
\$ 534,275	Total potential contract office processing fee decrease

ASSUMPTION (continued)

FY10

22,247	Annual applicants for new, renewal or duplicate
x \$6	Nondriver license fee
\$133,482	Total potential revenue decrease

22,247	Estimated number of annual applicants that will apply for a nondriver license
x \$5.00	Contract office-processing fee (majority of applicants apply for a 6-yr nondriver license)
\$111,235	Total potential contract office processing fee decrease

DOR Notes: Constitutional Amendment 3 (2004) authorizes 3% of highway funds to be used to offset the actual cost to collect such funds by the Department of Revenue. For purposes of this fiscal note, the DOR assumes all costs will be appropriated from the general revenue fund. Through the appropriations process, the general assembly may appropriate the constitutionally permissible highway fund amount to offset the general revenue fund cost shown in this fiscal note.

Officials at the **Office of the Attorney General (AGO)** assume the costs for placing the measure on the ballot could be absorbed with existing resources. The AGO assumes it would incur significant one-time costs because of the likelihood of litigation. Costs would likely not exceed \$100,000.

Officials at the **Office of the Secretary of State (SOS)** assume many joint resolutions are considered by the General Assembly that would require the SOS to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The SOS 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 \$1.6 million historically appropriated in even numbered fiscal years and \$100,000 appropriated in odd 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 2007 at the August and November elections there were 6 statewide Constitutional Amendments or ballot propositions that cost \$1.2 million to publish (an average of \$193,000 per issue). Therefore, the SOS 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

ASSUMPTION (continued)

eliminate the estimated nature of our appropriation.

Oversight assumes the SOS could absorb the costs of advertising the statewide ballot measure related to this proposal within their current appropriation level. If multiple bills pass or if multiple ballot initiatives are validated which require similar advertising at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost</u> - Attorney General Office			
Litigation Expenses	\$0 (\$0 to \$100,000)		\$0
<u>Cost</u> - Department of Revenue			
Personal Service (8 FTE)	\$0	(\$178,639)	(\$183,998)
Temporary Employees (15 temps)	\$0	\$0	(\$63,144)
Fringe Benefits	<u>\$0</u>	<u>(\$80,852)</u>	<u>(\$83,277)</u>
<u>Total Cost</u> - Department of Revenue	\$0	(\$259,491)	(\$330,419)
FTE Change - DOR	0 FTE	8 FTE	8 FTE
<u>Cost</u> - Department of Revenue			
Phone and fax equipment	\$0	(\$22,502)	(\$33,753)
<u>Cost</u> - Department of Revenue			
Licensing Material and Affidavits	\$0	(\$201,421)	(\$41,935)
<u>Loss</u> - Department of Revenue			
nondriver license fee	\$0	(\$133,482)	(\$133,482)
<u>Loss</u> - Department of Revenue			
contract office processing fee	<u>\$0</u>	<u>(\$534,275)</u>	<u>(\$111,235)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$1,151,171 to \$1,251,171)</u>	<u>(\$650,824)</u>
Estimated Net FTE Effect on General Revenue	0 FTE	8 FTE	8 FTE

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

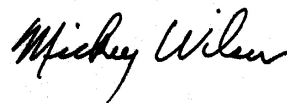
FISCAL DESCRIPTION

Upon voter approval, this proposed constitutional amendment authorizes the General Assembly to require identification for the purpose of voting in Missouri. Government-issued photographic identification will be a permissible form of identification, and the state may implement any other requirements for voting that are allowed under federal law. The state will pay for the full cost of one form of required identification and will comply with the Hancock Amendment by reimbursing political subdivisions for any costs.

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
Office of the Attorney General
Department of Revenue



Mickey Wilson, CPA
Director
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