

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1191H.02P
Bill No.: Perfected HCS for HB 334
Subject: Elections
Type: Original
Date: February 23, 2021

Bill Summary: This proposal modifies several provisions relating elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Local Government	(Unknown)	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could 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 2022 - Driver License Bureau

Research/Data Assistant	260hrs. @ \$15.98 per hr.	= \$4,155
Research/Data Analyst	280hrs. @ \$23.82 per hr.	= \$6,670
Administrative Manager	40 hrs. @ \$22.24 per hr.	= \$ 890
Total		<u>\$11,715</u>

FY 2022 - Personnel Services Bureau

Associate Research/Data Analyst	20 hrs. @ \$19.09 per hr.	= \$382
Associate Research/Data Analyst	10 hrs. @ \$19.09 per hr.	= \$191
Total		<u>\$573</u>

Total Costs \$12,288

Revenue Impact

Currently persons who hold an acceptable identification for voting are not allowed the no-cost nondriver identification 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 Department reflects an office denial count for one office YTD in 2020, of 1,025 persons. This amount is significantly higher than normal, with the same office only showing 3 denials in CY 2019 for free nondriver license transaction due to the applicant already having a valid driver license or other eligible document on file. Statewide, this would calculate to an estimated 546 denials. For the purpose of this fiscal note, the Department will use CY 2019 to calculate the impact.

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.

NDL Transaction Fee = \$6.00 x 546=	\$ 3,276
Office Processing Fee = \$12.00 x 546=	<u>\$ 6,552</u>
Total Loss of State General Revenue FY 23, FY 24 and on-going	\$ 9,828

Vendor per card cost including postage for NDL \$2.4018 x 546 = \$1,311 annually FY 23, 24 and on-going.

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

Oversight notes that IT costs according to **DOR** are contracted at \$95 per hour. This proposal would result in \$2,873 (30.24 hours x \$95) in FY 2022.

****Oversight** notes that there may be a potential increase in loss of revenue during an election year when more citizens will utilize the provisions. According to DOR, the denial count for 1 out of 182 offices was 1,025 persons YTD in 2020 (Presidential Election Year). The loss of revenue is reflected below for that office:

NDL Transaction Fee = \$6.00 x 1,025=	\$ 6,150
Office Processing Fee = \$12.00 x 1,025=	<u>\$12,300</u>
Total Loss of State General Revenue FY 23, FY 24 and on-going	\$18,450

Assuming that all 182 offices had the same denial counts, the total loss of revenue would be \$3,357,900 (18,450 x 182). DOR noted that this amount is significantly higher than normal.

Vendor per card cost including postage for NDL \$2.4018 x 1,025 = \$2,461.85 annually FY 23, 24 and on-going.

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

Officials from the **Attorney General's Office, Missouri Office of Prosecution Services, and Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Kansas City Election Board** assume there would need to be additional training for staff and Election Day workers at a cost of \$35,000 (1000 workers @\$35). Also, printing costs of \$5,000 would be needed for a total of \$40,000 if this legislation becomes law.

Officials from the **Platte County Board of Elections, Jackson County Election Board, and St. Louis County Board of Elections** both assume the proposal will have no fiscal impact on their organization.

Oversight notes there could be additional training costs in FY 2022, as estimated by the Kansas City Election Board. Therefore, Oversight will assume an unknown potential cost to local election authorities in FY 2022. Oversight will assume local election authorities will not incur a material additional cost beyond FY 2022 from this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local election authorities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL ELECTION AUTHORITIES			
<u>Cost - additional training of election day judges</u>	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES	<u>(Unknown)</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

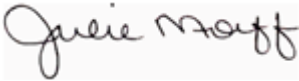
This bill modifies election laws. In its main provisions the bill:

- (1) Requires persons voting in person by use of an absentee ballot to establish their identity under Section 115.427, RSMo;
- (2) Allows voters without personal identification at a polling place to vote a provisional ballot which will be counted based upon a certification process and the return of documentation or by a signature verification process conducted by the election authority; and
- (3) Repeals certain affidavit and notice requirements under Section 115.427

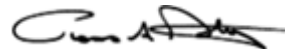
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Revenue
Attorney General's Office
Missouri Office of Prosecution Services
Office of State Courts Administrator
Platte County Board of Elections
Kansas City Election Board
St. Louis County Board of Elections
Jackson County Election Board



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