

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4521-02
Bill No.: HB 1104
Subject: Elections; Secretary of State
Type: Original
Date: January 20, 2012

Bill Summary: This proposal establishes photo identification requirements for voting.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or Unknown to (Unknown greater than \$3,267,692)	\$0 or Unknown to (Unknown greater than \$2,001,202)	\$0 or Unknown to (Unknown greater than \$2,022,699)
Total Estimated Net Effect on General Revenue Fund	\$0 or Unknown to (Unknown greater than \$3,267,692)	\$0 or Unknown to (Unknown greater than \$2,001,202)	\$0 or Unknown to (Unknown greater than \$2,022,699)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Children's Trust Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Endowed Care Cemetery Audit Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
MO Public Health Service Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 11 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE
Total Estimated Net Effect on FTE	0 or 5 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 2013	FY 2014	FY 2015
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

FISCAL ANALYSIS

ASSUMPTION

Section 115.427 Personal Id requirement to vote

In response to similar legislation filed this year, SB 442, officials at the **Budget and Planning** assume the photo identification requirements will result in additional costs to General Revenue.

Officials at the **Department of Health and Senior Services** assume Section 115.427 of the proposed legislation 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.

The proposed legislation 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. The proposed legislation 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. The proposed legislation 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. The proposed legislation 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:

DOR assumes the nondriver license transaction fee and processing fee allowed under section 136.055 would be waived. The actual total cost of the nondriver identification (\$6.00) will be paid for by the state of Missouri which will need to be appropriated.

To determine an estimated number of potential applicants who may be eligible for a nondriver (photo identification) at no cost, the DOR compared the voter records on file with the Secretary of State to the current document holders on record with DOR. This comparison was completed in March 2009. According to the Secretary of State on January 6, 2012, the 2009 numbers have not statistically changed. The next major change is estimated to occur in 2013.

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ASSUMPTION (continued)

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.
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 FY
13	
189,646	Remaining number of registered voters who may be eligible for a photo 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 (FY2014 and FY2015).

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.

171,509	Total new, renewal and duplicate nondriver licenses issued in FY 2011
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.
42,877	Estimated annual nondriver license applicants with prior document on file.

Licensing Cost

FY 2013	
189,645	Potential nondriver license applicants first year of implementation FY2012
<u>42,877</u>	Estimated annual nondriver license applicants (previous document)
232,522	Total
x \$2.23	Per document vendor cost for licensing material
\$518,524	Total estimated vendor cost FY 2013 for licensing material

ASSUMPTION (continued)

FY 2014 and FY 2015

94,823	Estimated number of current registered voters who may apply during subsequent fiscal years FY 2013 and FY 2014
<u>42,877</u>	Estimated annual nondriver license applicants (previous document)
137,700	Total
<u>x \$2.23</u>	
\$307,071	Total estimated vendor cost FY 2014 and FY2015 for licensing material

Direct Public Inquiries

While the Secretary of State 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.

Estimating a 50% potential applicant inquiry, DOR assumes that approximately 123,622 (28,800 + 94,823) 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 service for Missouri citizens DOR will need to add 5 FTE to handle the additional telephone inquiries.

123,622	Total potential applicants/inquiries first year of implementation.
÷ 264	Total days of service per annual period
468	
÷ 100	Estimated # of calls expected per TIO
5	Estimated # of TIO's required to handle increased call volume FY 2013

Oversight has, for fiscal note purposes only, changed the starting salary for the 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 over the last six months of FY 2010 and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

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.

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ASSUMPTION (continued)

Develop format for nondriver license for voting purposes affidavit.

Development of Missouri Electronic Driver License (MEDL) system change requirements documents 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.

FY 13

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 DOR's response to a proposal similar to or identical to this one in a previous session indicated the Department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the Department's driver license legacy systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$1,060. The value of the level of effort is calculated by a Missouri Electronic Driver License CI (MEDL-CI) (State employee) at \$26.50 per hour for 40 hours.

Revenue Impact

Officials at the **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 the Department for distribution to the license (fee) offices as required.

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

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ASSUMPTION (continued)

increased or decreased.

FY 2013	
232,522	Total Estimated NDL applicants FY 2013
<u>x \$6.00</u>	Nondriver License Fee
\$1,395,132	Total estimated potential loss of revenue in FY 2013

FY 2014 and 2015	
137,700	Total estimated NDL applicants FY 2014 and 2015
<u>x \$6.00</u>	Nondriver License Fee
\$826,200	Total estimated potential loss of revenue in FY 2014 and 2015

Fee Office Processing Fees to be reimbursed to contracted license offices

FY 2013	
232,522	Total Estimated NDL applicants FY 2013
<u>x \$5.00</u>	Nondriver License Processing Fee
\$1,162,610	Total estimated potential loss of revenue in FY 2013

FY 2014 and 2015	
137,700	Total estimated NDL applicants FY 2014 and 2015
<u>x \$5.00</u>	Nondriver License Processing Fee
\$688,500	Total estimated potential loss of revenue in FY 2014 and 2015

Officials at **Lawrence County** and **Platte County Board of Election Commission** responded to Oversight's request for impact but did not indicate an impact.

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 2012 at the next regularly scheduled general election and therefore the earliest elections affected by this proposal, if passed, are in FY 2013.

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

ASSUMPTION (continued)

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 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 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.

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, Jackson County Board of Election Commission and St. Louis County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

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

<u>FISCAL IMPACT - State Government</u>	FY 2013	FY 2014	FY 2015
	(10 Mo.)		
GENERAL REVENUE			
<u>Revenue - Dept. of Health</u>			
Birth certificate fees (115.427)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost - Dept of Revenue/OA-ITSD</u>			
computer programming changes	\$0 or (\$1,060)	\$0	\$0

<u>Cost</u> - Dept of Revenue	\$0 or	\$0 or	\$0 or
licensing materials	(\$518,524)	(\$307,071)	(\$307,071)
<u>Cost</u> - Dept of Revenue			
reimbursement of the NDL fee paid to	\$0 or	\$0 or	\$0 or
the Highway fund, Cities and counties	(\$1,395,132)	(\$826,200)	(\$826,200)
that the State must pay			
<u>Cost</u> - revenue office processing fee	\$0 or	\$0 or	\$0 or
reimbursement	(\$1,162,610)	(\$688,500)	(\$688,500)
<u>Cost</u> - Dept of Revenue			
Personal Service	\$0 or	\$0 or	\$0 or
	(\$190,366)	(\$112,777)	(\$113,904)
Fringe Benefits	\$0 or (\$49,261)	\$0 or (\$59,704)	\$0 or (\$60,301)
Expense and Equipment	<u>\$0 or (\$48,055)</u>	<u>\$0 or (\$6,950)</u>	<u>\$0 or (\$7,123)</u>
<u>Total Cost</u> - Dept of Revenue	<u>\$0 or</u>	<u>\$0 or</u>	<u>\$0 or</u>
	<u>(\$190,366)</u>	<u>(\$179,431)</u>	<u>(\$181,328)</u>
FTE Change - DOR	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE**

<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<u>to (Unknown</u>	<u>to (Unknown</u>	<u>to (Unknown</u>
<u>greater than</u>	<u>greater than</u>	<u>greater than</u>
<u>\$3,267,692)</u>	<u>\$2,001,202)</u>	<u>\$2,022,699)</u>

Estimated Net FTE Change on General Revenue	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE
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CHILDREN'S TRUST FUND

<u>Revenue</u> - Dept. of Health			
Birth certificate fees (115.427)	\$0	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

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

<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**ENDOWED CARE CEMETERY
 AUDIT FUND**

<u>Revenue - Dept. of Health</u>			
Birth certificate fees (115.427)	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

ESTIMATED NET EFFECT ON ENDOWED CARE CEMETERY AUDIT FUND	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**MISSOURI PUBLIC HEALTH
 SERVICE FUND**

<u>Revenue - Dept. of Health</u>			
Birth certificate fees (115.427)	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

ESTIMATED NET EFFECT ON MISSOURI PUBLIC HEALTH SERVICE FUND	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013	FY 2014	FY 2015
	(10 Mo.)		

**LOCAL PUBLIC HEALTH
 DEPARTMENT FUNDS**

<u>Revenue - Dept of Health</u>			
Birth certificate fees	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

ESTIMATED NET EFFECT ON LOCAL PUBLIC HEALTH DEPARTMENT FUNDS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

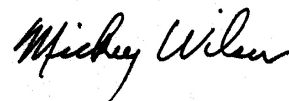
The act establishes identification requirements for voting. Voters shall produce a non-expired Missouri driver's license; a non-expired or non-expiring Missouri nondriver's license; any identification containing a photograph issued by the Missouri National Guard, the United States armed forces, or the United States Department of Veterans Affairs; or a document issued by the United States or the state of Missouri containing the name of the voter which substantially conforms to the most recent signature in the individual's voter registration records, a photograph, and an expiration date or if expired, the expiration is after the date of the most recent general election.

The state shall provide at least one form of identification required to vote at no cost to the voter. All costs incurred by the election authority associated with implementing the new identification requirements shall be reimbursed from the general revenue upon appropriation.

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
Lawrence County
Platte County Board of Election Commission



Mickey Wilson, CPA
Director
January 20, 2012