

**MISSOURI STATE AUDITOR'S OFFICE  
FISCAL NOTE (18-295)**

**Subject**

Initiative petition from Gerald Peterson regarding a proposed amendment to Chapter 115 of the Revised Statutes of Missouri. (Received October 13, 2017)

**Date**

November 2, 2017

**Description**

This proposal would amend Chapter 115 of the Revised Statutes of Missouri.

The amendment is to be voted on in November 2018.

**Public comments and other input**

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, **St. Louis Community College**, the **St. Louis County Board of Elections**, the **Board of Election Commissioners City of St. Louis**, the **Kansas City Board of Election Commissioners**, the **Platte County Board of Elections**, the **Jackson County Election Board**, and the **Clay County Board of Election Commissioners**.

**Kay Brown, Christian County Clerk** provided information for this proposal to the State Auditor's office.

**Rick Watson, Henry County Clerk** provided information for this proposal to the State Auditor's office.

**Gary Emerson, Lawrence County Clerk** provided information for this proposal to the State Auditor's office.

**Stan Whitehurst, Webster County Clerk** provided information for this proposal to the State Auditor's office.

## **Assumptions**

Officials from the **Attorney General's office** indicated they expect that, to the extent that the enactment of this proposal would result in increased litigation, they can absorb the costs associated with that increased litigation using existing resources. However, if the enactment of this proposal were to result in substantial additional litigation, they may request additional appropriations.

Officials from the **Department of Agriculture** indicated no fiscal impact on their department.

Officials from the **Department of Economic Development** indicated no impact to their department.

Officials from the **Department of Higher Education** indicated this initiative petition would not have a fiscal impact on their department.

Officials from the **Department of Health and Senior Services** indicated no fiscal impact on their department.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** indicated this petition, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no fiscal impact.

Officials from the **Department of Labor and Industrial Relations** indicated no fiscal impact on their department.

Officials from the **Department of Revenue** indicated this petition will result in increased operating cost of \$16,275 in fiscal year 2019. This proposal will affect the Secretary of State, county election authorities, and the Office of Administration - ITSD.

<b>Fiscal Note</b>	IP 18-295		ITSD - DOR		
<b>Bill Number</b>	IP 18-295				
<b>Will a new system be required?</b>	Yes		<u>X</u>		No
<b>Indicate fiscal year when fully implemented</b>	FY		2019		
<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>					
<b>Fund Affected</b>			<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>General Revenue</b>				7,938	-
<b>Other</b>			-	-	-
<b>Federal Funds</b>			-	-	-
<b>Total</b>				7,938	-
-					
It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity.					
<b>Bill Section(s)</b>	115.135		-		
			<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
MEDL	Rate	Hours	\$	\$	\$
<b>IT Consultants</b>	75	4		7,938	-
<b>Section Total Expenditures:</b>			7,938 -		
<b>Section Funding:</b>					
General Revenue				7,938	-
Federal			-	-	-
Other			-	-	-
<b>Total</b>			7,938 -		

### **§115.135.5**

The proposed legislation would require the division of motor vehicles or agent to transmit the completed voter registration application to the central voter registration system mandated no later than the next business day after the date of acceptance by the division of motor vehicles.

Their department assumes they will provide a regularly scheduled file of all driver license, nondriver license and permit applicants who meet the minimum age criteria and who, based on application data entered, have submitted documents verifying United States citizenship. This file would include applicants who responded that they are currently registered, applicants that are not registered and do not want to register, and applicants who completed the voter registration application at the time of license or permit application.

Their department would be required to:

- Coordinate with the Secretary of State to develop requirements for the data and signature file specifications and file submission schedule;
- OA-ITSD must develop a data pull process for defining records for submission to Secretary of State;
- OA-ITSD must develop a secure process for tying the required signature file to the data file for submission to the Secretary of State;
- Test the file generation and transfer process to ensure all required data elements and signatures transmit correctly; and
- Develop website information to link inquirers to the Secretary of State for information regarding the new automatic voter registration and provisions for declining automatic voter registration.

### **Administrative Impact**

#### **PSB FY 2019**

Update Webpage - Administrative Analyst III                      10 hrs. @ \$22.59 = \$ 226

#### **DLB FY 2019**

Requirements development and testing:

Administrative Analyst II –	160 hrs. @ \$19.43 per hr. =	\$3,109
Management Analyst Spec. II –	160 hrs. @ \$23.61 per hr. =	\$3,778
Revenue Band Manager Band II --	40 hrs. @ \$30.59 per hr. =	<u>\$1,224</u>

**Total = \$8,337**

### OA-ITSD Impact

<b>Fiscal Note</b>	IP 18-295	ITSD - DOR	
<b>Bill Number</b>	IP 18-295		
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<b>Indicate fiscal year when fully implemented</b>	FY	2019	
<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>Fund Affected</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>General Revenue</b> -		7,938	-
<b>Other</b> -	-	-	-
<b>Federal Funds</b> -	-	-	-
<b>Total</b> -		7,938	-
-			
It is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity.			
<b>Bill Section(s)</b>	115.135	-	
		FY 2018	FY 2019
		FY 2020	
MEDL	Rate	Hours	\$
			\$
<b>IT Consultants</b>	75	105.84	7,938
			-
<b>Section Total Expenditures:</b>		7,938	-
<b>Section Funding:</b>			
	General Revenue		7,938
	Federal	-	-
	Other	-	-
	Total	7,938	-

#### Technical errors:

#### §115.135.5(c)

This section has the following technical errors:

- “If the division of motor vehicles or agents fail to have the required forms, the state or its agent will personally **delivery...**” This sentence should read, “If the division of motor vehicles or agents fail to have the required forms, the state or its agent will personally **deliver...**”; and

- “Certifications showing place of residences are all that will be **necssary**.” This sentence should read, “Certifications showing place of residences are all that will be **necessary**.”

Officials from the **Department of Public Safety - Office of the Director** indicated they see no fiscal impact due to this initiative petition.

Officials from the **Department of Social Services** indicated no fiscal impact on their department.

Officials from the **Governor's office** indicated there should be no added costs or savings to their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact to their office.

Officials from the **Department of Conservation** indicated that no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Department of Transportation** indicated they defer to the Department of Revenue for fiscal impact.

Officials from the **Office of Administration** indicated this proposal amends Sections 115.135 and 115.427, RSMo, to allow people applying for or renewing a driver's license to register to vote or change their address for voting purposes. If the Division of Motor Vehicles (MV) employee has doubts on citizenship, those registrations will be sent to the state board of elections for a follow-up investigation. MV must print and have available voter registration forms and declaration of citizenship. MV must electronically send the completed forms (in a format compatible with the SOS's voter registration system) the next business day to the central voter registration system. For each electronic submission, a hard copy will be provided to the appropriate local board of canvassers. All changes must be in place six months before the November 2020 elections.

In addition, other applicable state agencies that would provide proof of eligibility, including age, citizenship, and residence address, will follow the procedures for automatic voter registration. There will be no charge for voter registration. Voter ID cards will be sent to all registered voters for each election. It is not clear who will mail these Voter ID cards for each election but for the purposes of this response, Budget and Planning assumes it would be the Department of Revenue's responsibility. Any additional agencies designated for automatic registration must follow these same rules.

There would appear to be personnel and programming costs associated with this proposal. Budget and Planning defers to the Department of Revenue for those costs.

This should not impact the Office of Administration.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated no fiscal impact to their office.

Officials from the **Secretary of State's office** indicated this petition requires completed voter registration applications to be transmitted electronically to their office in a format compatible to their voter registration system. To coordinate the DMV's system with the Missouri Centralized Voter Registration system would require a one-time expense of up to \$1,000,000 for programming resources. Depending on the timeline of implementation, this cost may be incurred in either FY19 or FY20.

FY19 or 20: GR \$1,000,000

Many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. Their office 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 their office for Administrative Rules is less than \$2,500. Their office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 their office can sustain with their core budget. Therefore, they reserve 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.

Each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Referendums are submitted to the people at the next general election. Article III section 52(b) of the Missouri Constitution authorizes the general assembly to order a special election for measures referred to the people. If a special election is called to submit a Referendum to a vote of the people, Section 115.063.2 RSMo. requires the state to pay the costs. The cost of the special election has been estimated to be \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

Their office is required 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. Their 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. Through FY (fiscal year) 2013, the appropriation had 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 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation. In FY 2017 their office was appropriated \$2.6 million to publish the full text of the measures. In FY 2017, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$2.4 million to publish (an average of \$400,000 per issue). Their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, they reserve the right to request funding to meet the cost of their publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Officials from the **Office of the State Public Defender** indicated this initiative petition will not have any impact on their office.

Officials from the **State Treasurer's office** indicated this initiative petition would have no fiscal impact upon their office.

Officials from **Adair County** indicated the cost to their county, for postage only, would be approximately \$6,500 per election. There would also be supply costs as well as staff hours to be considered.

Officials from **Cole County** indicated it would be an unnecessary burden, financially and labor intensive if this petition would pass. If they are required to send out a new voter ID card before every Election it would cost their county \$90,000 for year 2018, having three Elections.

Officials from **Greene County** indicated that due to the ambiguity of the details, lack of specifics as to implementation and incongruent direction within the language of this proposition, it is not feasible to determine with any degree of specificity if there are any estimated costs or savings to report from their county for this petition.

Officials from the **City of Kansas City** indicated this amendment will have no fiscal impact on their city.

Officials from the **Metropolitan Community College** indicated no fiscal impact for their college.

Officials from the **University of Missouri** indicated this response is provided on behalf of the University of Missouri System. As outlined in the draft, there is no significant measurable fiscal impact on their university.

Officials from the **Platte County Board of Elections** indicated they anticipate a cost of \$23,300 per election from the purchase and mailing of voter identification cards.



**Kay Brown, Christian County Clerk** provided information for this proposal to the State Auditor's office. For their county, the cost would be approximately \$ 25,000.00 prior to each election. This cost does not reflect the additional staffing needed to process all the return mail. For the 2018 Election year the cost would be approximately \$ 75,000.00 and does not include the extra cost for additional staffing to process the mail. Who would be responsible to pay the cost of this mailing? Now the Photo Id Law requires all voters have a Missouri picture identification provided by the Missouri Department of Revenue. So this voter card no longer has the importance it once held as the preferred form of identification to be used at the polls. This would be an extremely costly process and a waste of taxpayer dollars.

**Rick Watson, Henry County Clerk** provided information for this proposal to the State Auditor's office. County officials estimate that it would cost \$8,000 per election, to send out voter verification cards, prior to each election.

**Gary Emerson, Lawrence County Clerk** provided information for this proposal to the State Auditor's office. The proposed changes to Chapter 115 in this petition will cost the county approximately \$12,000 per election. This would result in a \$36,000 to \$48,000 increase in the costs of election in their county each year.

**Stan Whitehurst, Webster County Clerk** provided information for this proposal to the State Auditor's office. In the county, county officials estimate this proposal would cost in excess of \$12,000 for every election. Due to variation in the number of elections each year, the annual cost could range from \$24,000 to \$60,000 per year.

The State Auditor's office did not receive a response from the **Department of Elementary and Secondary Education, Boone County, Callaway County, Cass County, Clay County, Jackson County, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Columbia, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, State Technical College of Missouri, St. Louis Community College, the St. Louis County Board of Elections, the Board of Election Commissioners City of St. Louis, the Kansas City Board of Election Commissioners, the Jackson County Election Board, and the Clay County Board of Election Commissioners.**

## **Fiscal Note Summary**

State and local governmental entities estimate no savings from this proposal. State governmental entities estimate one-time costs of up to \$1 million. Local election authorities are estimated to have additional costs ranging from \$6,500 to \$30,000 per election.