

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0798-01
Bill No.: HB 184
Subject: Elections
Type: Original
Date: January 9, 2017

Bill Summary: This proposal requires the Secretary of State to establish a system for automatic voter registration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$1,055,542)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$1,055,542)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Revenue (DOR)** assume the following regarding this proposal:

§115.950.1

The proposed language requires the Secretary of State to establish a process to conduct automatic voter registration based on driver license information.

§115.950.2

The proposed language will require the Department to periodically provide to the Secretary of State such information what they determine as necessary to conduct recommendations for automatic voter registration.

Since there is not a specific time frame defined within the proposed language, the Department assumes they will provide a regularly scheduled file of all driver license, non-driver 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 were currently registered to vote, applicants who responded that they were not registered and did not want to register to vote, and applicants who completed the voter registration application at the time of license or permit application.

The "necessary" information is not defined; however, the Department assumes that it will be required to send name, date of birth, address and at a minimum the last 4 digits of the social security number. The Department assumes there may also be a requirement to send a copy of the applicant's signature for final voter registration processing.

The 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 signature are sent as required.

ASSUMPTION (continued)

- Develop website information to link inquirers to the Secretary of State for information regarding the new automatic voter registration and provisions for declining automatic registration.

§115.950.6

The proposed language specifies that the provisions of this section shall be subject to the appropriation and payments of funds necessary to conduct automatic voter registration and verification procedures.

The Department would not pursue developing the required data files if appropriations have not been made to the Secretary of State and local election authorities and the Department to implement the required provisions.

Administrative Impact

Personnel Services Bureau FY 18

Update Webpage - Administrative Analyst III 10 hrs. @ \$24.00 = \$240

Driver's License Bureau FY 18

Requires development and testing:

Administrative Analyst II -	160 hrs. @ \$31.00 (1 ½) per hr. =	\$4,960
Management Analyst Spec. II -	160 hrs. @ \$25.00 per hr. =	\$4,000
Revenue Band Manager Band II -	40 hrs. @ \$32.00 per hr. =	<u>\$1,280</u>
	Total =	\$10,240

OA-ITSD services will be required at a cost of \$27,540 (367.20 hours x \$75 per hour) in FY 2018.

In summary, DOR assumes a cost of **\$38,020** (\$240 + \$10,240 + \$27,540) in FY 2018.

Officials from the **Office of the Secretary of State (SOS)** state this proposal implements an automatic voter registration program. The proposal requires the Department of Revenue (DOR) to transmit to the Secretary of State (SOS) records containing information of eligible voters, based on driver's license records. This information is then made available to each local election authority, which will then send notice to each person giving them the opportunity to decline to be registered. For the purposes of this fiscal note, this office assumes that this information will be transmitted in an electronic format.

ASSUMPTION (continued)

To implement these requirements, significant programming changes would need to be made to the centralized voter registration database (MCVR) to develop multiple new interfaces, to allow electronic transmission of electronic DOR data, to sync DOR driver's license data with currently existing voter information in MCVR, to allow local election authorities to generate and send notices of opportunity to decline registration, to create a queue of individuals who have been sent notice of opportunity to decline registration, and to allow information to be transferred between counties. Based on the implementation of similar systems in other states, this section would result in an estimated one-time cost of \$1,000,000 in FY 2018.

SOS estimates that there will be 35,821 mailings at a cost of \$0.49 each for a total of \$17,522.29 in FY 2018.

Officials from the **Joint Committee on Administrative Rules** state that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

Officials from the **City of Kansas City**, **City of Columbia** and **Callaway County** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Cost</u> - SOS - programming changes to MCVR	(\$1,000,000)	\$0	\$0
<u>Cost</u> - SOS - mailings	(\$17,522)	\$0	\$0
<u>Cost</u> - DOR - administrative costs to implement	<u>(\$38,020)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO GENERAL REVENUE	<u>(\$1,055,542)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</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.

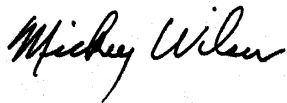
FISCAL DESCRIPTION

This proposal requires the Secretary of State to enable a system for automatic voter registration that will make use of driver's license information from the Department of Revenue to register voters. Those eligible for registration will receive notice and a chance to decline registration. Local election authorities will retain the ability to screen voters for eligibility, to conduct notice for registration, and to remove ineligible voters from registration lists.

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
Joint Committee on Administrative Rules
City of Kansas City
City of Columbia
Callaway County



Mickey Wilson, CPA
Director
January 9, 2017

Ross Strobe
Assistant Director
January 9, 2017