

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$2,101,300	(\$137,750)	\$617,783	(\$137,750)
CASH FUNDS	\$546,875	(\$413,250)		(\$413,250)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$2,648,175	(\$551,000)	\$617,783	(\$551,000)

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 230 amends the Election Act to require voters to present qualifying photographic identification to register to vote and to receive a ballot or be entitled to vote.

Section 3 defines “Qualifying photographic identification”.

Section 17 allows registered voters to vote early “if the voter is handicapped with a qualifying condition, including, but not limited to, XXX, or if the voter is a member of the armed forces of the United States or the Nebraska National Guard.” Current statute does not limit early voting to this group of voters.

NOTE: It is assumed that the provisions of enumerated qualifying conditions contained in the designation “XXX” will have no fiscal impact on LB 230.

Section 35 requires an American Flag symbol to be placed on the front of each operator’s license and state identification card issued to each individual who has verified status as a citizen of the United States as verified by the department (of Motor Vehicles) using the standards in section 60-484.04.

Section 36 provides that no fee shall be charged for issuance of an original, renewal, or duplicate state identification card to a resident of Nebraska who does not have a valid driver’s license, who is requesting issuance of such card for voting purposes.

Section 37 provides for the department (of Health and Human Services) to provide, at no cost, certified copy of a birth record for persons without a current Nebraska driver’s license or state identification card and indicates that the birth record is needed to apply for a state identification card for voting purposes.

Section 39 provides for the outright repeal of several sections addressing such things as special elections and counties with less than 10,000 inhabitants being allowed to conduct elections by mail (Section 32-960).

The Department of Health and Human Services (DHHA) estimates that it may incur a Cash Fund revenue decline due to the provision of no-cost birth records. This potential loss of funds is estimated to be minimal and can be absorbed by DHHS.

The Department of Motor Vehicles (DMV) estimates increased costs and revenue losses due to the provision for no-cost state identification cards. DMV’s cost per card is \$5.50. This cost is estimated to be incurred for 46,000 such cards. Additionally, a cost to change programming is estimated to be \$293,875. These costs are only incurred in fiscal year 2023-24. DMV estimates that in fiscal year 2023-24 46,000 new cards and 19,000 renewal cards will be issued at no cost. Beginning in fiscal year 2025, only the 19,000 renewal cards will be issued at no cost.

The DMV, based on 2020 Census data, estimates 65,000 Identification Cards with no fees will be obtained in fiscal year 2023-24. 19,000 such cards will be obtained in fiscal year 2024-25. The allocation of funds otherwise collected for such cards results in a General Fund revenue decrease of (\$471,250) in FY24 and (\$137,750) in FY25. The estimated DMV Cash Fund revenue loss is (\$1,413,750) in FY24 and (\$413,250) in FY25. These estimates assume the maximum number of eligible persons will obtain Identification Cards. Since revenue losses are to be estimated relative to prior collections, revenue loss based on 65,000 Identification Cards is not used in this fiscal note. This fiscal note utilizes the 19,000 Identification Card figure that is anticipated in FY25 and applies

it to FY24 revenue loss projections. The 19,000 figure captures the estimated population that annually obtains Identification Cards. That is the population from which revenue is received. The additional 46,000 persons that DMV estimates in FY24 represent the population of persons who have not previously obtained Identification Cards. Under this logic, that population would not otherwise obtain Identification Cards and, therefore, revenue would not be collected; there is no lost revenue since those dollars would not have normally been collected.

The Secretary of State (SoS) estimates the need for 1.0 Project Manager position, operational costs, and equipment to address in-person voting for counties that currently offer voting by mail. Included in these costs is a public awareness campaign to inform and educate the public. That is estimated to cost \$700,000 in fiscal year 2023-24 and \$500,000 in fiscal year 2024-25. It is likely that beginning in fiscal year 2025-26, this cost will be reduced.

There is no basis to disagree with the SoS estimates.

For any counties that currently qualify for elections by mail due to their population base, the Nebraska Association of County Officials (NACO) estimates that additional costs will be incurred for costs associated with in-person voting.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 230	AM:	AGENCY/POLT. SUB: Secretary of State
REVIEWED BY: Kimberly Burns	DATE: 02/28/2023	PHONE: (402) 471-4171
COMMENTS: The Secretary of State's assessment of fiscal impact for LB 230 seems reasonable given the assumptions used.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 230	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Kimberly Burns	DATE: 01/19/2023	PHONE: (402) 471-4171
COMMENTS: The Department of Motor Vehicle's amended assessment of fiscal impact for LB 230 seems reasonable given the assumptions used.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 230	AM:	AGENCY/POLT. SUB: Department of Health and Human Services
REVIEWED BY: Kimberly Burns	DATE: 02/01/2023	PHONE: (402) 471-4171
COMMENTS: No basis to dispute the Department of Health and Human Services assessment of negligible fiscal impact due to cash fund revenue loss from LB 230.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 230	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)
REVIEWED BY: Kimberly Burns	DATE: 02/24/2023	PHONE: (402) 471-4171
COMMENTS: No basis to dispute the Nebraska Association of County Officials' assessment of negative, yet unknown, fiscal impact from LB 230.		

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 230

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 2-24-2023 Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$2,101,300</u>	<u> </u>	<u>\$617,783</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>\$2,101,300</u>	<u> </u>	<u>\$617,783</u>	<u> </u>

Explanation of Estimate:

LB230 proposes legislation to significantly reduce by-mail voting and to establish procedures for photographic identification for elections. This proposed legislation would require additional appropriations for our office for the following requirements.

ADA-Compliant Ballot Marking Devices:

The reduction of by-mail voting proposed by LB230 would result in an increase in voting in-person at polling places. In the 2022 General Election, more than 225,000 voters voted by mail. The increased in-person voting would lead to the need to create more precincts in order to be in compliance with statute 32-903 and also to avoid long wait times at the polls. In accordance with federal law, each precinct has an ADA-compliant ballot marking device; thus, the creation of more precincts results in the need for more devices. The additional precincts include 135 precincts which are currently all by-mail. In total, we estimate needing 330 additional devices. Based on current contract prices for these devices, installation, and training, the cost would be \$1,142,720.

Public Awareness Campaign:

In order to comply with federal law as interpreted by federal courts, implementing the proposed legislation requires public education. To ensure a consistent and effective message is delivered statewide across all media networks, our office would anticipate contracting with an advertising agency. Based on the average of budgetary quotes obtained from multiple local agencies, this cost is estimated to be \$1,200,000, with \$700,000 in FY24 and \$500,000 in FY25. Additionally, due to existing staff constraints, we anticipate needing to hire a project manager to coordinate the statewide education effort. This position is expected to cost approximately \$106,000 per year for salary, benefits, equipment, supplies, and technology expenses.

Envelopes:

LB230 provides that individuals voting at the polls without proper identification would vote via the provisional ballot process. This would require some modifications to the provisional ballot envelopes. Our office would provide the initial stock of these new envelopes to the counties. The counties would then be responsible for replenishing the envelopes in the future. Based on quotes and historical county envelope costs, we estimate the cost of obtaining and distributing these envelopes, to be \$118,950. This is a one-time cost for FY24.

Additionally, LB230 requires changes to the early voting ballot return envelopes. Due to the limitation on early voting by mail, we do not anticipate needing a significant quantity of these envelopes and estimate the total cost to be \$5,000 based on historical prices. Again, this would be a one-time cost as our office would provide the initial stock and the counties would replenish the supply in the future.

Voter Registration Form Changes:

LB230 would require modifications to the voter registration form, both on paper as well as the design of the form in the voter registration system. We estimate the cost to print and distribute the forms to be \$2,500 and our vendor estimates the system coding costs to be \$5,200. This is a one-time cost for FY24.

Travel:

We estimate needing \$20,000 in FY24 and \$10,000 in FY 25 for staff travel expenses related to training county officials across the state.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Project Manager	1.0	1.0	\$72,100	\$75,705
Benefits.....			\$28,840	\$30,282
Operating.....			\$920,440	\$501,796
Travel.....			\$20,000	\$10,000
Capital outlay.....			\$1,059,920	
Aid.....				
Capital improvements.....				
TOTAL.....			\$2,101,300	\$617,783

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2023

LB⁽¹⁾ 230 AMENDED

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 18, 2023 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		(471,250)		(137,750)
CASH FUNDS	546,875	(1,413,750)		(413,250)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	546,875	(1,885,000)		(551,000)

Explanation of Estimate:

2020 Census Nebraskans Aged 18 and over – 1,476,000
 Nebraskans Aged 18 and over with a Driver License – 1,336,000
 Nebraskans Aged 18 and over with a State ID -94,000
 Nebraskans Aged 18 and over who can apply for a State ID card – 46,000
 State ID Cards Issued FY 2023-24 = 19,000 Renewal of State ID + 46,000 Do not have State ID = 65,000
 State ID Cards Issued FY 2024-25 = 19,000 Renewal of State ID only
 Numbers rounded to the nearest 1,000

Based on the 2020 Census, and documents currently issued to Nebraskans aged 18 and over (see above), the DMV calculates that the Department will issue 65,000 Identification Cards with no fees collected in FY 2023-24, and 19,000 in FY 2024-25. The allocation of the \$29.00 fees is \$16.75 to the DMV Cash Fund, \$5.00 for Security Surcharges, and \$7.25 to the State General Fund. The total loss of revenue will be \$1,885,000 in FY2023-24 and \$551,000 in FY 2024-25.

The Department currently pays approximately \$5.50 per card issued. The increased cost for the 46,000 cards produced will be \$253,000 in FY 2023-24. The 19,000 renewals each year have already been paid for with existing appropriation so additional appropriation will be necessary. There will also be programming required by our card producer in the amount of \$293,875 to add the items as required by this legislation.

Based on this information an additional funding source will be necessary to recover this reduction in revenue and increase card production costs.

Additionally, citizens that obtain a State Identification Card will not have the opportunity to donate \$1.00 to the Organ Tissue Donor Awareness Education Fund. There will be a small loss in revenue to this fund within DHHS.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			546,875	
Travel.....				

Capital outlay.....	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>
TOTAL.....	<u> 546,875 </u>	<u> </u>

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 2-1-2023

Phone: (5) 471-6719

	<u>FY 2023-2024</u>		<u>FY 2024-2025</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0	\$0	\$0	\$0
CASH FUNDS	\$0	\$0	\$0	\$0
FEDERAL FUNDS	\$0	\$0	\$0	\$0
OTHER FUNDS	\$0	\$0	\$0	\$0
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB230 intent is to eliminate the fee for certain state identification cards and certified copies of birth certificates for voting purposes

This would result in a loss of cash fund revenue for the Vital Records Office and will require a regulatory change to 174 NAC 3.

Vital Records Office estimates a total loss of revenue over a five-year period to be \$2,250 since there would be no payment for the birth certificate. The Department of Health and Human Services can absorb this loss of revenue.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2023-2024 EXPENDITURES	2024-2025 EXPENDITURES
	23-24	24-25		
Benefits.....			\$0	\$0
Operating.....			\$0	\$0
Travel.....			\$0	\$0
Capital Outlay.....			\$0	\$0
Aid.....			\$0	\$0
Capital Improvements.....			\$0	\$0
TOTAL.....			\$0	\$0

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2023

LB⁽¹⁾ 230

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 2/23/2023 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB230 would enact implementing legislation for the photographic voter ID constitutional amendment that was passed by voters in November. In addition, it would outright repeal the authority of counties under 10,000 to conduct elections by mail in any or all precincts as well as the authority to conduct special elections by mail in all counties.

Eleven counties have all-mail elections and eight counties have all-mail elections in some precincts. The Secretary of State estimates that LB230 would require 270 all-mail precincts to have polling places. Each polling place would be staffed by five pollworkers. At a minimum wage of \$12 per hour (beginning January 1, 2024) for the 12 hours that the polls are open, the estimated minimum statewide cost is \$194,400 per election. This estimate does not include materials for each polling place and possible costs for renting ADA-compliant facilities, if necessary. The cost to conduct in-person special elections would depend upon the number of elections and the number of precincts in the political subdivision seeking the special election.

Costs to counties to implement the voter ID sections of the bill are unknown.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====