

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	2,630,530		451,357	
CASH FUNDS	11,120			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,641,650		451,357	

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

LB 1065 changes provisions related to the Election Act.

LB 1065 requires the Secretary of State to include a digital picture and signature for all registered voters in the voter registration database and requires distribution of the images for county officials' use if they choose to make use of an electronic poll book.

The Secretary of State estimates a first-year cost of \$2,630,530. This would cover the costs associated with adding digital images to the database, distribution of such images to electronic poll books, database enhancements, providing necessary equipment to county election officers, etc. There is no basis to disagree with this estimate.

The Secretary of State also estimates ongoing costs of \$451,357 per year. This would cover annual maintenance costs for county workstations as well as new registrations for non-DMV database voters. There is no basis to disagree with this estimate.

The Department of Motor Vehicles estimates a one-time cost of \$11,120 to address programming costs that will allow them to send images to the Secretary of State. This estimate appears to be reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1065	AM:	AGENCY/POLT. SUB: Nebraska Secretary of State's Office	
REVIEWED BY: Ann Linneman	DATE: 2-12-18	PHONE: (402) 471-4180	
COMMENTS: The Nebraska Secretary of State's Offices' assessment of fiscal impact seems reasonable given the assumptions used.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1065	AM:	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles	
REVIEWED BY: Ann Linneman	DATE: 1-31-18	PHONE: (402) 471-4180	
COMMENTS: The Nebraska Department of Motor Vehicles' assessment of fiscal impact seems reasonable given the assumptions used.			

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

2018

LB⁽¹⁾ 1065

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Secretary of State's Office

Prepared by: (3) Joyce Woofter Date Prepared: (4) 2/6/2018 Phone: (5) 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	2,630,530		451,357	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,630,530		451,357	

Explanation of Estimate:

LB 1065 requires the Secretary of State to include a digital picture and digital signature for all registered voters in the voter registration database. It further requires the distribution of the images for use by county officials if they choose to make use of an electronic poll book.

Currently, there are no digital pictures in the voter registration system. We would contract with OCIO to pull voter images for the registered voters who have a record in the DMV database. The estimate for this additional process would be \$960. Distributing digital pictures to electronic poll books would require three enhancements to the voter registration database at an estimated cost of \$48,795. These would be one-time expenses.

We estimate there would be 15,475 voters who do not have a DMV record. First, we would contract with the DMV since they have ID card infrastructure established to provide State ID cards to registered voters meeting DMV requirements-this would create a DMV record so the picture and signature could be pulled into the voter registration system. For those not meeting the DMV requirements, we would provide county election officials with equipment to process signed ID cards with a digital picture and digital signature that could be held in a database for importing into the voter registration system. We would reimburse any direct costs of the ID cards and request the issuance of the cards be included in the county election officials' voter registration duties.

Of the 15,475 voters, we estimate 80% or 12,380 voters could obtain State ID cards from DMV. At a cost of \$26.50/ID this would total \$328,070.

The remaining 3,095 registered voters would need photos and signatures obtained by the county election officers. To set up ID stations in the 93 counties there would be initial set up costs of \$2,210,000: 93 workstations @ \$20,000 each (\$1,860,000), \$250,000 for card production software and \$100,000 for other set up infrastructure. The incremental supply cost for the 3,095 ID cards would \$15,475. An electronic process would be needed to bring the photos and signatures from the county election official database into the voter registration system at a cost of \$9,720. These are one-time costs.

Notification and public education would cost \$17,510 for direct mail to inform registered voters of the requirement. We estimate 17,000 contacts @ 1.03 per contact (envelopes, paper, labels, and stamps).

After the initial set up to obtain digital photos and signatures for existing voters, we estimate that 1,322 new registrations of non-DMV database voters would be needed in each new fiscal year at a cost \$29,357. In addition, there will be annual maintenance costs for the county workstations of \$422,000.

If assumptions above are not correct, additional costs may fall to the state.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			770,530	451,357
Travel.....				
Capital outlay.....			1,860,000	
Aid.....				
Capital improvements.....				
TOTAL.....			2,630,530	451,357

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2018

LB⁽¹⁾ 1065

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 25, 2018 Phone: ⁽⁵⁾ (402)471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	11,120	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

This legislation will require the DMV to send images to the Secretary of State. We estimate an increase in our programming costs to accommodate this change at \$11,120

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19 EXPENDITURES</u>	<u>2019-20 EXPENDITURES</u>
	<u>18-19</u>	<u>19-20</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	11,120	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____