

Updated to reflect all amendments adopted to date.

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	\$1,210,880	(\$137,750)	\$615,764	(\$137,750)
CASH FUNDS	\$587,500	(\$413,250)		(\$413,250)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,798,380	(\$551,000)	\$615,764	(\$551,000)

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

LB 514, as amended, changes provisions related to the Election Act.

Section 3 provides a definition for “Valid photographic identification”.

Section 4 requires the Secretary of State to provide a website dedicated to voter identification requirements and procedures, a public awareness campaign regarding the voter identification requirements and procedures, and instructions and information to the Department of Health and Human Services, the Department of Motor Vehicles (DMV), and the State Department of Education for distribution to Nebraska residents regarding valid photographic identification.

Section 5 requires the Secretary of State to develop a process to use the information in possession of or available to that office to match and verify the citizenship of registered voters.

Section 8 requires voters to present valid photographic identification prior to receiving a ballot.

Sections 9 and 10 address provisional ballots as related to valid photographic identification.

Sections 11 and 12 address a standard certification for voters with a reasonable impediment preventing the voter from presenting or obtaining valid photographic identification.

Section 13 requires voters who are voting early, pursuant to section 32-938, to include the identification number of the voter’s driver’s license or state identification care, a photocopy of any other valid photographic identification issued to or related to the voter, or the voter’s reasonable impediment certification.

Section 16 amends the Voter’s Oath to include requirements regarding valid photographic identification.

Section 18 addresses election commissioners and county clerks’ removal of ballots from the ballot box and separating voter identification envelopes from the rest of the ballots. The election commissioner or county clerk shall also verify that such persons have not voted anywhere else in the county or been issued a ballot for early voting.

Section 20 (7) prohibits any fee being charged for issuance of an original, renewal, or duplicate state identification card to a resident of Nebraska who does not have a valid Nebraska driver’s license, who is requesting issuance of such card for voting purposes, and who will be at least 18 years old on or before the next election conducted under the Election Act.

Section 23 (9) prohibits the Department of Health and Human Services from charging any fee for a certified copy of a birth record if the applicant does not have a current Nebraska driver’s license or state identification card and indicates in the application that the applicant needs a certified copy of the birth record to apply for a state identification card for voting purposes.

The Department of Motor Vehicles (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 DMV estimates increased Cash Fund expenditures totaling \$587,500 in FY24. This estimate is the total cost of \$287,500 (46,000 cards at a cost of \$6.25 per card) plus \$300,000 to address significant programming costs and increased costs that will be incurred to provide the affidavit document.

The Secretary of State estimates a total cost of \$1,210,880 in General Funds for FY24 and \$615,764 of General Funds in FY25. Of this total, \$1.2 million will be utilized for the required Public Awareness Campaign over the next two years (\$7,000 in FY24 and \$500,000 in FY25). These estimates are based on data obtained from multiple local agencies. Additionally, the Secretary of State would need to hire a project manager to coordinate the statewide education effort.

The Secretary of State's estimate to provide the specified "voter identification verification envelope" is \$118,950. Changes to early voting ballot return envelopes is estimated to be \$200,000. These are one-time costs for the Secretary of State, as they will provide the initial stock of envelopes to counties and, in the future, counties would be responsible for replenishing stock.

Finally, the Secretary of State estimates a cost of \$30,000 to address the Citizenship Verification requirements, \$35,000 to perform computing system modifications in FY24 and travel costs of \$20,000 in FY24 and \$10,000 in FY25.

There is no basis to disagree with the Secretary of State's estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 514	AM: 1801	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Kimberly Burns		DATE: 05/22/2023	PHONE: (402) 471-4171
COMMENTS: The Department of Motor Vehicles (DMV) applies the assumption the maximum number of eligible persons will obtain an Identification card. Using this assumption, there is no basis to disagree with the DMV's assessment of fiscal impact due to increased costs from LB 514. Alternatively, the DMV's estimate for revenue loss appears to be overstated because it includes a revenue reduction equivalent to the fees typically collected for the issuance of 46,000 Identification cards that were not issued in fiscal year 2022-23.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 514	AM: 1801	AGENCY/POLT. SUB: Secretary of State	
REVIEWED BY: Kimberly Burns		DATE: 05/22/2023	PHONE: (402) 471-4171
COMMENTS: No basis to dispute the Secretary of State's assessment of fiscal impact from LB 514 AM 1801.			

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2023

LB⁽¹⁾ 514 AM1801

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ May 19, 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	587,500	(1,413,750)		(413,250)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>587,500</u>	<u>(1,885,000)</u>		<u>(551,000)</u>

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 will pay approximately \$6.25 per card from our provider. The cost for the 46,000 cards produced will be \$287,500 in FY 2023-24. The 19,000 renewals each year have already been paid for with existing appropriation so additional appropriation will be necessary.

Additionally, we estimate our card provider will incur costs of \$300,000, for programming for digital image. This is our best estimate at this time as information is being gathered to determine the cost and feasibility of the revisions to the temporary document. The Department and Tyler Technologies will have programming and printing costs that will be absorbed within existing appropriations, or the DMV will not be charged for.

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.....			587,500	

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2023

LB⁽¹⁾ 514 AM1801

FISCAL NOTE

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

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 5-22-2023 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	\$1,210,880		\$615,764	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$1,210,880</u>		<u>\$615,764</u>	

Explanation of Estimate:

LB514 AM1801 establishes procedures for verification of photographic identification for elections. This proposed legislation would require additional appropriations for our office for the following requirements.

Public Awareness Campaign:

LB514 AM1801 requires the Secretary of State to provide a public awareness campaign to include “multiple mediums and in-person events.” 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 cost approximately \$106,000 per year for salary, benefits, equipment, supplies, and technology expenses.

Citizenship Verification:

Section 5 of LB514 AM1801 requires our office “develop a process to...match and verify the citizenship of the corresponding registered voter.” That section also allows for the promulgation of rules and regulations to carry out those responsibilities. We estimate needing \$30,000 to document this citizenship verification process in formal rules and regulations.

Envelopes:

LB514 AM1801 proposes a new type of envelope be used for in person voting when no identification is provided by the voter at the polling site. These ballots would be placed into a “voter identification verification envelope.” Based on a quote from the State Print Shop and current shipping rates, we estimate the cost of obtaining and distributing these envelopes to be \$118,950.

Additionally, LB514 AM1801 requires some significant changes to the early voting ballot return envelopes for vote-by-mail precincts. Our current estimate for these envelopes is \$200,000 based on historical prices and current vendor discussions.

Our office would provide the initial stock of these new envelopes to the counties. The counties would then be responsible for replenishing both types of envelopes in the future.

System Coding:

LB514 AM1801 would require modifications to our voter registration system to display the ID number in the absentee module. Our system vendor estimates these modifications would cost \$35,000. This is a one-time

cost for FY24.

Travel:

We estimate needing \$20,000 in FY24 and \$10,000 in FY25 for staff travel expenses related to training county officials across the state, as well as for in-person public education events.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Project Manager	<u>1.0</u>	<u>1.0</u>	<u>\$72,100</u>	<u>\$74,263</u>
Benefits			<u>\$28,840</u>	<u>\$29,705</u>
Operating			<u>\$1,087,340</u>	<u>\$501,796</u>
Travel			<u>\$20,000</u>	<u>\$10,000</u>
Capital outlay			<u>\$2,600</u>	
Aid				
Capital improvements				
TOTAL			<u>\$1,210,880</u>	<u>\$615,764</u>