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FISCAL IMPACT REPORT

ORIGINAL DATE 2/15/19

SPONSOR HJC LAST UPDATED _____ HB 84/HJCS

SHORT TITLE Auto Voter Registration at MVD & Elsewhere SB _____

ANALYST Armstrong

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
SOS			\$780.0	\$780.0	Recurring	Public Election Fund
SOS	See Fiscal Implications				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Secretary of State (SOS)

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

The House Judiciary Committee Substitute for House Bill 84 (HB84/HJCS), changes the current “motor voter” registration statute from an opt-in to an opt-out process. Currently, a qualified elector may choose to register to vote when applying for a driver's license, license renewal, or motor vehicle identification card. The bill requires qualified electors be registered to vote or have their existing voter record updated with the personal information obtained through their Motor Vehicle Division (MVD) transaction, unless expressly declined by the individual. The bill allows applicants who are victims of domestic violence or stalking to decline to furnish an address and choose to register to vote through the Confidential Substitute Address Program. Further, the bill requires SOS to annually evaluate all other state agencies to determine if the data needed to validate voter eligibility is collected, and, if so, if the agency can feasibly conduct the duty of automatic voter registration. The bill further requires SOS to compile an annual report on the feasibility of every agency to be an automatic voter registration agency and present the report to an appropriate interim legislative committee by the end of October each year. Finally, the bill tasks SOS with producing an annual audit to identify individuals who are registered but not entitled to vote and to provide a resulting list to county clerks to remove improperly registered individuals from county voter lists. The effective date is July 1, 2019.

FISCAL IMPLICATIONS

According to SOS analysis, the bill could increase registration applications by as much as 385 thousand, or 30 percent. With increased voter registration, the public election fund would see increased demand under the Voter Action Act's requirement to distribute \$0.25 per voter in the district for PRC seats and \$0.15 per voter for statewide judicial seats. Based on the estimated increase of registered voters, SOS projects an additional need of \$780 thousand from the public election fund. The fund ended FY18 with a balance of \$433.7 thousand, and is expected to have a balance of \$1.3 million at the end of FY20.

HB84 includes provisions that could increase and decrease SOS operating expenses. An increase in registered voters would increase SOS's cost for voter address verification, sent via mail, are estimated to increase by \$7.4 thousand under HB84. This increase would be offset by a saving of \$17 thousand by eliminating the need for SOS to continue sending notices to individuals who are eligible but unregistered to vote. Finally, SOS analysis states the agency would need an additional FTE to fulfill HB84's requirement to evaluate and determine which state agencies can provide automatic voter registration functions and compile and produce an annual report. The agency's average FTE cost is about \$80 thousand. SOS estimates the net increase in costs related to this legislation to be \$15.1 thousand, which can be managed without an additional appropriation.

However, SOS analysis notes Senate Bill 4 and Senate Bill 99 both propose amendments to the Voter Action Act, effectively reducing the calculated distribution from the Public Election Fund. SOS believes this will reduce the disbursement estimate. Additionally, there are provisions in 1-19A-13 G. to calculate the allocation of funds if the fund balance is insufficient to support the number of candidates that have qualified. As such, the SOS does not expect to request an additional appropriation for this purpose.

SOS notes it already conducts an annual audit of registered voters and provides a list of improperly registered individuals to county clerks to remove individuals from voter lists, as required by the bill. Therefore, the audit requirement will not have a fiscal impact on the SOS budget.

SIGNIFICANT ISSUES

The National Voter Registration Act of 1993 requires state governments to offer voter registration opportunities to any eligible person who applies for or renews a driver license or applies for public assistance. Currently, New Mexico's Election Code (Section 1-4-47 NMSA 1978) requires MVD offices to offer qualified electors applying for or renewing a driver's license or an identification card the opportunity to register to vote or update their voter registration information. When a customer affirms their desire to register to vote, the data already captured by MVD for their driver's license or identification card transaction is used to populate the certificate of registration. A series of additional questions are asked of the individual so the entire registration form can be filled out. These questions include choosing a party affiliation, indicating the willingness to become a poll worker, and providing information from prior registrations in other jurisdictions that are to be cancelled.

HB84 requires each MVD customer to be notified that they will be registered to vote unless, after given the opportunity to decline, the individual chooses to not be registered or have their current voter registration record updated.

DUPLICATION

Senate Bill 50 (SB50) is a duplicate of the introduced version of HB84. HB84/HJCS added provisions regarding county clerks removing individuals from voter lists (rather than SOS doing this) and the annual SOS audit, which are not included in SB50. HB84/HJCS repeals Section 1-4-5.2 NMSA 1978, but SB50 does not.

JA/sb