



Ohio Legislative Service Commission

LSC Fiscal Staff

Fiscal Note & Local Impact Statement

Bill: [H.B. 269 of the 130th G.A.](#)

Date: March 25, 2014

Status: As Introduced

Sponsor: Rep. Becker

Local Impact Statement Procedure Required: No

Contents: Requires specified photo identification to vote

State Fiscal Highlights

- Since the Bureau of Motor Vehicles (BMV) would not be able to charge a fee for the state ID cards issued under the bill, there could be an ongoing revenue loss to the State Bureau of Motor Vehicles Fund (Fund 4W40). The BMV retains \$3.50 of the \$8.50 total for each state ID card produced.
- American Community Survey data for 2012 suggest that about 1.25 million (14.0%) of the state population 18 years of age or older, the eligible voting population, was at or below 100% of the federal poverty guidelines. Although many of these individuals already possess the required forms of photo ID, there may be some individuals who would be eligible for a free state ID card under the bill. However, this number is very difficult to estimate.
- The BMV will incur revenue losses in future years for issuing free state ID cards to eligible individuals. Between 2010 and 2012, the BMV produced an average of 296,000 state ID cards annually. Assuming that rate holds steady, if 14.0% of these are issued free of charge, the BMV could potentially be required to produce between 41,000 and 42,000 free state ID cards annually.

Local Fiscal Highlights

- The change in voter identification requirements under the bill will not have any apparent fiscal effect on county boards of elections.

Detailed Fiscal Analysis

Overview

The bill makes various changes to elections law that in most circumstances require a voter to provide photo identification in the form of an Ohio driver's license, a state ID card, a U.S. military ID card, or a U.S. passport in order to vote at an election. The bill also requires that the Bureau of Motor Vehicles (BMV) provide individuals with a state ID card at no charge if they cannot afford to pay for one and if their income does not exceed 100% of the federal poverty guidelines. The bill will not have any appreciable fiscal impact on local boards of elections, as poll workers will incorporate the photo ID verification requirement into the existing voter verification process.

To estimate the fiscal impact of the bill on BMV operations, specifically the State Bureau of Motor Vehicles Fund (Fund 4W40), LSC looked at population estimates for 2013 from the U.S. Census Bureau as well as the latest poverty statistics for Ohio. We then compared that information to driver's license and state ID records maintained by the BMV. Overall, we concluded that many, if not most, individuals who would currently qualify for a free state ID card under the bill already have one of the forms of required photo identification. If this is so, any revenue loss attributable to issuing free state ID cards to this group would be limited. The BMV would, however, sustain ongoing revenue losses in future years to provide free state ID cards to eligible individuals as they turn 18 years of age. More detail concerning the potential impact on BMV revenues is provided below.

Impact on BMV revenues

The BMV makes up for the cost of producing state ID cards (\$1.14 per card) and processing related documents through application fees and other charges totaling \$8.50. Of this amount, \$5.00 is retained by deputy registrars, private entities under contract with the BMV to operate licensing agencies in the state. The remaining \$3.50 is kept by the BMV and deposited into the State Bureau of Motor Vehicles Fund (Fund 4W40). For the free cards issued to eligible individuals under the bill, deputy registrars would be precluded from collecting their portion of the processing fee, and the BMV would forego the revenue from the \$3.50 portion deposited into Fund 4W40.

Current population eligible to receive free state ID

The U.S. Census Bureau estimates that the 2013 population of Ohio was just under 11.6 million, and that approximately 8.9 million (76.9%) of that population was of the minimum eligible voting age of 18 or older.¹ According to the Development Services Agency's Office of Strategic Research, based on information collected for the 2012 American Community Survey, the poverty rate for individuals over the age of 18 in

¹ U.S. Census Bureau: State and County QuickFacts, <<http://quickfacts.census.gov/qfd/states/39000.html>> (accessed February 21, 2014).

Ohio was approximately 14.0%.² If the poverty rate between 2012 and 2013 remained constant, then approximately 1.25 million individuals (14.0% of 8.9 million) might be eligible for a free state ID card under the bill. However, the number of eligible individuals who would obtain the free state ID card will probably be much lower, since, as the BMV data cited below suggest, many of these individuals already possess a driver's license, state ID, or other form of identification required to vote under the bill.

Individuals currently eligible for free state ID

BMV data from October 2013 show that there were about 7.9 million driver's licenses and just under 1.3 million state ID cards issued to individuals age 18 and over, for a total of almost 9.2 million individuals who have a BMV-issued photo ID. From this number should be excluded driver's license or state ID holders who have died (an estimated average of 110,000 per year according to the U.S. Centers for Disease Control³) or moved out of state (an estimated 170,000 annually according to the U.S. Census Bureau⁴). This leaves approximately 8.9 million individuals 18 years of age or older in Ohio who possess a BMV-issued photo ID, a figure that is very close to the 8.9 million population estimate of people within that age group estimated by the U.S. Census. Although not conclusive, this information suggests that many, perhaps most, individuals who would qualify for a free state ID card under the bill already possess a driver's license or state ID card. If this is the case, the initial revenue loss to Fund 4W40 would be limited.

Individuals eligible for free state ID cards in future years

The BMV would incur revenue losses in ensuing fiscal years as eligible individuals turn 18 years of age apply for free state ID cards. Between calendar year 2010 and calendar year 2012, the BMV issued approximately 296,000 state ID cards annually. Assuming a poverty rate of 14.0% and that the state ID production rate holds steady at 296,000 cards per year, the BMV could be required to produce between 41,000 and 42,000 (14.0% of 296,000 = 41,440) free state ID cards annually. This equates to a potential annual revenue loss of up to \$150,000 (42,000 cards x \$3.50 = \$147,000). In addition, a certain number of free state ID cards would be produced for individuals whose driver's licenses have been suspended and who meet the income eligibility requirements under the bill to qualify for a free state ID. Finally, the bill specifies that individuals who received free state ID cards would qualify for a duplicate or replacement state ID card not more than once every four years, the current renewal cycle for a BMV-issued ID.

HB0269IN.docx/jc

² Ohio Development Services Agency, Office of Strategic Research. *The Ohio Poverty Report*. February 2014.

³ U.S. Centers for Disease Control. National Vital Statistics Reports. *Deaths: Preliminary Data for 2011*, <http://www.cdc.gov/nchs/data/nvsr/nvsr61/nvsr61_06.pdf> (accessed February 14, 2014).

⁴ U.S. Census Bureau, 2012 American Community Survey. *State-to-State Migration Flows*, <<http://www.census.gov/hhes/migration/data/acs/state-to-state.html>> (accessed February 14, 2014).