

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/06/14

SPONSOR Candelaria **LAST UPDATED** _____ **HB** _____

SHORT TITLE Health Insurance Exchange Voter Registration **SB** 63

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$15.0		\$15.0	Nonrecurring	SOS Operating Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Information Technology (DoIT)
Secretary of State (SOS)

SUMMARY

Synopsis of Bill

Senate Bill 63 would enable qualified persons to register to vote in New Mexico at the same time as they enroll for services of the New Mexico Health Insurance Exchange and requires voter registration reporting to the New Mexico Secretary of State.

SB 63 specifies that anyone who applies to enroll in or renew enrollment in a qualified plan (i.e. any health insurance coverage offered through the New Mexico Health Insurance Exchange) shall be simultaneously registered to vote if he or she is qualified to vote and consents to be registered.

Additionally, it directs the Secretary of State to work with the CEO of the Health Insurance Exchange to:

- Ensure compliance with the federal National Voter Registration Act of 1993;
- Ensure consistent implementation in the various counties, based on county classification and developing technology; and
- Develop procedures to ensure that a voter's certificate of registration is printed and placed at the county's register of voters.

FISCAL IMPLICATIONS

The SOS and Taxation and Revenue Department Motor Vehicle Division (MVD) recently worked to implement electronic voter registration through MVD offices; the SOS recommends the MVD-based electronic voter registration web interface be considered in the development of the voter registration contemplated under this bill. Cost estimates for the SOS to make the required modifications to accommodate this legislation is \$15,000 (if the health exchange pursues a similar format to the MVD-based voter registration).

Including the capability of voter registration within the New Mexico Health Insurance Exchange (NMHIX) as it is developed or as an add-on capability is not expected to place undue burden or expense on New Mexico Health Insurance Alliance (NMHIA which administers the exchange) or the NMHIX system.

SIGNIFICANT ISSUES

The Human Services Department reported to DoIT in March 2013 an executive decision was made on December 3, 2012 to transfer project to develop the New Mexico Health Insurance Exchange (NMHIX) from the Human Services Department to the New Mexico Health Insurance Alliance (NMHIA). NMHIA was created in 1994 by the State Legislature to provide increased access to health insurance for small businesses, self-employed and qualified individuals; it is an alliance of independent health insurers who have agreed to offer similar health plans to companies with 50 or less eligible employees. NMHIA states that it provides a solution to those who are unable to qualify for commercial health insurance by offering easier requirements for small employers and individuals.

According to the NMHIA web site, the (NMHIX) has released a request for proposals from qualified offerors that are able to provide independent verification and validation services during the design, development and implementation of the NMHIX system. The contractor should be able to assess whether NMHIX and its partners are on track to implement the requisite technology for the NMHIX in time for enrolling consumers into qualified health plans by October 1, 2014, as well as meeting all the other specified requirements for exchanges under the Affordable Care Act. Proposals due from contractors by Thursday, February 13, 2014.

PERFORMANCE IMPLICATIONS

The online voter registration system launched January 2014 within MVD contains certain validation features that verify the identity of those conducting such transactions and provides accurate names, dates of birth, and social security numbers on the registration forms. The SOS notes that in enacting the next phase of online voter registration, online voter registration updates contemplated by existing statutes for implementation within the next 18 months, a number of members of the legislature expressed concerns about the security of online voter registration.

SOS argues that any online voter registration provided through state agencies should be subject to rigorous security and validation processes (as have been developed by the MVD).

TECHNICAL ISSUES

The SOS notes use of the term “digital signature” could be incorrectly used in this bill. The term digital signature implies the use of cryptography to authentic a database transaction (transfer of

data). The proposed legislation states that the registrant's digital signature shall be "affixed" to the certificate of registration; the drafter might have intended the term "signature image," which describes a digital image of an applicant's actual signature.

Also, it is unknown whether the NMHIX system currently provides the mechanism to capture and transmit a registrant's signature. This is a vital requirement in current statute for voter registration validation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The NMHIA would offer paper voter registrations in accordance with current statute.

CB/svb