

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4348-02
Bill No.: SB 771
Subject: Elections
Type: Original
Date: January 6, 2016

Bill Summary: This proposal modifies the law relating to paper ballots.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	Greater than (\$20,965,000)	Greater than (\$100,000)	Greater than (\$100,000)
Total Estimated Net Effect on General Revenue	Greater than (\$20,965,000)	Greater than (\$100,000)	Greater than (\$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assume this proposal requires all voters to use a paper ballot that is hand marked. This would require election authorities that use direct-record electronic voting machines to replace them with a paper ballot marking device that can accept paper ballots that are hand marked. It is estimated there are 4,193 direct-record voting machines currently in use.

Assumptions Include:

\$5,000 per voting machine multiplied by at least 4,193 voting machines = \$20,965,000 The 4,193 direct-record voting machines currently in use were purchased in 2006 and have an estimated life span of ten years. Assuming that all direct-record voting machines purchased in 2006 will need to be replaced in 2016, the initial start-up costs will be reflected in FY 2017.

SOS states many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **St. Louis County Board of Election Commission** assume This proposal would require the use of paper ballots in future elections, and would restrict DRE usage to those with disabilities. Below is a four year forecast of the additional paper ballots that would have to be produced for an election cycle.

1st Year (2016) Additional printing of 744,800 ballots at .27 each for 1 election - \$201,096

2nd Year (2017) Additional printing of 210,000 ballots at .27 each for 1 election - \$ 56,700

ASSUMPTION (continued)

3rd Year (2018) Additional printing of 842,000 ballots at .29 each for 3 elections - \$ 244,180

4th Year (2019) Additional printing of 210,000 ballots at .29 each for 1 elections - \$ 60,900

Officials at the **Platte County Board of Election Commission** each assume no fiscal impact from this proposal to their respective organizations.

Officials at **Mississippi County** each assume no fiscal impact from this proposal to their respective organizations.

Oversight assumes this proposal will not fiscally impact the local election authorities as the state will reimburse the costs of the purchase of the new machines and printing expenses. Oversight will reflect reimbursement for the equipment replacement in FY 2017 as the proposal becomes effective August 28, 2016.

Officials at the following boards of election commissioners: Kansas City Board of Election Commission, St. Louis City Board of Election Commission, Clay County Board of Election Commission, Jackson County Board of Election Commission, and St. Louis County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost</u> - SOS - replacement of machines	Greater than (\$20,965,000)	\$0	\$0
<u>Cost</u> - SOS - ballot printing	Greater than (\$100,000)	Greater than (\$100,000)	Greater than (\$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	Greater than <u>(\$20,965,000)</u>	Greater than <u>(\$100,000)</u>	Greater than <u>(\$100,000)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act requires that all electronic voting systems produce results from paper ballots marked by hand, or in the case of disabled voters who need assistance, from paper ballots marked by a paper ballot marking device designed to assist such voters.

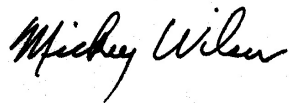
The use of remaining direct-record electronic voting machines shall be phased out upon mechanical failure.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Office of the Secretary of State
St. Louis County Board of Election Commission
Platte County Board of Election Commission
Mississippi County



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January 6, 2016

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