

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0515S.02I
 Bill No.: SB 98
 Subject: County Officials; Elections; Secretary of State; Political Parties
 Type: Original
 Date: March 13, 2023

Bill Summary: This proposal modifies provisions relating to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	Could exceed (\$15,762,500)	Could exceed (\$47,287,500)	Could exceed (\$15,762,500)
Total Estimated Net Effect on General Revenue	Could exceed (\$15,762,500)	Could exceed (\$47,287,500)	Could exceed (\$15,762,500)

* This bill requires that all future elections in Missouri use paper ballots only and that all ballots be counted by hand. Such a requirement will necessitate increased numbers of election judges to assist in the counting process.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	(Unknown could be substantial)	(Unknown could be substantial)	(Unknown could be substantial)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume this bill requires that all future elections in Missouri use paper ballots only and that all ballots be counted by hand. Such a requirement will necessitate increased numbers of election judges to assist in the counting process. This is a new responsibility that must be provided for under Article X, Section 21 of the Missouri Constitution.

At the November 2020 general election, at least 3,025,962 ballots were cast statewide. Their assumption is that it will require two teams of judges to process ballots at a rate of one ballot every five minutes (one team to handle and read the ballot, one team to record the votes). Based on this estimation, it would take the equivalent of 63,050 eight-hour team shifts to count all ballots. Since there are two judges in each team (one from each major party), this equates to 126,100 judge-days to be paid. Based on an average cost of \$125 per election judge (previously obtained by surveying a sample of local election authorities), this process would incur a cost of up to \$15,762,500 per election.

This cost would be fully incurred at least once in FY24 (April 2024), three times in FY25 (August 2024, November 2024, April 2025), and once in FY26 (April 2026). There would also be additional partially-incurred costs to cover costs of elections outside of the normally-scheduled primary, general, and municipal elections (such as special elections or municipal elections in charter cities/counties). The exact scope of such potential expense is unknown.

FY24 - \$15,762,500

FY25 - \$47,287,500

FY26 - \$15,762,500

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated impact from the SOS in the fiscal note.

Officials from the **SOS** also assume 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 \$5,000. 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 require additional resources.

Officials from the **Joint Committee on Administrative Rules** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **Jackson County Board of Elections** assume a negative fiscal impact of \$3,189,926 as follows:

115.081

Political committees have proven to be of no help when asked to provide judges for any election. Committees focus solely on volunteers for their respective party candidates and campaign offices.

115.157

Voter history cannot be produced in 48 hours after the election. Voter history is not uploaded until all provisional ballots are investigated and either received or rejected, all military ballots have been received (military and overseas have until the Friday after the election to return ballots) and all polling locations have been balanced and all ballots accounted for. Voter history is not uploaded until the entire election is officially certified.

115.226

The Jackson County Board of Election Commissioners recently submitted final payment on a loan of \$1.5 million for their election equipment. This bill removes the use of that equipment and requires equipment not possessed by the Jackson County Election Board. The Jackson County Election Board would need to purchase new ADA equipment that produces identical ballots that they utilize in the polls. (\$600,000).

This bill removes electronic voting devices except for the voters on a list of acceptable ADA voters. Removing such devices removes federally mandated second chance voting should a voter over vote in a race. (\$1,500,000 for new equipment for 2nd chance voting)

115.443

This section requires new ballot boxes. Each box is \$200.00 x 150 polling locations x 3 at each polling location. (\$90,000)

115.449

Hand counting of each individual ballot for any jurisdiction would be time consuming and costly. Hand counting a large election could take up to a week. This would require new teams of judges for each day.

Election Day judges report to the polling locations at 5:00 a.m. and do not leave until 7:30 p.m. at the earliest. These judges would be in no condition to stay and hand count each individual race. Multiple teams of judges would need to be scheduled over several days.

Total number of judges used in November 2020 was 1,600 with payroll (not including training) of \$203,985.15 x 5 days = \$1,019,925.75 (Per Election).

Training for judges: \$280,000.00 (Per Election).

115.527

This section would create legal challenges by many voters. This cost could be excessive if senseless claims were made for multiple candidates/issues that would need to be addressed by the courts. (\$300,000 Per Election for representation of LEA)

Officials from the **Platte County Board of Elections** state:

Section 115.157.3

This section has new language, “not later than forty-eight hours following such election”. They state the election isn’t finished, results aren’t official, and voter history is still being uploaded. They are not legally allowed to certify the election until noon, Friday after the election. Many election authorities take more time than that.

Section 115.158.10

The Electronic Registration Information Center is a voluntary collaboration between States, which are represented by staff appointed by each States Secretary of State for the purpose of verifying the accuracy of Missouri’s voter registration data. To target the Electronic Registration Information Center for exclusion deprives Missouri of one of the broadest and best organized interstate collaborations for that purpose.

Section 115.527

The new language in this section all but guarantees that there will be challenges in every election held which will delay results and increase legal and staffing costs for Election Authorities. They assume allowing any registered voter to charge that an election was compromised by irregularities will bog down the process of certifying and will increase legal and staffing costs. They estimate an additional \$15,000 per election to resolve citizen challenges.

In addition, the Board states hand counting ballots is demonstrably less accurate than machine counts. During required recounts of randomly selected precincts any time there has been a difference between the hand recount and the machine count further investigation has shown the original machine count to be correct and the discrepancy the result of human error. Ballots are complex, one ballot style (not the longest ballot style) from the most recent election had 26 races and questions on it. It is common for any of their poll sites to have 1,500 votes cast. That would be 39,000 times ballots are handled assuming everything is correct the first time with no need to

recount any ballot. They estimate additional staffing needs for hand counting ballots to be \$20,000 per election.

Lastly, based on conversations with their ballot printer, requiring a water mark could increase the cost for ballots by \$10,000 per election

In response to similar legislation, HB 2633 from 2022, officials from **Platte County Board of Elections** assumed the election authority would see a cost savings of \$7,500 annually for licensing and warranty of ballot scanners.

Officials from the **St. Louis County Board of Elections** assume in order to have unofficial results within four hours of the close of polls and official results by the certification deadline, this bill would require them to work around the clock for two weeks. The fiscal impact of prohibiting electronic voting machines is as follows:

\$9,375,000 to hire ballot counters to count Election Day ballots (@ \$25/hr)
(250 election workers per polling place x 300 polling places = 75,000 workers per election)

\$1,875,000 to train poll workers for one hour
(75,000 workers @ \$25/hr)

\$555,000 to hire workers to count absentee ballots
(22,200 hours @ \$25/hr)

\$194,400 to hire security/officers for Election Day
(\$36/hr x 18 hours = \$648 x 300 polling places)

\$300,000 to hire additional poll workers to manually check in voters
(4 workers @ \$250/day x 300 polling places)

Total cost estimated per election: \$12,299,400

This bill would also require the purchase of watermarked ballots which has been quoted at \$0.70 per page. Depending on the turnout, this cost could range from \$140,000-400,000 per election.

Officials from the **Greene County Clerk's Office** assume cost increase range of \$2,446,109.35 to \$3,186,596.50.

Voter history shall be updated and made available for a fee not later than 48 hours following such election: \$14,278.33

Additional 4 ExpressVotes at all polling locations: (3,605 x 320): \$1,153,600

List for those eligible to use an accessibility ballot marking device: \$1,520 per election

Watermark and Missouri State seal on ballot: No cost increase or savings

Absentee ballots must be postmarked from the same county in which the office is located: \$1,000 per election.

Retention would be 5 years for ballots: 5 10'x15' storage units for 5 years: \$12,060 annually

Hand tallying ballots: The range of costs based off of these hand-tallying would be \$95,772.69 to \$513,065.34 for a Presidential Election.

If these Sections are to institute that ONLY two election judges are to be the designated counters and then, the other two election judges would be the recording judges at each polling location, they have estimated that Greene County would need one polling location per 400 active voters. This would take the Greene County polling location number from 76 assigned locations to 576 (575.80) polling locations.

Average Polling Location Cost per Location: \$1,451.84 (416.29 for supplies, 100 for rent, 10.55 for delivery, and 925 for election judge stipends).

Total Polling Location Estimated Cost: \$836,259.84

The cost estimate would be in total for the range of \$95,772.69 to \$836,259.84 in addition to all of the other election costs required by statute and standard practices.

In response to similar legislation, HB 2633 from 2022, officials from the **Kansas City Board of Elections** assumed if this legislation becomes law, the cost to conduct elections in the Kansas City portion of Jackson County will increase substantially. They anticipate ballot costs to increase by \$50,000 per election and staff overtime and temporary expense to increase by \$100,000 per election to hand count these ballots. Error rates due to human error would be high and it would push back the date of certifying an election at least two weeks.

In response to similar legislation, HB 2633 from 2022, officials from the **St. Charles County Election Authority** assumed the requirements of this proposal will cost between \$52,500 and \$945,000 per election and could be higher.

Assumptions: Election judge/temp labor
Find, read and record one race per ballot will take 30 seconds
Each ballot will take two people so all times is doubled for cost
Number of races change per election
Assume average of 5 races per ballot for April elections
Assume average of 20 races per ballot for Aug & Nov elections
\$15 per hour for labor to count ballots
Voter turnout 45,000 to 210,000 depending on election

Each ballot issue will take 1 man minute
 April election will take 5 minutes per ballot
 Aug & Nov election will take 20 minutes per ballot
 All cost are new and additional to existing practices

There are no cost savings as the machine to count ballots are paid for in full

Math: 20 Minutes x \$15/hr = \$4.50 per ballot in staff cost
 5 Minutes x \$15/hr = \$ 1.25 per ballot in staff cost
 \$1.25 x 42,000 ballots = \$52,500
 \$4.50 x 210,000 = \$945,000

Oversight notes that the provisions of this bill would cause the cost to conduct elections to increase substantially for local election authorities (LEA). As stated above by the LEAs, there would be an increase in ballot cost, staff overtime, and training. Each LEA will have varying needs for their specific jurisdiction. Therefore, Oversight will reflect an unknown cost for the local election authorities.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
<u>Cost – SOS</u> Election Judges	Could exceed (\$15,762,500)	Could exceed (\$47,287,500)	Could exceed (\$15,762,500)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	Could exceed (\$15,762,500)	Could exceed (\$47,287,500)	Could exceed (\$15,762,500)

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> – LEAs licensing and warranty of ballot scanners	Unknown	Unknown	Unknown
<u>Cost</u> – LEAs Ballot cost, overtime, training, and equipment	(Unknown could be substantial)	(Unknown could be substantial)	(Unknown could be substantial)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown could be substantial)	(Unknown could be substantial)	(Unknown could be substantial)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act modifies various provisions relating to elections.

(Section 28.900)

The Secretary of State (SOS), including any deputy or employee thereof, is prohibited from entering into any contract with a foreign entity on behalf of the office of the Secretary of State or the state of Missouri that would aid in administering any provision relating to elections or ballot measures.

(Section 115.081)

Under current law, each election authority is responsible for appointing election judges from lists prepared by the committees of the major political party committees. This act modifies that process by requiring the committees of the major political parties to appoint election judges not later than 90 days prior to each election. If the committees do not appoint judges within such time, then the election authorities would appoint election judges who meet the criteria specified in current law.

(Section 115.157)

The act requires electronic media or a printout showing voter participation information in any specific election to be made available for a fee by election authorities not later than 48 hours following any election.

(Section 115.158)

The act prohibits the Secretary of State (SOS) from entering into any agreement with any organization that would involve the sharing of voter registration data in the possession of the SOS, including, but not limited to, the Electronic Registration Information Center, Inc. (ERIC). Any agreement previously entered into may continue for the duration of the agreement but shall not be renewed.

The act additionally specifically allows the SOS to coordinate or collaborate with another state for the purpose of verifying voter registration data in the possession of the SOS, provided that it is done by the office of the SOS.

(Section 115.158)

The act prohibits the SOS from acquiring any information from any credit agency that contains the address or other identifying information of any registered voter.

(Various Sections)

Current law permits and regulates the usage of automatic tabulating equipment, electronic voting machines, and voting machines in elections. This act repeals those provisions and, except as provided below, requires all ballots to be cast in paper form and hand-counted, as stipulated in law.

The act allows for the use of voting machines designed for accessibility by individuals with disabilities. Such machines shall comply with federal Help America Vote Act. Additionally, such machines shall print out a paper ballot showing distinguishing marks next to the voter's choices. The paper ballot printed out shall be identical to the paper ballot used in all other instances at the election.

The SOS shall maintain a database containing the names of all individuals who are eligible to use a voting machine designed for accessibility. The database shall be updated as changes are made and every 30 days election authorities shall be given an updated list of registered voters in the jurisdiction of the election authority who are eligible to use such machines.

(Section 115.237)

The act requires all ballots to contain a watermark of the seal of the state of Missouri in the top right-hand corner. The ballots must also be produced in the United States of America. The SOS may not have any financial relationship with the entity producing the ballots, whether in his or her capacity as Secretary of State or in an individual capacity.

(Section 115.287)

The act requires all absentee ballots that are mailed to voters by first class, registered, or certified mail to be postmarked from the same county in which the office of the election authority is located.

(Sections 115.299 and 115.451)

Under current law, ballots may not be counted until the polls are closed unless specifically authorized by the election authority. This act allows ballots to be counted as they are dropped in the ballot box, provided that no results shall be reported from any specific polling place until all votes have been counted at such polling place. Additionally, absentee ballots may be counted prior to Election Day at a time and place designated by the election authority. No results shall be reported as to the absentee ballot totals until all votes have been counted in the election authority's jurisdiction.

(Section 115.493)

Under current law, each election authority is required to keep all voted ballots, processed ballot materials in electronic form and write-in forms, and all applications, statements, certificates, affidavits and computer programs relating to each election for 22 months after the date of each election. This act requires election authorities to keep such information for 5 years after the date of each election.

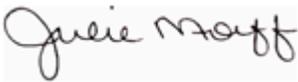
(Sections 115.527 and 115.553)

Under current law, any candidate for nomination for or election to any office may challenge the correctness of the returns for the office, charging that irregularities occurred in the election by filing an election contest in court. This act allows any registered voter to file such an election contest, provided the registered voter was eligible to vote in the election in question.

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

SOURCES OF INFORMATION

Office of the Secretary of State
Joint Committee on Administrative Rules
Jackson County Board of Elections
Platte County Board of Elections
St. Louis County Board of Elections
St. Charles County Board of Elections
Kansas City Board of Elections
Greene County Clerk's Office



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