

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 3992-01  
Bill No.: HB 1220  
Subject: Elections: Secretary of State  
Type: Original  
Date: March 24, 2004

---

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Office of Secretary of State - Administrative Rules Division** stated this bill requires a paper trail for audits of the computerized voter system. Based on experience with other divisions, the rules, regulations and forms issued by the Office of the Secretary of State, Elections Division could require approximately 6 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not published in the Code. The estimated cost of a page in the Missouri Register is \$23. The estimated cost of a page in the Code of State Regulations is \$27. The actual cost could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded, and withdrawn.

**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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

ASSUMPTION (continued)

Officials of the **Office of Secretary of State - Division of Elections** assume no fiscal impact.

Officials of the **Kansas City Board of Election Commission** stated this proposal requires an audit trail for any electronic voting system. Officials stated that the term “audit trail” is not defined. Officials stated that in the era of lever-action voting machines, the audit trail consisted of the precinct level canvass, the later jurisdiction level “bi-partisan” canvass, and a comparison to totals shown on each machine, together with the signed lists of registered voters who cast ballots in each precinct. Should any paper trail system be approved that attempts to tie the individual voter, beyond the above described system, could increase costs greatly. Officials stated it would be hard to estimate costs but would probably be in the neighborhood of 10% or more of current election costs. Officials stated that elections cost in excess of \$300,000 currently.

Officials of the **Webster County Clerk’s Office** stated that for a third class county, the fiscal impact would be significant. However, the primary cost would be in the initial purchase of equipment (required by federal law, prior to Jan. 1, 2006). Machines with paper trails will cost more than those without. Officials stated they can only make wild guesses, as the equipment is essentially still in development. Officials estimate the additional cost to Webster County at \$30,000, and additional maintenance costs thereafter would be minimal.

Officials of the **Platte County Board of Election Commission** assume they would have the following costs:

**2005**

- \$122,500.00 - \$3,500/unit to add printer to DRE system x 35 units (as per average of quotes received from several DRE vendors)
- \$3,500.00 - Consumable Supplies (paper for each unit for each election, as well as ribbons/ink cartridges.)
- \$5,000.00 - Hardware Maintenance Agreement, to cover addition of printer to DRE system.

**2006**

- \$3,500.00 - Supplies (paper for each unit for each election, as well as ribbons/ink cartridges.)
- \$5,000.00 - Hardware Maintenance Agreement

ASSUMPTION (continued)

**2007**

\$3,500.00 - Supplies (paper for each unit for each election, as well as ribbons/ink cartridges.)

\$5,000.00 - Hardware Maintenance Agreement

Officials of the **Jackson County Board of Election Commission** assume there would be costs to the state for printers. Officials estimate there would be 2000 voting devices which would cost \$800 each for a total state cost of \$1,600,000. Officials estimate local cost as follows:

Training - \$1,500 per election

Delivery of equipment - \$1,000 per election

Printer paper - \$20,000

Maintenance of equipment - \$1,000 to \$10,000

**Oversight** assumes no state fiscal impact (based on Secretary of State response). Oversight assumes this proposal would only affect election authorities that have computerized voting systems. Current law states that the Secretary of State shall promulgate rules and regulations to allow the use of a computerized voting system. "The procedures shall provide for the use of a computerized voting system with the ability to provide a paper audit trail". Oversight assumes unless some election authorities have purchased computer voting machines which don't provide a paper trail, already, the incurred costs become budget matters. Oversight assumes those authorities with computerized voting systems should have the capability and might possibly need some programming, upgrading, or printers. Oversight will show fiscal impact as \$0 or (Unknown) to certain election authorities.

FISCAL IMPACT - State Government

FY 2005  
(10 Mo.)

FY 2006

FY 2007

**\$0**

**\$0**

**\$0**

FISCAL IMPACT - Local Government

FY 2005  
(10 Mo.)

FY 2006

FY 2007

**CERTAIN LOCAL ELECTION  
AUTHORITIES - COUNTIES AND  
CITIES**

**Costs** to Certain Election Authorities  
for election equipment and supplies

\$0 or  
(Unknown)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

**ESTIMATED NET EFFECT TO  
LOCAL GOVERNMENT**

\$0 or  
(Unknown)

\$0 or  
(Unknown)

\$0 or  
(Unknown)

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill requires that any computerized voting system authorized by the Secretary of State must provide a paper audit trail.

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

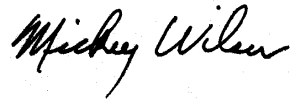
SOURCES OF INFORMATION

Office of Secretary of State  
Kansas City Board of Election Commission  
Webster County Clerk  
Platte County Board of Election Commission  
Jackson County Board of Election Commission

LR No. 3992-01  
Bill No. HB 1220  
Page 6 of 6  
March 24, 2004

NOT RESPONDING

St. Louis City Board of Election Commission  
St. Louis County Board of Election Commission  
Greene County Clerk

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 24, 2004