

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5321-01  
Bill No.: HB 1778  
Subject: Elections  
Type: Original  
Date: January 7, 2016

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

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</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.

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

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

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

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

## **FISCAL ANALYSIS**

### **ASSUMPTION**

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 direct-recording electronic (DRE) voting machine 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.

1<sup>st</sup> year (2016) Additional printing of 744,800 ballots at \$0.27 each for 1 election - \$201,096

2<sup>nd</sup> year (2017) Additional printing of 210,000 ballots at \$0.27 each for 1 election - \$56,700

3<sup>rd</sup> Year (2018) Additional printing of 842,000 ballots at \$0.29 each for 3 elections - \$244,180

4<sup>th</sup> Year (2019) Additional Printing of 210,000 ballots at \$0.29 each for 1 election - \$60,900

**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 **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

ASSUMPTION (continued)

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 **Jackson County Board of Election Commission** assume this proposal has no fiscal impact to the Jackson County Board of Election Commissioners.

However §115.237 1. States “The official ballot shall be a paper ballot that is hand-marked by the voter, or in the case of disabled voters who need assistance, by a paper ballot-marking device designed to assist the disabled, except as provided in subsection 3 or §115.225”.

The Jackson County Board of Election Commission allows "any" voter who wishes to vote on the "Ballot Marking Device" to do so. It is not just used for the disabled community.

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

Officials at the following boards of election commissioners: Kansas City Board of Election Commission, St. Louis City Board of Election Commission, and Clay 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, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Maries, Marion, McDonald, Miller, Mississippi, 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
<b>GENERAL REVENUE</b>			
<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)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>Greater than <u>(\$20,965,000)</u></b>	<b>Greater than <u>(\$100,000)</u></b>	<b>Greater than <u>(\$100,000)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

#### FISCAL IMPACT - Small Business

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

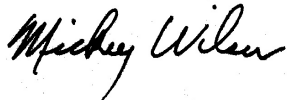
#### FISCAL DESCRIPTION

This bill 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. 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.

SOURCES OF INFORMATION

Office of the Secretary of State  
Platte County Board of Election Commission  
Jackson County Board of Election Commission  
St. Louis County Board of Election Commission  
Lincoln County  
Callaway County  
Buchanan County

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

Mickey Wilson, CPA  
Director  
January 7, 2016

Ross Strobe  
Assistant Director  
January 7, 2016