

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0507-01
Bill No.: HB 856
Subject: Elections
Type: Original
Date: February 28, 2017

Bill Summary: This proposal requires all state and federal offices to use an instant runoff voting method.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$0	Could exceed (\$43,555,000)	(Unknown)
Total Estimated Net Effect on General Revenue	\$0	Could exceed (\$43,555,000)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government*	\$0	\$0	\$0

*Transfers In and Costs net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** assume this proposal would require all primary and general elections in the state of Missouri to use ranked-choice voting. This may require all voting machines statewide to either have updated code, which allows ranked-choice voting, or to be replaced with new machines, which do allow ranked-choice voting.

As of the 2013 voting systems survey conducted by the Secretary of State's Office, local election authorities reported that they possessed 8,711 voting machines. The estimated cost for each new voting machine is \$5,000. The total cost to the state will vary depending on the number of machines which are ready to accept ranked-choice votes or can be reprogrammed to do so. However, using total replacement of all machines as a maximum cost, ranked-choice voting may result in a total impact to General Revenue ranging from \$0 up to \$43,555,000 in FY 2019.

This proposal also requires the Secretary of State's Office to conduct a voter education campaign to familiarize Missouri voters with instant-runoff (ranked-choice) voting. The cost of such a campaign is unknown at this time due to future planning decisions and the changing costs related with those decisions (such as printing and advertising), but could result in significant expenses. The expenses would begin to be incurred in FY 2019 and could continue to the end of the election cycle in FY 2020.

Officials from the **Kansas City Election Board** assume the fiscal impact of this proposal cannot be determined at this time. It is anticipated that a new system, which can tabulate ranked choices, will be in place in the fall of 2018.

Officials from **Buchanan County** assume this proposal would double election costs. The current voting equipment, purchased in 2015, cannot be programmed to read the ranked-choice ballots.

Officials from the **Office of the State Treasurer, Office of the State Auditor, Attorney General's Office, Office of the State Courts Administrator, Office of the Governor, Missouri Lieutenant Governor and Platte County Board of Elections** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials at the following boards 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, Boone, Camden, Carroll, Christian, Clay, Cole, Cooper, Daviess, Franklin, Knox, Marion, Miller, Montgomery, New Madrid, Phelps, Platte, and Wayne did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Cost</u> - SOS - education campaign	\$0	(Unknown)	(Unknown)
<u>Transfer Out</u> - SOS - new voting machines	<u>\$0</u>	Up to <u>(\$43,555,000)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0</u>	Could exceed <u>(\$43,555,000)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL ELECTION AUTHORITIES			
<u>Transfer In</u> - General Revenue-reimbursement for new voting machines	\$0	Up to \$43,555,000	\$0
<u>Cost</u> - new voting machines	<u>\$0</u>	Up to <u>(\$43,555,000)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES	<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.

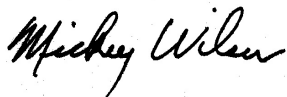
FISCAL DESCRIPTION

This bill provides a method of instant runoff voting for all types of elections including federal, statewide, and local elections in Missouri. Ranked choice ballots will allow voters to rank candidates in their order of preference. The least preferred candidates are then sequentially removed from contention (and the remaining votes for other candidates on ballots transferred) until a single candidate receives a majority vote for a particular office. Tie breaking procedures such as coin tosses are specified in the bill as are procedures for multiple seat elections. The election authority may limit the number of candidates that can appear on the ballot if necessary, but must allow at least three choices. Election disputes involving ranked choice ballots may be appealed to the Office of the Secretary of State for a final order prior to being heard in a court of competent jurisdiction. Current laws governing election disputes will still apply to ranked choice voting. The Secretary of State is required to conduct a voter education campaign to familiarize voters with the ranked choice voting process.

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
Office of the Governor
Missouri Lieutenant Governor
Attorney General's Office
Office of the State Treasurer
State Auditor's Office
Office of the State Courts Administrator
Platte County Board of Elections
Kansas City Election Board
Buchanan County



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