

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0345-02
Bill No.: HB 28
Subject: Elections; Political Parties
Type: Original
Date: April 23, 2019

Bill Summary: This proposal requires all local elections to use an instant runoff voting method.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|---------------------------------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| General Revenue Fund (0101) | Could exceed (\$2,046,000) | \$0 | \$0 |
| Total Estimated Net Effect on General Revenue | Could exceed (\$2,046,000) | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| 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 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|--|----------|----------|----------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| | | | |
| 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 2020 | FY 2021 | FY 2022 |
| Local Government | (Unknown Greater than \$10,000,000) | (Unknown Greater than \$10,000,000) | (Unknown Greater than \$10,000,000) |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume HB 28 would require all local elections in the state of Missouri to use ranked-choice voting. This would require at least two different types of expenses: costs relating to the required voter education campaign and costs relating to the ability to tabulate ranked-choice votes using the statewide voter registration program.

This bill requires the SOS to conduct a voter education campaign to familiarize voters with the instant runoff voting system and ranked-choice ballots. The precise cost of such a campaign would vary depending on strategic decisions and appropriation by the General Assembly. A statewide educational campaign is estimated to reach or exceed \$2,000,000 beginning in FY20.

Additionally, the Missouri Centralized Voter Registration program (MCVR) would need to be modified to accept ranked-choice vote totals. The total numbers of each different ballot ranking combination would need to be tabulated in MCVR from the local election authorities before the instant runoff process could take place, especially in the case of statewide races. This would require programming resources to be devoted beyond those covered under the normal maintenance and upkeep contracts. Labor costs to program this modification are estimated by the vendor at \$46,000, to be executed in FY20 in preparation for the time when ranked-choice voting begins.

Officials from the **Office of State Courts Administrator** assume the proposal will have no fiscal impact on their organization.

Officials from the **Kansas City Election Board** assume HB 28 could be a dramatic change to how elections are conducted. The voting public would need to be taught the new procedures. Ads would be taken out and seminars would be held explaining the changes. Both postage and printing would increase due to larger ballot or multiple ballots. Overtime and temporary expense could increase if recounts occur. The fiscal impact on the election board could increase by \$100,000 per election cycle in every even numbered election year.

Officials from **Boone County** assume this proposal would require new election tabulating software. A conservative estimated fiscal impact for Boone County is \$17,400 for software and programming upgrades; \$4,000 for reporting computer and peripherals; \$6,500 for on-site training and support.

If voting equipment/tabulator hardware cannot function with new software, the estimated fiscal

ASSUMPTION (continued)

impact would be an additional \$782,932 for replacement hardware.

Officials from the **St. Louis County Board of Election** assume the proposal will have a fiscal impact of \$10,000,000. They will have to buy new equipment and pay for training of staff and workers.

Oversight notes that section 115.444.10 states that the SOS shall conduct a voter education campaign to familiarize voters with the instant runoff voting system and ranked-choice ballots.

Oversight also notes that current voting equipment will be replaced with ranked choice compatible equipment, and the ranked choice voting method will be implemented by the local election authorities when adequate level of equipment has been purchased. It is difficult to estimate how many will be replaced in a given year. Therefore, Oversight will reflect a negative unknown impact greater than \$10 million to the local election authorities.

Officials from the **Platte County Board of Elections** assume the proposal will have no fiscal impact on their organization.

Oversight notes that the **Office of State Courts Administrator** has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for that agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local election authorities were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|---|---|---|
| GENERAL REVENUE FUND | | | |
| <u>Cost - SOS</u> | | | |
| Educational Campaign | Could exceed (\$2,000,000) | \$0 | \$0 |
| MCVR Programming | (\$46,000) | \$0 | \$0 |
| <u>Total Cost - SOS</u> | Could exceed (\$2,046,000) | \$0 | \$0 |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | Could exceed <u>(\$2,046,000)</u> | <u>\$0</u> | <u>\$0</u> |
| | | | |
| <u>FISCAL IMPACT - Local Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
| LOCAL ELECTION AUTHORITIES | | | |
| <u>Cost - Local Election Authorities</u> | | | |
| Equipment and Expenses | (Unknown Greater than \$10,000,000) | (Unknown Greater than \$10,000,000) | (Unknown Greater than \$10,000,000) |
| ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES | (Unknown Greater than <u>\$10,000,000</u>) | (Unknown Greater than <u>\$10,000,000</u>) | (Unknown Greater than <u>\$10,000,000</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 requires local elections to use the instant runoff ranked choice voting method. Voters rank the candidates in an ordinal preference fashion and then the candidate with the lowest total is eliminated and the process is repeated until a result is reached as specified in the bill. Tie votes may be resolved by overall preference rankings, and then a coin toss as specified in the bill. Limits on the number of candidates are allowed for specified local races if ballots cannot accommodate large numbers. Write-in votes will still be allowed.

FISCAL DESCRIPTION (continued)

Current voting equipment will be replaced with ranked choice compatible equipment, and the ranked choice voting method will be implemented by local election authorities when an adequate level of equipment has been purchased.

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 State Courts Administrator
Kansas City Election Board
Boone County
St. Louis Board of Elections
Platte County Board of Elections



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April 23, 2019

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