

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1085-01  
Bill No.: HB 717  
Subject: Elections  
Type: Original  
Date: February 22, 2017

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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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
General Revenue	(\$15,725,000 to \$20,965,000)	\$0 to (\$5,240,000)	\$0 to (\$5,240,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$15,725,000 to \$20,965,000)</b>	<b>\$0 to (\$5,240,000)</b>	<b>\$0 to (\$5,240,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018	FY 2019	FY 2020
<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 2018	FY 2019	FY 2020
<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 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>(Could Exceed \$100,000)</b>	<b>(Could Exceed \$100,000)</b>	<b>(Could Exceed \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

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 (DRE) 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.

The cost to replace a single voting machine is approximately \$5,000. SOS estimates between 75% and 100% will be replaced in the first year, for a cost range of \$15,725,000 to \$20,965,000. Each fiscal year thereafter, between 0% and 100% (0% to 25% of the original 4,193) of the remaining machines will be replaced, for a cost range of \$0 to \$5,240,000.

In addition, 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 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 **St. Louis County Board of Election Commission** assume this proposal would require the use of paper ballots in future elections, and would restrict DRE usage to those with disabilities.

1st Year (2018)

Additional printing of 210,000 ballots at .27 each for 1 election..... \$ 56,700

2nd Year (2019)

Additional printing of 842,000 ballots at .29 each for 3 elections..... \$ 244,180

ASSUMPTION (continued)

3rd Year (2020)

Additional printing of 210,000 ballots at .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 2018.

Officials from the **Jackson County Election Board, Platte County Board of Elections and Buchanan County** each assume the proposal will have no fiscal impact on their respective organizations.

Officials at the following boards of election commission: 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, 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
<b>GENERAL REVENUE</b>			
<u>Cost</u> - SOS - replacement of machines	(\$15,725,000 to \$20,965,000)	\$0 to (\$5,240,000)	\$0 to (\$5,240,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(\$15,725,000 to <u>\$20,965,000</u>)</b>	<b>\$0 to <u>(\$5,240,000)</u></b>	<b>\$0 to <u>(\$5,240,000)</u></b>

FISCAL IMPACT - Local Government

FY 2018  
(10 Mo.)

FY 2019

FY 2020

**LOCAL ELECTION AUTHORITIES**

<u>Cost</u> - Printing of additional ballots	(Could Exceed <u>\$100,000</u> )	(Could Exceed <u>\$100,000</u> )	(Could Exceed <u>\$100,000</u> )
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<b>ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES</b>	<b>(Could Exceed <u>\$100,000</u>)</b>	<b>(Could Exceed <u>\$100,000</u>)</b>	<b>(Could Exceed <u>\$100,000</u>)</b>
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FISCAL IMPACT - Small Business

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

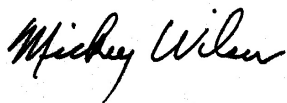
FISCAL DESCRIPTION

This proposal requires that electronic touch screen voting machines be phased out and replaced by paper ballot marking devices for the disabled. Machines that wear out or break or are subject to replacement for any reason after January 01, 2018, will be replaced by paper ballot marking devices.

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  
Jackson County Election Board  
Platte County Board of Elections  
Buchanan County  
St. Louis County Board of Election Commission



Mickey Wilson, CPA  
Director

Ross Strope  
Assistant Director

L.R. No. 1085-01  
Bill No. HB 717  
Page 6 of 6  
February 22, 2017

February 22, 2017

February 22, 2017

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