

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2071H.02C  
 Bill No.: HCS for HB 925  
 Subject: Elections; Disabilities  
 Type: Original  
 Date: April 9, 2021

Bill Summary: This proposal enacts sections relating to elections.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue			Could exceed (\$1,650,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>Could exceed (\$1,650,000)</b>

\*Cost of approximately (\$1,650,000) in FY 2024 if the state is required to pay for replacement voting machines for local election authorities, as direct-record electronic (DRE) machines would all need to be replaced no later than January 1, 2024. Therefore, the fiscal impact could realized before FY 2024.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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 \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume this bill prohibits the use of electronic voting machines and requires that all voting be conducted using paper ballots and paper ballot marking devices. While most jurisdictions currently utilize paper ballots and marking devices, some jurisdictions use direct-record electronic (DRE) machines which would all need to be replaced no later than January 1, 2024, under the provisions of this bill. The state may be required to pay this cost under Article X, Section 21 of the Missouri Constitution.

The estimated cost for a replacement voting machine is \$5,000. Based on our ongoing survey of voting equipment, at least 330 DRE machines were in use throughout the state at the most recent election, with the possibility for that number to increase based on the responses still outstanding. The cost to replace these DREs could reach or exceed \$1,650,000 (330 x \$5,000) in FY 2024, depending on if more machines of this type are currently in use.

**Oversight** notes there are 116 local election authorities in the state. There were 2,748 polling places used statewide for the 2016 General Election per general election survey reports. The current November 2020 election survey results have not fully been processed. Oversight is unable to determine the exact amount of DRE machines that were used in the most recent election. According to the SOS, the cost replacement estimate of \$5,000 for a voting machine is an average replacement cost based on actual invoices submitted from local election authorities (reimbursed under their Election Efficiency Grant). Oversight does not have any information to the contrary. Therefore, Oversight will reflect the estimated impact from SOS in the fiscal note.

**SOS** officials also assume 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 \$5,000. They also recognize that this is a small amount and do not expect that additional funding would be required to meet these costs. However, they also recognize 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 their office can sustain with the core budget. Therefore, they reserve 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 require additional resources.

Officials from the **Department of Revenue** and **Missouri Ethics Commission** both assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **St. Louis County Board of Elections Office** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

In response to a previous version, officials from the **Kansas City Election Board** and **Platte County Board of Elections** both assumed the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**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. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>GENERAL REVENUE</b>			
<u>Cost – SOS</u> <u>Voting Equipment</u>	<u>\$0</u>	<u>\$0</u>	Could exceed <u>(\$1,650,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<u>\$0</u>	<u>\$0</u>	<b>Could exceed <u>(\$1,650,000)</u></b>

<u>FISCAL IMPACT –</u> <u>Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

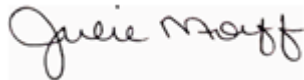
FISCAL DESCRIPTION

Beginning January 1, 2022, this bill requires the use of paper ballots for all elections. Until January 1, 2024, election authorities may continue to use electronic touchscreen machines for disabled voters. Marking devices will also be permissible to assist disabled voters with paper ballot marking.

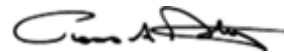
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State  
Department of Revenue  
Missouri Ethics Commission  
Kansas City Election Board  
St. Louis Count Board of Elections  
Platte County Board of Elections



Julie Morff  
Director  
April 9, 2021



Ross Strobe  
Assistant Director  
April 9, 2021