



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0287

Title: Provide that state pays postage for absentee ballot return

Primary Sponsor: Kortum, Kelly

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Other	\$472,521	\$626,215	\$481,972	\$638,740
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: County election administrators mail absentee ballot return envelopes to electors. This bill requires the Office of the Secretary of State to pay the return postage for all absentee ballots returned by mail. The Office of the Secretary of State is funded entirely with non-budgeted proprietary funds; and does not receive a HB 2 appropriation. The revenue generated from registration and document filings fees paid by Montana businesses is the funding source for the Secretary of State's Office and would be used to pay for the expenditures resulting from this bill.

FISCAL ANALYSIS

Assumptions:

1. The first-class mail letter (1 oz.) rate is \$0.55, and each additional ounce for a first-class mail letter is an additional \$0.15
2. Historically, in primary and local elections, most counties produce a one-page ballot at a cost of \$0.55 to mail back.
3. For general elections, most counties produce a two-page ballot due to the number of races, initiatives, and legislative referendum. It is estimated that these general election ballots would weigh 3 ounces and cost \$0.85 to mail.

Fiscal Note Request – As Introduced

(continued)

4. For fiscal year 2022, it is estimated that 328,251 federal ballots and 530,879 local ballots will be returned.
5. For fiscal year 2023, it is estimated that 542,282 federal ballots and 300,503 local ballots will be returned.
6. For fiscal year 2024, it is estimated that 334,816 federal ballots and 541,496 local ballots will be returned.
7. For fiscal year 2025, it is estimated that 553,127 federal ballots and 306,513 local ballots will be returned.
8. It is estimated that a 2% growth in voters would occur each year.
9. It is estimated that a 10% growth in absentee voters would occur each year.
10. The following chart shows the projections based on the above assumptions:

	Single Page	DBL Page	Single Page	DBL Page
	FY 2022	FY 2023	FY 2024	FY 2025
Ballots Fed	293,081	484,180	298,943	493,864
Ballots Local	473,999	268,306	483,479	273,672
Inc 10%	29,308	48,418	29,894	49,386
Inc 2%	5,862	9,684	5,979	9,877
Total Fed Ballots	328,251	542,282	334,816	553,127
Total Cost	\$180,538	\$460,939	\$184,149	\$470,158
Inc 10%	47,400	26,831	48,348	27,367
Inc 2%	9,480	5,366	9,670	5,473
Total Local Ballots	530,879	300,503	541,496	306,513
Total Cost	\$291,983	\$165,276	\$297,823	\$168,582
Total Combine Cost	\$472,521	\$626,215	\$481,972	\$638,740

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$472,521	\$626,215	\$481,972	\$638,740
TOTAL Expenditures	<u>\$472,521</u>	<u>\$626,215</u>	<u>\$481,972</u>	<u>\$638,740</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$472,521	\$626,215	\$481,972	\$638,740
TOTAL Funding of Exp.	<u>\$472,521</u>	<u>\$626,215</u>	<u>\$481,972</u>	<u>\$638,740</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	(\$472,521)	(\$626,215)	(\$481,972)	(\$638,740)

Long-Term Impacts:

1. The impact on the Office of the Secretary of State would continue to grow with the increase in postage rates and the continued growth of absentee voters.

NOT SIGNED BY SPONSOR

_____ 2/11/21 _____ KL _____ 2/9/21
 Sponsor's Initials Date Budget Director's Initials Date