



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

SB0472 - Generally revise election laws (Emrich, Daniel )

**Status:** As Introduced

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget        | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>					
General Fund	\$15,000	\$345,026	\$283,970	\$288,229	\$292,489
Other	\$2,500	\$32,542	\$30,542	\$32,542	\$30,542
<b>Revenue:</b>					
General Fund	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$15,000)</u>	<u>(\$345,026)</u>	<u>(\$283,970)</u>	<u>(\$288,229)</u>	<u>(\$292,489)</u>

**Description of fiscal impact:** SB 472 provides new voting tabulation time requirements for county clerks and provides new duties for verification and inspection assigned to the Office of the Secretary of State and the Department of Justice for inspections of election records and assist in testing and verification of voting systems statewide.

### FISCAL ANALYSIS

**Assumptions:**

**Department of Justice**

- Upon passage and approval of SB 472, there would be a total fiscal impact of \$15,000 for FY 2023 for May and June. The agency would not likely be able to hire staff in time to complete necessary work for May and June elections. Therefore, this amount would cover approximately \$13,000 in overtime costs for a current Gambling Control Division (GCD) employee as well as approximately \$2,000 in necessary training and travel costs.

2. The department will conduct voting machine inspections across the state, which requires 2.00 FTE Field Electronics Inspectors, for a personal services cost of \$140,674 beginning in FY 2024.
3. It is assumed that each Field Electronics Inspector would travel statewide due to election machine locations. These FTE also may be stationed outside of Helena where the motor pool is available. Therefore, vehicles will be necessary for FTE at an estimated cost of \$24,000 each for a total of \$48,000.
4. An Electronics Technologist 1.00 FTE is required to work with voting verification systems currently existing, the personal services cost is \$84,759 beginning in FY 2024.
5. The estimated annual operating costs for the 3.00 FTE is \$58,537 per year which includes, cell phones, data network fees, voter machine training certification, travel, and rent expenses. In FY 2024 the one-time-only operating costs of \$2,800 for office and computer packages plus \$10,256 in other one-time start up operating costs.
6. A 1.5% inflation increase is included for FY 2026 and FY 2027.

**Secretary of State**

7. SB 472 requires a representative from the Office of the Secretary of State to be present and verify test results from the public testing of vote tabulation machines provided by Montana County Election Administrators.
8. The Office of the Secretary of State requires personal services costs and travel costs to fulfill the requirements of this bill.
9. It is assumed that 0.10 FTE Elections Specialist would be needed for FY 2023 and 0.50 FTE Elections Specialist will be required ongoing to serve as the Office of the Secretary of State representative verifying the tests conducted on vote tabulation machines during the public testing provided by an Elections Administrator.
10. The estimated cost for FY 2023 will be \$4,382 in personal services for 175 hours of overtime work using existing staff and the estimated cost will be \$25,042 ongoing for 1,040 hours per year.
11. The costs associated with travel will vary depending on the number of elections each year. It is assumed that there will be 3 elections in FY 2024 and FY 2026, and 2 elections in FY 2025 and FY 2027.
12. It is assumed that the total estimated travel costs including motor pool, motel, and per diem for the Elections Specialist will be approximately \$2,500 in FY 2023, \$7,500 in FY 2024 and FY 2026, and approximately \$5,500 in FY 2025 and FY 2027.

**Commissioner of Political Practices (COPP)**

13. Should SB 472 pass, the Governor or Secretary of State, whichever is responsible for a violation of any part of [section 1], is liable for any action taken in civil action brought by the Commissioner of Political Practices pursuant to 13-37-124. COPP believes such instances where civil action is brought by the Commissioner against a Governor or Secretary of State would be rare and could therefore be covered by the agency under existing budget.

	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>					
FTE	0.10	3.50	3.50	3.50	3.50
<b><u>Expenditures:</u></b>					
Personal Services	\$17,382	\$250,475	\$250,475	\$253,856	\$257,289
Operating Expenses	\$4,500	\$79,093	\$64,037	\$66,915	\$65,742
Equipment	\$0	\$48,000	\$0	\$0	\$0
Benefits	\$0	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$21,882</u>	<u>\$377,568</u>	<u>\$314,512</u>	<u>\$320,771</u>	<u>\$323,031</u>
<b><u>Funding of Expenditures:</u></b>					
General Fund (01)	\$15,000	\$345,026	\$283,970	\$288,229	\$292,489
Other	\$6,882	\$32,542	\$30,542	\$32,542	\$30,542
<b>TOTAL Funding of Exp.</b>	<u>\$21,882</u>	<u>\$377,568</u>	<u>\$314,512</u>	<u>\$320,771</u>	<u>\$323,031</u>
<b><u>Revenues:</u></b>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
<b>TOTAL Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>					
General Fund (01)	(\$15,000)	(\$345,026)	(\$283,970)	(\$288,229)	(\$292,489)
Other	(\$6,882)	(\$32,542)	(\$30,542)	(\$32,542)	(\$30,542)

**Effect on County or Other Local Revenues or Expenditures:**

1. County Clerk and Recorders are unsure that they will have the staff and resources necessary to comply with a 3-hour requirement.
2. The bill requires “two additional voting systems on site.”
3. In order to generate the requirements of the bill, a county must own: multiple tabulators which are \$6,500 to \$100,000 each depending on the model, Electionware hardened computer for \$10,000, and annual maintenance of the Electionware hardened computer for \$5,000.
4. The total cost to meet the system requirements is \$28,000 to \$215,000 for upfront costs plus at least \$5,000 per year.
5. 26 counties own the Electionware hardened computer with a \$5,000 ongoing annual fee for a total of \$130,000 in ongoing costs.
6. Electionware hardened computers cost \$10,000 each.
7. 30 counties likely need to purchase the computers plus the annual maintenance for a total of \$450,000.
8. Tabulators range between \$6,500 and \$100,000 per machine.
9. 42 counties own tabulators. Many of those counties own multiple tabulators and it is assumed that those counties will have sufficient equipment to comply with the “two Additional voting system” requirement.
10. 50 of 56 counties have no or one tabulator, requiring approximately 150 tabulators to comply with the redundancy necessary in the bill.
11. The total estimated cost to local governments for equipment, staffing, and ongoing system and maintenance costs is estimated to be between \$975,000 and \$15 million.
12. *“This bill may require local governments to spend additional sums for which no specific means of financing are provided. Section 1-2-114, MCA, provides that bills that have such an impact may not be introduced.”*

NO SPONSOR SIGNATURE

3/1/23

Sponsor’s Initials

Date

Budget Director’s Initials

3-1-23

Date