



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0774 - Generally revise election laws (Hopkins, Mike)

Status: As Introduced

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" 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 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>	<u>Difference</u>
Expenditures:				
General Fund	\$90,170	\$84,570	\$85,839	\$87,127
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	(\$90,170)	(\$84,570)	(\$85,839)	(\$87,127)

Description of fiscal impact: HB 774 changes election statute to require all elections to occur on primary day or election day in even-numbers years. The bill also requires the county election administrator to administer all elections, and term lengths are changed to match the new election cycle.

If HB 774 is passed, the Commissioner of Political Practices expects that all Montana elections would be held in even-numbered years, following the existing primary and general election calendars. Holding all elections during the same even year would significantly increase the responsibilities placed upon the commissioner and the rest of the office staff during, and immediately following, the even election year.

FISCAL ANALYSIS

Assumptions:

Commissioner of Political Practices

1. Currently, statewide, state district, county, and certain school elections are held during even election years (2020, 2022, 2024, etc.), while municipal (city) and certain school elections are held during odd election years (2021, 2023, 2025, etc.).
2. Candidates seeking election to public office are required to file a certification with the Commissioner of Political Practices (COPP) (13-37-201, MCA). Approximately 1,000 candidates seeking election to a statewide, state district, or county office in Montana's 2022 primary and general election cycle filed these

certifications with COPP in 2022. Additionally, there were approximately 160 candidates seeking election to a school office during the May 2022 school elections.

3. In 2021, approximately 620 city candidates and 120 school candidates filed these certifications. The office assumes that the number of certifications COPP staff must process during each even election year will significantly increase should HB 774 pass.
4. The office is statutorily required to provide written notice to the relevant election administrator when a candidate has not filed all required statements or reports and therefore cannot be certified to appear on an official ballot (13-37-126, MCA). Should HB 774 pass, COPP will be required to conduct this process for all statewide, state district, county, city, and school candidates at the same time during each even election year, increasing the workload on COPP staff.
5. The office is statutorily required to conduct facial inspections of all finance reports filed within 20 days of receiving the report (13-37-121, MCA). Should HB 774 pass, the number of inspections will increase during each even election year.
6. The office is statutorily required to conduct a formal examination of reports within 120 days after the completion of an election (13-37-123, MCA). Should HB 774 pass, the number of formal examinations will increase following the completion of each even-year primary and general election.
7. The Commissioner investigates and decides election law violations under Title 13, Chapters 35 and 37, MCA. If HB 774 passes, it will concentrate election law complaints in even-numbered years and increase workloads in those years as COPP will continue to act on complaints as quickly as possible. Alternatively, complaints may take longer to decide.
8. The office will require increased staff to handle the increase in responsibilities HB 774 creates in both years. The office anticipates, at a minimum, that an additional one and a half (1.50) FTE compliance specialists (annual salary and benefits of \$52,164 for 1.00 FTE and \$32,406 for .50 FTE) will be required. This amount has been inflated by 1.5% for fiscal years 2026 and 2027.
9. A new employee office package of \$2,800 (furniture and computer) for each compliance specialist is included as one-time-only costs in fiscal year 2024.

Office of the Secretary of State

10. While there may be a minimal fiscal impact for the Office of the Secretary of State to implement the requirements of HB 774, the office can cover these costs within the office's existing budget.

	<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>
<u>Fiscal Impact:</u>				
FTE	1.50	1.50	1.50	1.50
<u>Expenditures:</u>				
Personal Services	\$84,570	\$84,570	\$85,839	\$87,127
Operating Expenses	\$5,600	\$0	\$0	\$0
TOTAL Expenditures	<u>\$90,170</u>	<u>\$84,570</u>	<u>\$85,839</u>	<u>\$87,127</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$90,170	\$84,570	\$85,839	\$87,127
TOTAL Funding of Exp.	<u>\$90,170</u>	<u>\$84,570</u>	<u>\$85,839</u>	<u>\$87,127</u>
<u>Revenues:</u>				
General Fund (01)	\$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)	(\$90,170)	(\$84,570)	(\$85,839)	(\$87,127)

Effect on County or Other Local Revenues or Expenditures:

Montana Association of Counties

1. The fiscal impact to counties from HB 774 is difficult to determine. Consolidating elections will result in special election savings, but consolidating all elections will increase the number of splits necessary to conduct elections. Printing costs will substantially increase based on the number of different ballots that will need to be printed in each election cycle.

Office of Public Instruction

2. The office does not have a firm estimate of annual school district expenditures for elections. It is not clear what portion of election costs school districts will pay if this bill passes, but there will be cost reductions.
3. Unique requirements for school districts are found in Title 20, parts 3 and 20, MCA.
4. Trustee terms and election cycles for school districts are enmeshed with annual levies to support school district operations. It is not clear what difficulties school districts may encounter with a biennial system, but there may be some impact on school district revenue continuity.

Technical Notes:

1. This bill requires school elections to be held only on general election days in even-numbered years, and Section 56 modifies 20-3-306, MCA, to change the form of election ballots to only show the possibility of two-year or four-year terms for trustees. However, 20-3-301, MCA, sets trustee terms at three years. Further, 20-3-302, MCA, establishes the intent of the legislature to set terms in a way that the majority of the positions are not subject to expiration in any election year. The change to four-year terms for trustees would result in the election of a majority of positions every other election.
2. This bill changes the reference for a school district write-in candidate from (20-20-401, MCA to 13-12-201, MCA). There are two issues: 1) the reference to 13-12-201, MCA, is specific to ballot certification and not the deadline for write in candidates, which is outlined specifically in 13-10-211, MCA, and 13-1-403, MCA

(for local government elections); and 2) the new deadline for write in candidates (under 13-12-201, MCA, 13-10-211, MCA, and 13-1-403, MCA) will be prior to the deadline for regular candidate filing in 20-3-305, MCA (Section 55).

3. Section 20-20-15, MCA, Section 68 of HB 774 eliminates school election day currently on the first Tuesday after the first Monday in May of each year and directs that “School elections must be held on the primary or general election day in an even-numbered year.” School levies are set annually in the current May election and eliminating the annual election would require additional statutory changes to allow school districts to set budgets.
4. Section 20-20-201, MCA, Section 70 in this bill, states that a school election is called 70 days before an election, but 13-12-201, MCA, states that ballot certification occurs 75 days before the election - effectively requiring ballot certification prior to the deadline for calling an election.

MH

Sponsor's Initials

3/2/23

Date

RD

Budget Director's Initials

3-1-23

Date