

2008 Special Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 1102 **STATUS:** A-Engrossed
SUBJECT: Candidates names on ballots.
GOVERNMENT UNIT AFFECTED: Secretary of State and Counties.
PREPARED BY: Erica Kleiner
REVIEWED BY: Daron Hill
DATE: February 08, 2008

EXPENDITURES: See analysis.

EFFECTIVE DATE: January 1, 2009.

INTERIM JOINT COMMITTEE ON WAYS AND MEANS: The budgetary impact of this bill was not reviewed nor approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

LOCAL GOVERNMENT MANDATE: This bill **may** affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: The -1 amendment of this measure requires that general or special election candidates be listed on ballots for partisan office for every nomination that they receive, with the corresponding name of each political party to be added opposite of the candidate name printings. This concept is also known as "fusion voting". SB 1102 also requires that the name of a political party not be added opposite a candidates name on the ballot if the candidate does not wish to be identified in such a way on the ballot and notifies the filing officer. The measure also requires that only votes cast for a candidate of an affiliation of electors or a minor political party on the ballot line for that affiliation or political party be counted. SB 1102 requires that a vote only be counted once for multiple votes for the same candidate on a single ballot. Finally, the measure allows the names of a candidate to appear on the ballot without being identified as the nominee of a political party only if the candidate is nonaffiliated. If this measure were to become law, it would have an effective date of January 1, 2009.

Three Cost Components

Three components of the measure generate fiscal impacts to state and local government entities, including, the Oregon Secretary of State (SOS) and Oregon counties. These costs include: (a) an education campaign to bring awareness of the ballot changes to voters; (b) software and hardware development and upgrades for Oregon counties; and (c) the possible labor costs associated with hand-counting each ballot on which an error was made and the same candidate was voted for twice or more times when they are nominated by different parties for the same office.

Operative Date

This measure does not have an operative date. However, any software updates for ballot tally systems would have to complete well before implementation such as, technological development of the software, federal and state elections certification, time for county purchasing, arrangements and time for technology installation and development, time for tests by the vendors to ensure that the equipment and software function reliably, and time for training the elections officials to use the software. All of these

steps need to be taken before the software can be used could take anywhere from four to four and a half years (48 to 54 months) if this measure was enacted during February. This would place the operative date of this measure between January 1, 2013 and June 30, 2013.

Software/Hardware Development/Upgrade Costs

The SOS, Elections Division and counties assume that due to the changes in the election process as a result of SB 1102, voters will “over-vote”, meaning they will unintentionally vote for the same candidate twice or more when they are nominated by a number of parties for the same office. In order to eliminate the errors of “over-voting”, counties’ software and in some cases hardware systems need to be developed and upgraded in order to account for the fundamental changes in Oregon ballots. Upgrading vote-counting systems will eliminate the need to expend labor resources to hand count the ballots.

The cost of software upgrades is unknown at this time; however these are considered the most significant of the costs related to this measure. Some counties may require new hardware and the cost could be up to \$45,000 per machine with some counties requiring several machines.

Labor Costs of Hand-counting Ballots

Even with the new software updates and development it is not certain whether vote tally machines would be able to reconcile “over-votes”. Likewise, if the technology upgrades are not made to the vote tally systems, resources to hand count the ballots would be a labor cost to counties. The possibility of “over-voting” brings forth the potential for a needed vote recount, in which counties would have to hand count ballots in order to determine elections results. Counties estimate this would cost approximately \$60,000 statewide if a hand recount was needed per election.

Voter Education Campaign Costs

The fiscal impacts for the Secretary of State (SOS) and counties are premised upon the following assumption. The SOS, Elections Division and counties believe that as a result of this measure and the subsequent fundamental changes in the Oregon ballot, a voter education program to acquaint voters with the changes would be needed.

Voter education is a shared responsibility between the state and counties; however the Legislative Fiscal Office assumes that the SOS would take the lead in educating voters regarding ballot changes statewide. After all of the software/hardware development and updates and subsequent certification and testing is completed, a voter educational campaign would need to be conducted at least six months in advance of the first election. The SOS receives no General Fund (GF) for voter education. They do receive Federal Funds (FF) in terms of Help America Vote Act (HAVA) dollars which could potentially be available for voter education on the ballot changes. Although the SOS has these funds dedicated to other purposes, the funds could be legally redirected to fund the voter education required under SB 1102. To reach Oregon’s approximately 1.9 million registered voters, our office assumes it would cost the state \$400,000 GF. This is based on a voter educational campaign that took place in Yamhill County at a cost of \$10,000, aimed at a total of 47,000 registered voters.

Finally, changing ballots will increase the general cost of elections and ballots, however LFO assumes that these costs can be absorbed within local budgets as election costs change frequently.

Ballot Measure 30

This measure potentially creates a funding mandate on local government. Under Section 15, Article XI of the Oregon Constitution, a local government is not legally required to comply with a law that requires the local government to fund a new program or provide an increased level of service regarding an existing program unless the law is approved by a 3/5 vote in each chamber of the Legislature or the Legislature provides an appropriation to cover at least 95% of the usual and reasonable costs.

Fiscal Impact

Based on the above cost information, LFO does not believe that there will be a fiscal impact for the SOS until the 2011-2013 biennium or beyond for their voter education costs. The local mandate impact, however, could occur in the 2007-09 biennium for county voting system upgrades and development. A subsequent referral to the Joint Committee on Ways and Means is appropriate only if the following are true:

1. The measure is an unfunded mandate on local governments;
2. The Legislature does not pass the measure with a 3/5th vote;
3. The Legislature wants local governments to implement the measure.

If all these are answered affirmatively, then the initial start-up costs associated with the measure would require a General Fund appropriation during the 2007-09 biennium.