
MEMORANDUM

Legislative Fiscal Office
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To: General Government Subcommittee of the Joint Committee on Ways and Means

From: Kim To, Legislative Fiscal Office, 503-986-1830

Date: June 18, 2013

Subject: HB 3521 Relating to elections
Work Session Recommendation

House Bill 3521 requires designated voter registration agencies to share information (including the age, residence, citizenship data, and copies of signatures as maintained by the agency) digitally with the Secretary of State's office. The Secretary of State will use this information to register voters and maintain up-to-date voter rolls unless eligible voter chooses to opt out. The bill provides for the voter registration of individuals in the Department of Motor Vehicle (DMV) database who meet voter eligibility requirements if the individual chooses not to opt out. Individuals registered via this method will be registered as unaffiliated voters. The bill directs the Secretary of State to send notices, including postage paid returns, to each eligible person describing how to opt out of registration and how to select a political party if they choose. The bill includes an emergency clause effective on passage, but does not require implementation until January 1, 2014. The bill stipulates that voter registration information regarding those who are under 18 will not be a public record until the individual turns 18.

The measure previously had hearings in the House Committee on Rules on 5/8/2013, 5/22/2013, and 5/24/2013. A public hearing was held in this committee on 6/3/2013.

The original staff measure summary and the fiscal impact statement are attached to this memo, and available on the Oregon Legislative Information System (OLIS).

Fiscal impact

The Secretary of State estimates the fiscal impact to the Elections Division of this bill to be roughly \$300,000 Federal Funds for the 2013-15 biennium. This estimate includes the one-time cost of developing additional functionality within the Oregon Centralized Voter Registration database (OCVR), and the cost of producing, printing, mailing and processing notices to approximately 500,000 eligible individuals informing them how to opt out of registration or select a political party. Also included in this amount is the cost of return postage for the opt-out mailing.

In addition, passage of the bill is anticipated to result in an increase in registered voters, and therefore increased costs to counties for printing, mailing, and processing of additional ballots. Although the exact costs to counties is indeterminate depending on how many newly registered voters opt-out and how many voters who receive a ballot actually vote, using per vote costs and voting projections provided by the Secretary of State and counties: the net administrative cost increase to counties is estimated at between \$1.1 and \$1.3 million Total Funds per biennium to the 36 Oregon counties.

The amendment

The -A10 amendment includes a \$300,000 Federal Funds limitation for the Secretary of State for the purposes of carrying out this bill.

Recommendation

LFO recommends moving the - A10 amendment into the bill.

Motion

**Motion: Senator/Representative _____:
I move the dash A10 amendment into HB 3521.**

Recommendation

LFO recommends the measure, as amended, be moved to the Full Committee.

Motion

**Motion: Senator/Representative _____:
I move HB 3521 with the dash A10 amendment to the Full Committee with a "do pass" recommendation as amended.**

Assignment of Carriers

Full: _____
Senate: _____
House: _____

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 3521**

1 On page 1 of the printed A-engrossed bill, line 3, after the semicolon in-
2 sert “limiting expenditures;”.

3 On page 5, after line 24, insert:

4 **“SECTION 11. Notwithstanding any other law limiting expenditures,
5 the amount of \$300,000 is established for the biennium beginning July
6 1, 2013, as the maximum limit for payment of expenses for adminis-
7 tration of the provisions of this 2013 Act from federal funds collected
8 or received by the Secretary of State.”.**

9 In line 25, delete “11” and insert “12”.

10

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3521 - A10**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed Versions are Considered Official***Prepared by: Kim To
Reviewed by: Steve Bender, Linda Ames
Date: 6/17/2013**Measure Description:**

Defines "qualified designated voter registration agency." Directs qualified designated voter registration agencies to provide Secretary of State with age, residence and citizenship data and digital signature of each person who meets qualifications set by secretary by rule.

Government Unit(s) Affected:

Secretary of State (SOS), counties, Oregon Department of Transportation (ODOT)

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Summary of Expenditure Impact – Secretary of State:

	2013-15 Biennium	2015-17 Biennium
Federal Funds	\$300,000	\$20,000

Summary of Expenditure Impact – Counties:

	2013-15 Biennium	2015-17 Biennium
Total Funds	\$1.1 - \$1.3 million	\$1.1 - \$1.3 million

Analysis:

House Bill 3521-A requires designated voter registration agencies to share information (including the age, residence, citizenship data, and copies of signatures as maintained by the agency) digitally with the Secretary of State's office. The Secretary of State will use this information to register voters and maintain up-to-date voter rolls unless eligible voter chooses to opt out. The bill provides for the voter registration of individuals in the Department of Motor Vehicle (DMV) database who meet voter eligibility requirements if the individual chooses not to opt out. Individuals registered via this method will be registered as unaffiliated voters. The bill directs the Secretary of State to send notices, including postage paid returns, to each eligible person describing how to opt out of registration and how to select a political party if they choose. The bill includes an emergency clause effective on passage, but does not require implementation until January 1, 2014. The bill stipulates that voter registration information regarding those who are under 18 will not be a public record until the individual turns 18.

Secretary of State (SOS)

The Secretary of State estimates the fiscal impact to the Elections Division of this bill to be roughly \$300,000 Federal Funds for the 2013-15 biennium. This estimate includes the one-time cost of developing additional functionality within the Oregon Centralized Voter Registration database (OCVR), and the cost of producing, printing, mailing and processing notices to approximately 500,000 eligible individuals informing them how to opt out of registration or select a political party. Also included in this amount is the cost of return postage for the opt-out mailing. The bill is projected to cost the agency \$250,000 in the 2013-15 biennium, excluding return postage costs. The \$300,000 figure is based on roughly 1/3 of the eligible voters choosing to opt out; however, the proportion of eligible voters who will

exercise this option is uncertain. The Secretary of State projects that the office will need to notify approximately 100,000 eligible individuals each biennium in subsequent biennia.

The Secretary anticipates using federal Help America Vote Act (HAVA) funds to carry out the provisions of this bill. Note that because the agency will receive no additional HAVA funds, the bill reduces the amount of Federal Funds that are otherwise available to support Elections Division expenditures, and all HAVA funds are projected to be exhausted by the end of the 2015-17 biennium.

The – A10 amendment includes a limitation of \$300,000 Federal Funds for the 2013-15 biennium for the Secretary of State to carry out the provisions of this bill. The – A10 amendment does not change the original fiscal determination.

Counties

The Secretary of State reports that the Secretary will process and cover the costs for the initial notices required by the bill as estimated above, therefore counties should not incur these initial costs. However, passage of the bill is anticipated to result in an increase in registered voters, and therefore increased costs to counties for printing, mailing, and processing of additional ballots. Although the exact costs to counties is indeterminate depending on how many newly registered voters opt-out and how many voters who receive a ballot actually vote, the following estimates are extrapolated using per vote costs and voting projections provided by the Secretary of State and counties: With passage of this bill, counties will realize some offsetting savings from no longer having to process approximately 250,000 paper registration from the DMV each biennium. The net administrative cost increase to counties is estimated at between \$1.1 and \$1.3 million Total Funds per biennium to the 36 Oregon counties.

This bill is not anticipated to affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution because the number of registered voters affecting county service levels naturally ebbs and surge, and the bill contains no new program for counties.

Oregon Department of Transportation (ODOT)

This bill is anticipated to have minimal impact on the Department of Transportation. Should this bill become law, ODOT's Department of Motor Vehicle will need to modify its data systems in order to extract and transfer the data required by this bill to the Secretary of State. Although ODOT anticipates using existing staff to perform this work, the cost for implementation of this bill is not a permissible use of State Highway Funds. ODOT estimates this startup cost to be approximately \$26,750. This amount is included in the Secretary of State's fiscal impact estimate above.

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and be referred to Committee on Ways and Means
Vote:	6 - 3 - 0
Yeas:	Barnhart, Dembrow, Holvey, Hoyle, Jenson, Garrett
Nays:	Berger, Hicks, Kennemer
Exc.:	0
Prepared By:	Erin Seiler, Administrator
Meeting Dates:	5/8, 5/22

WHAT THE MEASURE DOES: Defines “qualified designated voter registration agency.” Directs qualified designated voter registration agencies to provide Secretary of State with age, residence and citizenship data and digital signature of each person who meets qualifications set by secretary by rule. Directs secretary to register to vote each nonregistered person who is qualified to vote and to notify persons how to cancel registration and how to adopt or change political party affiliation. Increases maximum number of electors in precinct from 5,000 to 10,000. Establishes July 1, 2013, as date for determination of total number of registered electors in this state for purpose of maintaining status as minor political party for 2014 general election. Exempts from public disclosure voter registration information for person under 18. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Security of protected voter information
- Removal of barriers to participation
- Proof of citizenship requirement for registration
- Cost and cost-savings for county clerks of implementation
- Unfunded mandate to counties
- Providing opportunity to participate in elections
- Access to general election ballot for minor parties
- Registration deadline
- Definition of qualified designated voter registration agency
- Ability to opt-out of voter registration
- Reasons for registering or not registering to vote

EFFECT OF COMMITTEE AMENDMENT: Exempts from public disclosure voter registration information for person under 18.

BACKGROUND: The National Voter Registration Act of 1993 (NVRA) established procedures to increase voter registration of eligible citizens in elections for federal office; to protect the integrity of the political process; and to assure accurate and current voter registration rolls. To increase registration of eligible citizens, the NVRA required States to permit voter registration by the following means (in addition to any other method provided by state law): (a) by application simultaneous with an application for a motor vehicle driver's license ("motor-voter" registration); (b) by use of a uniform mail application; and, (c) by application in person at a designated agency.

ORS 247.208 permits the Secretary of State by rule, in accordance with the requirements of NVRA of 1993, to designate agencies as voter registration agencies. A NVRA agency could be a state, county, city or special district office; federal office; or nongovernmental office. House Bill 3521-A would require a designated voter registration agency that (a) records and stores digital copies of signatures; (b) collects age and residence data; and (c) processes citizenship documentations to provide Secretary of State with necessary information in order to register each qualified, nonregistered person to vote. Individuals registered to vote through this process would be notified of registration status how to cancel registration, and how to adopt or change political party affiliation.

5/24/2013 9:59:00 AM

This summary has not been adopted or officially endorsed by action of the committee.

Currently, ORS 246.410 (2)(a) requires the county clerk, not later than the 30th day before an election, to create, combine or divide one or more precincts. The number of electors to be included in a precinct shall not exceed 5,000. House Bill 3521-A would increase the number of electors that may be included in a precinct to not more than 10,000.

Under current statute (ORS 248.008) a minor party gains or maintains ballot access by maintaining a voter registration equal to 1/10th of 1 percent of all voters and by running a statewide candidate that polls at least 1 percent of all voters participating in the preceding general election or by maintaining a voter registration equal to 1/2 of 1 percent of the total number of registered electors in the state that are registered as members of the party.

House Bill 3521-A would allow minor parties to utilize the total number of registered electors for purposes of maintaining status as a minor political party under ORS 248.008 (4)(b). For the general election to be held in November 2014, the total number of registered electors in this state is the total number of registered electors in this state on July 1, 2013.