

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3521 - B

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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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 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 bill 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.

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.