

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2177**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Theresa McHugh
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Date: February 4, 2015**Measure Description:**

Directs Department of Transportation to provide Secretary of State with electronic records containing legal name, age, residence and citizenship information and electronic signature of each person who may qualify as elector as prescribed by secretary by rule.

Government Unit(s) Affected:

Secretary of State, Counties, Oregon Department of Transportation

Summary of Expenditure Impact - Secretary of State

	2015-17 Biennium	2017-19 Biennium
General Fund		
Lottery Funds		
Other Funds		
Federal Funds	753,445	42,616
Total Funds	\$753,445	\$42,616
Positions	1	
FTE	0.50	

Summary of Expenditure Impact - Counties

	2015-17 Biennium	2017-19 Biennium
Total Funds	\$767,865	\$825,757

Note: All cost estimates are based on an implementation date of January 1, 2016.

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.

Analysis:

House Bill 2177 requires the Oregon Department of Transportation (ODOT) to share information (including 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. The bill provides for the voter registration of individuals in the Driver and Motor Vehicle Services (DMV) database who meet voter eligibility requirements, unless the individual chooses to opt out. The bill directs the Secretary of State to ensure that notices are sent to each eligible person describing how to opt out of registration and how to select a political party affiliation. The bill also increases the maximum number of electors in a precinct from 5,000 to 10,000, and establishes July 1, 2015, as the date for determination of the total number of registered voters in Oregon

for the purpose of maintaining status as a minor political party for the 2016 general election. The bill stipulates that voter registration information for those who are under the age of 18 will not be a public record until the individual turns 18. The bill includes an emergency clause making it effective upon passage, but does not require implementation until January 1, 2016.

Secretary of State (SOS)

The SOS will incur both one-time and ongoing costs to implement the bill. One-time costs during the 2015-17 biennium include software and hardware upgrades to the Oregon Centralized Voter Registration (OCVR) database to develop the functionality needed to implement the measure, overseen by a limited-duration Information Systems Specialist 8 project manager (0.50 FTE) to implement the changes. Ongoing costs (which the SOS would assume) include the production, processing, and mailing of notices to eligible individuals notifying them of their options to opt-out of registration or to select a political party affiliation.

These costs are projected to total \$753,445 in the 2015-17 biennium and \$42,616 in 2017-19. The SOS anticipates using federal Help America Vote Act (HAVA) funds to carry out the provisions of the bill. Because the agency will receive no additional HAVA funds and must use HAVA funds already in hand, the bill reduces the amount of Federal Funds available to support other Elections Division expenditures, and increases ongoing costs that will need to be financed with General Fund after HAVA funds are exhausted.

Counties

Counties will incur increased costs for printing, mailing, and processing of additional ballots, as voters are added to registration rolls as a result of the bill. Counties will realize some savings from no longer having to process paper voter registrations from the DMV. The cost to counties is uncertain, and will depend upon how many individuals are eligible to be registered, how many of those eligible choose to opt out, and how many newly-registered voters receiving a ballot actually vote.

Counties developed the estimates above based on the number of new voters projected by the SOS, and the actual operational costs to maintain county voter registration files and conduct elections. The Elections Division projects that the measure will increase the number of registered voters by a maximum of 437,832 people (or approximately 20%) in the 2015-17 biennium, and that it will further increase voter registration counts over the remaining years of an eight-year phase-in period. Counties estimate they will incur a cost of approximately \$1.75 per additional eligible voter (equal to a cost of \$.15 per voter over all projected voters). Based on these assumptions, the net cost increase to the 36 Oregon counties will phase in as the number of registered voters increases, and is estimated to total \$767,865 in 2015-17, and \$825,757 in 2017-19. The increase in voter numbers will continue for the next eight years until the DMV renewal cycle is complete.

Oregon Department of Transportation (ODOT)

ODOT anticipates that, should this bill become law, there will be start-up costs totaling \$33,200, primarily related to data system changes that will need to be made. These costs are anticipated to be offset by savings in the amount of \$110,707 in 2015-17, from the discontinuation of the current process used by DMV, under which all applicants for driver licenses, driver permits, or ID cards are asked if they want to register to vote. Since this process is required under the National Voter Registration Act, the SOS will be seeking a waiver from the federal government to release Oregon from these requirements on the basis that the new process exceeds the federal requirements. The net savings in 2015-17 would be \$77,507. These savings would increase to \$147,610 in 2017-19. It should be noted that costs associated with voter registration are not a permissible use of State Highway Funds; DMV expenses for this purpose are covered by the Transportation Operating Fund.