

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: SB 861 - A2

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Haylee Morse-Miller
Reviewed by: Ken Rocco
Date: June 19, 2019

Measure Description:

Requires state to pay for ballot return envelopes that can be returned by business reply mail, or other mailing service determined by Secretary of State to be more cost effective or efficient, for each election held in this state.

Government Unit(s) Affected:

Secretary of State (SOS), Counties

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

SB 861 - A2 requires the state to pay postage costs for ballots returned by mail for all elections in Oregon.

As introduced, the measure requires the Secretary of State (SOS) to use the Business Reply Mail service for ballot returns. For each election, voters would be given a pre-addressed Business Reply Mail envelope with their ballot. When a voter submits their ballot by mail in a Business Reply Mail envelope, the voter pays no postage costs; instead, the U.S. Postal Service (USPS) charges a fee to the state for each Business Reply Mail envelope received. Voters would also have the option to continue to return ballots to ballot drop sites, at no additional cost to the state. The measure permits SOS to adopt other methods of ballot return outside of Business Reply Mail, if the method allows voters to return ballots by mail, and the costs of returning ballots are borne by the state.

The - A2 amendment includes a General Fund appropriation of \$1.7 million, which is the low-end estimate for the cost to implement this measure. LFO assumes that the 2019 end of session bill will include a special purpose appropriation for the Secretary of State, should costs of implementation exceed budgeted election expenditures.

Secretary of State

The projected cost to the state of prepaid postage for ballots varies based on several factors. At the low end, ballot return by Business Reply Mail is estimated to cost the state \$1,585,050 General Fund in 2019-21. This assumes that:

- There are 4,733,259 ballots cast in 2019-21.
- 50 percent of those who vote in elections will return their ballots by Business Reply Mail, and 50 percent of voters will use ballot drop sites.
- Each county will need a Business Reply Mail account with USPS, which will cost \$68,040 biennially.
- Each ballot returned by Business Reply Mail will cost the state \$0.641, the current rate per piece for Business Reply Mail.
- Administrative costs of implementing this policy can be absorbed by current resources.

Ballot return by Business Reply Mail could cost the state approximately \$2.7 million General Fund in 2019-21. Costs to the state would increase based on factors such as increased voter turnout, an increase in the percentage of voters who choose to return ballots by mail, the number of elections held, number of ballot cards and size of the ballot.

Counties

The cost of this measure to counties statewide is anticipated to be \$83,733. Counties will need to destroy ballot return envelopes that are obsolete once this bill takes effect on January 1, 2020.