LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 8, 2003

TO: Honorable Mary Denny, Chair, House Committee on Elections

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB1549** by Denny (Relating to changes required in election laws to implement the federal Help America Vote Act of 2002.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1549, Committee Report 1st House, Substituted: an impact of $0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	$0
2005	$0
2006	$0
2007	$0
2008	$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from *New Fed Account in GR*	Probable Savings/(Cost) from *New Fed Account in GR*	Change in Number of State Employees from FY 2003
2004	$23,000,000	($23,000,000)	6.0
2005	$57,000,000	($57,000,000)	6.0
2006	$0	$0	0.0
2007	$0	$0	0.0
2008	$0	$0	0.0

Fiscal Analysis

The bill would require the state to expand the size of its voter registration application to include space for additional requirements and additional voter instructions. It would also require the state to (1) create a statewide computerized voter registration system in a manner in which the voter registration data on the state's system is considered the official data for all voter registration purposes; (2) set up an administrative complaint process; (3) develop and implement a provisional voter program; (4) place a Direct Recording Electronic (DRE) device in each polling place; (5) create additional instructional information for voters, including a voter's bill of rights; and (6) launch a voter education program regarding the new Help America Vote Act (HAVA) requirements. In order to implement these changes the Secretary of State anticipates needing six additional FTEs including two accountants, an administrative technician, and three programmers.

In addition, the state is eligible to receive federal grants to transfer to county governments so that counties can satisfy new federal mandates, including the requirement to place in each voting place one Americans with Disabilities Act (ADA) accessible voting system unit. Two federal funds are available. Texas is eligible for about $23 million HAVA Title I funds. Texas is also eligible for $57 million in HAVA Title II Requirements Funds. However, in order to receive Title II Funds, Texas must match the federal dollars by 5 percent. The bill would authorize the Secretary of State to certify to the Comptroller of Public Accounts the amount needed to make the 5 percent match and then the Comptroller would deposit from funds available under Chapter 19 of the Texas Election Code into the election improvement fund to comply with the federal matching requirement. The state estimates that $2.9 million is required to satisfy the 5 percent match, and there are sufficient funds in the Chapter 19 account for fiscal years 2004 and 2005 to satisfy the match.

Methodology

It will cost the state $80 million to implement the mandates of the Help America Vote Act.   The state anticipates receiving this same amount, $80 million, $23 million in FY 2004 and $57 million in FY 2005 in federal funds to finance the mandates of HAVA.

Technology

The technology costs will be covered by the federal matching funds. These costs include significant programming changes or possibly an entirely new statewide voter registration database to meet the HAVA mandate.

Local Government Impact

It is anticipated that federal grants passed through the state to the counties, as provided in the bill, would offset the additional costs associated with implementation. No significant fiscal implication to units of local government is anticipated.

Source Agencies: 307 Secretary of State
LBB Staff: JK, JO, GO, MS, DLBa, JF