

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 7, 2003

TO: Honorable Bill Ratliff, Chair, Senate Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB1695 by Denny (Relating to certain election processes and procedures.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1695, As Engrossed: a positive impact of \$377,311 through the biennium ending August 31, 2005.

The bill would amend the Election Code affecting various procedures related to the election process, including requirements of a signature verification committee, delivery of ballots for counting, certification of votes, early voting, voter registration, and filing to run for office. The bill would also establish a standardized election training program, adjust the amounts of compensation for election workers, and increase filing fees for candidates for elected office.

Additionally, sections of the Election Code that would conflict with or would be clarified by the provisions of the bill would be repealed.

The bill would take effect September 1, 2003, and as the provisions relate to holding an election, would apply only to an election held on or after that date.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$377,311
2005	\$0
2006	\$595,202
2007	\$0
2008	\$377,311

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>GENERAL REVENUE FUND</i> 1	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2004	(\$477,622)	\$854,933
2005	\$0	\$0
2006	(\$477,622)	\$1,072,824
2007	\$0	\$0
2008	(\$477,622)	\$854,933

Fiscal Analysis

The bill would amend the Election Code to require the Secretary of State to adopt training standards for election judges and distribute training materials to governmental entities and political parties.

The bill would authorize election officers that work for elections called by the Governor, a county authority, or a primary election to be paid the higher of what the local authorities authorize, or \$7 an hour if the election officer has attended a training program.

The bill would authorize an election judge, early voting clerk, or deputy early voting clerk to be paid for attending a training program at an hourly rate not to exceed \$7 an hour. The bill would also increase general primary election filing fees for various state and local offices in order to offset the costs for the services provided in the bill.

The bill would repeal Section 173.005(b) of the Election Code, thereby prohibiting the Secretary of State's office from denying or limiting payment for training of election judges.

Methodology

Provisions of the bill related to certain election procedures would not have a fiscal impact at the state level. Regarding a standardized election training program, according to the Secretary of State (SOS), the cost of reproducing training materials and a sample exam would not be significant. The SOS plans to use federal Help America Vote Act (HAVA) funds to fund these materials, which they estimate to be \$30,895 a biennium.

According to the SOS, the cost of increased compensation for election officials would be \$477,622 in fiscal years 2004, 2006, and 2008. The figure is based on the difference between the current compensation rate of \$5.15 an hour and the proposed rate of \$7.00 an hour multiplied by 14, the average number of hours worked on election day, multiplied by 18,441, the total number of precincts for the primary and primary run-off elections. This figure represents 100 percent training participation by the election judges in all the precincts.

The cost would be offset by an increase in filing fees by candidates for office. According to the SOS, the increases in filing fees proposed in the bill represent an average 32 percent increase over current fees. Applying the 32 percent increase to the actual fees received in 2000 (most recent presidential election year), the agency estimates a revenue gain of \$854,933 in primary filing fees in each of calendar years 2004 and 2008 (also presidential election years). Applying the 32 percent increase to the actual fees received in 1998 (non-presidential election year), the agency estimates an increase in revenue collected for filing fees in 2006 (also a non-presidential election year) would be \$1,072,824. The agency used 1998 as a base for 2006 instead of 2002 because of redistricting.

Local Government Impact

County election administrators indicated that the majority of the provisions of the bill related to election procedures would have no or insignificant fiscal impact, although requirements that would change the time frames—7:00 a.m. to 7:00 p.m., rather than 8:00 a.m. to 2:00 p.m.— for counting early voting ballots and that would extend the time for the main early voting poll location to be open on election day to allow disabled voters to vote using early voting methods may result in some counties having to increase staff on election day.

The Comptroller of Public Accounts estimates that the increase in payment to election officials to \$7 and the increase in payment to election officials for attending training (currently a flat \$10) to \$7 per hour, would result in increased election costs to counties cumulatively statewide totaling close to \$18.6 million. The estimate was reached by adding the estimated increase in pay to election officials for working 18 days of early voting (\$11.5 million), plus the estimated increase in pay for election officials during run-off elections (\$7.1 million), plus the estimated increase in pay for election officials attending training for general elections (\$68,432).

The proposed increase in filing fees for local government officials would result in an increase of almost \$2.4 million in revenue to counties per election, according to estimates by the Comptroller. The overall net increase in costs to counties statewide would therefore be \$16.2 million (difference between increased costs and increased revenues).

The cost increase would vary by county depending on the number of candidates running for each office, the number of precincts, the number of polling places in early voting and on election day, the number of run-off elections, and whether or not political party primaries are held at the same location or separate polling places.

Source Agencies: 304 Comptroller of Public Accounts, 307 Secretary of State

LBB Staff: JK, RR, GO, MS, JF, DLBa