

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATURE 2nd CALLED SESSION 2021

August 21, 2021

TO: Honorable Trent Ashby, Chair, House Committee on Constitutional Rights & Remedies, Select

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1 by Hughes (Relating to election integrity and security, including by preventing fraud in the conduct of elections in this state; increasing criminal penalties; creating criminal offenses; providing civil penalties.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Election Code relating to voter registration, poll watchers, certain procedural requirements for state and county election officers, and voting by mail. It would increase criminal penalties for certain election offenses and establish certain civil penalties. It would require a voter registrar to provide notice of unlawful voting or registration to the Office of the Attorney General (OAG) and the Secretary of State (SOS) and would also require the SOS to obtain citizenship information from the Department of Public Safety (DPS) to compare on a monthly basis to voter registration records.

According to the OAG, the office does not anticipate that the legislation would give rise to civil enforcement actions as it is likely that most county registrars would take action to correct notices of noncompliance and that any instances of county registrar disobedience would not be difficult to litigate. The OAG anticipates an increase in cases as a result of the passage of the bill; however, the office assumes that any legal work resulting from the passage of this bill could be reasonably absorbed with current resources.

According to the Office of Court Administration, the bill would impose criminal penalties upon conduct which is not currently illegal and would enhance penalties on pre-existing crimes which may increase criminal caseloads before the courts. However, due to the deterrent effect of the new laws, it is not anticipated caseloads would increase significantly. Therefore, no significant fiscal impact to the state court system is anticipated.

According to the Comptroller of Public Accounts, although creating a new civil penalty or expanding liability related to a civil penalty could result in an increase to state revenue, this amount cannot be estimated.

According to DPS, no significant fiscal impact to the state is anticipated.

According to the SOS, the provisions of the bill related to implementation of procedures within the statewide voter registration system to correct certain defects in mail ballots would impose costs for additional programming; however, these costs could be absorbed with existing resources.

This analysis assumes implementing the provisions of the bill addressing felony sanctions for criminal offenses would not result in a significant impact on state correctional agencies.

Local Government Impact

According to the Texas Association of Counties, the bill would have a significant fiscal impact on counties.

According to the Fort Bend County Election Administrator, the estimated fiscal impact of the bill would be between \$200,000 and \$12.0 million. The county states that the most significant component of this cost would be the replacement of voting systems to comply with the requirements of the bill at an estimated \$9.0 to \$12.0

million.

According to the Bexar County Election Administrator, the bill would result in an estimated fiscal impact of \$350,000 to \$13.0 million. The most significant component of this estimate would be due to the required replacement of voting systems. The county states that the provisions of the bill related to video surveillance, live streaming, and records retention would have significant costs that would vary by the number of elections held over the course of a year. According to the county, there would also be additional costs for reprinting new forms and envelopes, outreach for new mail ballot requirements, and providing processing for rejected voter applications.

According to the Cameron County Election Administrator, the bill would have an estimated annual fiscal impact of at least \$250,000 and an additional cost of over \$5.0 million for new equipment, the acquisition of surveillance equipment, and streaming and data storage

According to the Williamson County Election Administrator, the bill would have an estimated annual financial impact of between \$500,000 and \$5.0 million. The most significant component of this estimate would be due to the required replacement of voting systems. In addition, provisions of the bill related to video surveillance, live streaming, and records retention would have significant costs that would vary by the number of elections held over the course of a year. There would also be additional costs for reprinting new forms and envelopes, outreach for new mail ballot requirements, and providing processing for rejected voter applications.

A Class A misdemeanor is punishable by a fine of not more than \$4,000, confinement in jail for a term not to exceed one year, or both. Costs associated with enforcement, prosecution and confinement could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal implication.

Source Agencies: 212 Office of Court Admin, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State, 405 Department of Public Safety

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