

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 4, 2023

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1705 by Middleton (relating to nominations by primary election by certain political parties.),
Committee Report 1st House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for SB1705, Committee Report 1st House, Substituted : a negative impact of (\$18,000,000) through the biennium ending August 31, 2025.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2024	(\$18,000,000)
2025	\$0
2026	(\$18,000,000)
2027	\$0
2028	(\$18,000,000)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>
2024	(\$18,000,000)
2025	
2026	(\$18,000,000)
2027	
2028	(\$18,000,000)

Fiscal Analysis

The bill would amend the Election and Government codes to repeal the nomination-by-convention process for certain political parties.

Under current law, political parties are allowed to nominate state and county candidates for the general election through primary elections if the party's nominee for governor in the most recent gubernatorial general election received two percent or more of the total of number of votes and are required to do so if that candidate received 20 percent of those votes.

The bill would apply to political parties with a nominee for a statewide office in any of the five preceding general elections who received two percent or more of the vote. These parties would be required to select candidates via primary elections, which are financed by state funding pursuant to Chapter 173 of the Election Code.

Methodology

According to a review of recent primary expenses by the Secretary of State (SOS), the cost of conducting a primary election, including runoff elections, is approximately \$10 million over the biennium. Candidate filing fees for current primary elections contribute approximately 10-15 percent of these costs.

The SOS expects that costs for primary elections would be smaller for parties with fewer candidates filing for a place on the ballot and therefore estimates that the cost to conduct any additional primary elections, including any subsequent runoff elections, would be \$9 million per election.

Based on a review of previous elections, and applying the conditions of the bill, the SOS has found that two additional parties would be required to conduct primaries. These additional primaries and runoffs are estimated by the agency to result in a cost to the state of \$18 million in each even numbered fiscal year.

Local Government Impact

The fiscal implications of the bill cannot be determined at this time.

Source Agencies: 307 Secretary of State

LBB Staff: JMc, SMAT, LCO, GP, NV