

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 1, 2023

TO: Honorable Reggie Smith, Chair, House Committee on Elections

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1807 by Springer (Relating to the unlawful altering of election procedures; providing a civil penalty.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1807, As Engrossed : a negative impact of (\$1,294,517) through the biennium ending August 31, 2025.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2024	(\$672,676)
2025	(\$621,841)
2026	(\$622,329)
2027	(\$622,837)
2028	(\$623,367)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	<i>Change in Number of State Employees from FY 2023</i>
2024	(\$672,676)	5.0
2025	(\$621,841)	5.0
2026	(\$622,329)	5.0
2027	(\$622,837)	5.0
2028	(\$623,367)	5.0

Fiscal Analysis

This bill would amend the Election Code to authorize the Secretary of State (SOS), after receiving or discovering information indicating that a public official or election official has engaged in unlawful violation of election procedures, as defined in Section 276.019, to order that person by written notice to correct the offending conduct.

Should the official fail to comply with the notice, SOS would be required to refer the matter to the Office of the Attorney General (OAG) for investigation

The bill provides that an official is liable to the state for a civil penalty in the event of noncompliance.

The bill would authorize the OAG to bring an action to recover any assessed civil penalties.

Methodology

According to the SOS, the agency has received an average of 300 election complaints per year. The agency cannot determine at this time how many of these complaints could have resulted in written notifications or referrals under the provisions of this bill. However, the SOS does anticipate that the agency would need to conduct more time-intensive reviews of submitted election complaints. The agency also expects to receive an increased number of Section 276.019 election complaints were the provisions of the bill to become law due to the expanded review and referral process.

The agency believes that complying with the notification and referral conditions of the bill would require four additional staff attorneys in the Elections Division (Attorney IV at \$102,747 per year) and one program specialist for support (Program Specialist I at \$47,688 per year). Associated benefits for these five positions would be \$145,996 per year and other operating expenses would require an additional \$5,697 per year.

According to the OAG, the office anticipates 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, no significant fiscal impact to the state court system is anticipated.

According to the Comptroller of Public Accounts, although the creation of a new civil penalty could increase state revenues, the number of offenses as might occur is unknown, therefore the fiscal impact cannot be determined.

Technology

The SOS estimates that hiring five additional employees in the Election Division would require \$28,535 in technology costs in fiscal year 2024 with annual recurring technology costs beginning at \$11,472 in fiscal year 2025 and increasing at 4.25 percent per year thereafter.

Local Government Impact

The effect of any potential fines due to civil actions levied under the provisions of this law on units of local government cannot be determined at this time.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State

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