

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 21, 2025

TO: Honorable Matt Shaheen, Chair, House Committee on Elections

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB505 by Bettencourt (relating to processes to address election irregularities; providing a civil penalty.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB505, Committee Report 2nd House, Substituted: a negative impact of (\$1,151,323) through the biennium ending August 31, 2027.

The cost of provisions of the bill related to administrative oversight of county elections by the Secretary of State cannot be determined at this time because the number and size of counties potentially subject to such oversight cannot be estimated.

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>
2026	(\$595,624)
2027	(\$555,699)
2028	(\$555,699)
2029	(\$555,699)
2030	(\$555,699)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2023</i>
2026	(\$595,624)	5.0
2027	(\$555,699)	5.0
2028	(\$555,699)	5.0
2029	(\$555,699)	5.0
2030	(\$555,699)	5.0

Fiscal Analysis

The bill would amend the Election Code to require an audit by the Secretary of State (SOS) of certain election irregularities upon submission of a request for an audit of the conduct of that election by certain interested parties.

Upon the finding of a violation, the SOS would be permitted to order administrative oversight a county.

Under certain circumstances, the SOS could levy civil penalties against county clerks or other election authorities. The Office of the Attorney General (OAG) would be authorized to recover civil penalties established by this bill and any such penalties would be deposited to the General Revenue Fund.

Methodology

The SOS anticipates that the bill would require a substantial number of audits of election irregularities. Based on the experience of the agency performing other election audits, the audits required under the provisions of this bill would require substantial document review and analysis, labor-intensive work, and travel to the applicable locations.

The SOS estimates that these new election audit requirements would require a total of five additional FTEs: 3 Program Specialist V at \$70,662 per year, 1 Auditor IV at \$85,869 per year, and 1 Attorney IV at \$124,606 per year. Associated benefits and other ongoing expenses for these five FTEs would be \$133,238 per year. Setup and other costs would be \$39,925 in fiscal year 2026.

According to the SOS, the provisions of the bill relating to administrative oversight could result in additional fiscal impact to the agency. However, these costs are indeterminate at this time because the number and size of counties potentially subject to such oversight cannot be estimated.

The OAG anticipates that any legal work resulting from the passage of this legislation 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, based on information provided by the Secretary of State, there would be no fiscal impact on the state except for the administrative costs noted above.

Technology

The SOS estimates that hardware and software setup costs of \$39,925 would be required in fiscal year 2024.

Local Government Impact

Provisions of the bill could require counties and other authorities to reimburse the SOS for certain costs related to the auditing of elections, including any required conservatorships; however, these costs 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, FV, LCO, GP, WP, NV