

FISCAL NOTE

Requested by Legislative Council
01/12/2005

Bill/Resolution No.: HB 1310

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$750,000	\$0	\$250,000
Appropriations	\$0	\$0	\$0	\$750,000	\$0	\$250,000

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$400,000	\$0	\$0	\$400,000	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

As required by the Help America Vote Act of 2002 (HAVA) and authorized by the 2003 Legislative Assembly, the Secretary of State, on behalf of the State of North Dakota, executed a purchase agreement in early 2004 to purchase optional scanning equipment to be used for the counting of votes on ballots in every polling place in North Dakota. The value of this contract is in excess of \$6,000,000. According to HAVA, the voting equipment must be in place by the last day of 2005. It is designed to count ballots on which the ovals have been darkened next to a candidate's name. The voting equipment is not programmed to count ballots in the ranking manner described within this bill. The software is not an off-the-shelf product. It would result in a significant cost to develop and continue the programs that will accommodate this form of ranking voting and vote tabulation for each election. Also, there would be a significant cost to the counties because the number of ballot pages needed would increase from one to several pages depending on the number of candidates on the ballot. Therefore, the passage of this bill would make obsolete the scanning equipment that has already been purchased. The bill only requires the vote ranking to be available to the voters in a general election for Presidential and statewide candidates. Except for Presidential candidates, the statewide positions very seldom have more than two candidates. Therefore, the ranking feature would usually only apply to one position on the ballot. In addition, it would make obsolete the Election Management System that was designed to be compatible with the voting system that was purchased.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

There is no off setting revenue although federal funds could be used. However, it would decrease the amount available for maintaining the election system into future years.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See narrative above. The figure supplied in 1A were determined after discussions with the state's vendor from whom the election equipment was purchased. Although individuals promoting the ranking style of voting may contain that the projected cost is excessive, the fact is that there would be a cost involved regardless if the amount is debated and much of the work that has been done to date would become obsolete. This would be critical when the state has less than a year to meet the requirements of having voting equipment deployed in the counties by the end of 2005.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Funding could come from the Federal Help American Vote Act of 2002 Election Reform line.

Name: Al Jaeger
Phone Number: 328-2900

Agency: Secretary of State
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