

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** HB370

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Poindexter

**3. Committee:** Privileges and Elections

**4. Title:** Elections; run-off elections.

**5. Summary:** Provides that no candidate shall be deemed to have been elected at a general election to any statewide office or to the United States Senate unless such candidate receives more than 50 percent of the total votes cast for that office. The bill requires that when no candidate for an office receives more than 50 percent of the total votes cast at the general election for that office, a run-off election between the candidates receiving the highest and next-highest number of votes for that office shall be held. However, no run-off election shall be held if the total number of write-in votes cast for an office and the total number of votes cast for the candidate receiving the highest number of votes for an office together equal more than 50 percent of the total votes cast for that office. The bill requires run-off elections to be held on the fourth Tuesday following the date of the certification of the results of the general election or, if a recount is conducted after the general election, on the fourth Tuesday following the date of the certification of the results of the recount, unless the fourth Tuesday falls on a legal holiday, in which case the run-off election will be held on the sixth Tuesday. The bill provides that in all other elections, including a general election of electors for the President and Vice-President of the United States, the person having the highest number of votes for an office shall be deemed to have been elected to such office and shall receive the certificate of election. Under current law, except in the case of a recount, the person having the highest number of votes cast at any election is deemed to have been elected to that office.

**6. Budget Amendment Necessary:** Yes – Item 86, Electoral Services

**7. Fiscal Impact Estimates:** Preliminary – see Item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2016	\$0	-
2017	\$60,000	General
2018	\$0	-
2019	\$0	-
2020	\$0	-
2021	\$0	-
2022	\$0	-

- 8. Fiscal Implications:** The provisions of this bill would create a potential for a run-off election with each U.S. Senate election and with each statewide election; however, the Department of Elections (ELECT) is unable to properly predict when a run-off would be required, as the triggering circumstances are entirely based on election day results.

ELECT would need to make technological changes within its voter registration system (VERIS) in order to establish a new type of election and modify existing election types to not recognize a winner if the percentages don't meet the threshold required by the bill. These mid-level changes to VERIS would cost roughly \$30,000. Other electronic processing systems, such as the candidate finance system, would also require updates. The cost to update other systems would aggregate \$30,000 as well. Therefore, the total cost for technological system changes would be around \$60,000, and would be assessed in fiscal year 2017.

The following estimated costs would be incurred by ELECT whenever such run-off election is triggered:

1. ELECT would need to create an extensive outreach campaign to ensure that voters are fully aware of the change. The cost of the outreach campaign is similar to that needed to publicize a constitutional amendment, which was \$131,158 in 2014. This amount would be spent in the same year the run-off election occurs.
2. ELECT's cost for a statewide election in 2014 was approximately \$110,350. The cost of conducting a statewide election roughly increases by 2% each year. This amount, which would be spent each time a run-off election was held, includes mailing of absentee ballots, reimbursements to localities, and the printing of various forms and materials. The cost for FY 2017 would be \$117,104, for FY 2018 would be \$119,446, and for FY 2020 would be \$124,272.
3. ELECT may be required to hire temporary personnel to assist with conducting the run-off election, as the time period when a run-off would be held is currently devoted to preparation for the upcoming General Assembly Session.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Elections; electoral boards; general registrars; and localities

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.