

## **Department of Planning and Budget**

### **2018 Fiscal Impact Statement**

**1. Bill Number:** HB263

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Simon

**3. Committee:** Rules

**4. Title:** Public financing of elections; Virginia Democracy Voucher Program.

**5. Summary:** Establishes the Virginia Democracy Voucher Program, by which every registered voter in the Commonwealth receives \$100 in Democracy Vouchers. The bill permits these vouchers to be assigned to and redeemed by any candidate for Governor, Lieutenant Governor, Attorney General, or the General Assembly who has been certified as qualified by the Department of Elections. The bill provides that candidates who wish to qualify for participation in the voucher program must receive a minimum number of qualifying contributions, defined in the bill as contributions of at least \$10 but not more than \$500 in the aggregate from any one person or entity in an election cycle, from residents of the Commonwealth and are required to comply with limits on campaign contributions and campaign spending.

**6. Budget Amendment Necessary:** Indeterminate.

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

**8. Fiscal Implications:** This legislation would establish the Virginia Democracy Voucher Program. The Department of Elections (ELECT) would provide \$100 in Democracy Vouchers to each registered voter in statewide election years. Qualifying candidates for Governor, Lieutenant Governor, and Attorney General, and the General Assembly choosing to participate in the program would be able to redeem the vouchers and would be subject to certain limits on campaign contributions and spending. The campaign spending limit depends on the office being sought. Participating candidates could redeem vouchers granted to them by voters from ELECT within the established campaign spending limit and subject to the availability of Program funds.

Candidates qualifying to participate in the Voucher Program must receive a minimum number of qualifying campaign contributions from residents of the state or given district between \$10 and \$500. The minimum number of contributions is 1,000 for Governor, Lieutenant Governor, or Attorney General, 250 for Senate of Virginia, and 125 for House of Delegates.

The table below shows the campaign spending limits by office and the minimum amount of qualifying campaign contributes based on the minimum contribution number at \$10 per contribution, as established in the bill.

	Spending Limit - Primary Only	Spending Limit - Primary and General Election Total	Minimum Amount of Qualifying Contributions from Residents
Governor	\$ 500,000	\$ 1,000,000	\$ 10,000
Lieutenant Governor	\$ 500,000	\$ 1,000,000	\$ 10,000
Attorney General	\$ 500,000	\$ 1,000,000	\$ 10,000
Senate of VA	\$ 75,000	\$ 150,000	\$ 2,500
House of Delegates	\$ 50,000	\$ 100,000	\$ 1,250

It is currently unknown how many candidates for office would choose to participate in this program. The 2019 General Assembly primary and general elections would be the first elections subject to the provisions of this bill. For demonstration purposes, if all 140 seats of the General Assembly had two participating candidates redeeming vouchers for the maximum total spending limit for primary and general elections and only the minimum amount of qualifying contributions, then a total of \$31.6 million would qualify for redemption. However, the redemption of vouchers is subject to the availability of Program funds.

ELECT would be responsible for administering the Program, including certifying qualifying participants, providing vouchers to all registered voters, and verifying the assignment and redemption of vouchers. The bill requires ELECT to mail four \$25 vouchers to each registered voter, each with a unique identification number and the voter's name. According to ELECT, the following costs are anticipated to administer the program beginning in fiscal year 2019:

- Staffing (Annually): \$91,998
- Printing (Annually): \$44,000
- Mailing (Annually): \$2,530,000
- Voucher funding (Annually): \$44,000
- Software development/enhancement (One-time): Unknown

The estimated cost is based on 5.5 million registered voters. ELECT estimates that it will cost approximately \$8.00 per 1,000 sheets to print vouchers using an 8.5 by 17 sheet which would have 4 vouchers per sheet. The mailing cost is based on .46 cents per registered voter, totaling \$2,530,000. ELECT is also requesting one full time position to coordinate the program at a cost \$91,998.

ELECT will anticipate system enhancements will be needed or development of a system that would be used as a depository for verifying information related to the program. Any such costs are currently undetermined.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Elections

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

**11. Other Comments:** None.

Date: 1/26/2018