

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB880

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

2. Patron: Lopez

3. Committee: Privileges and Elections

4. Title: Elections; electronic return of voted military-overseas ballots; pilot program.

5. Summary: Directs the Commissioner of Elections to establish and supervise a pilot program by which an overseas voter who is a registered voter of a county or city participating in the pilot program may return his voted military-overseas ballot by electronic means. The Commissioner is required by the bill to promulgate standards and develop procedures for the secure transmission and return, storage, and processing of voted military-overseas ballots, including security measures, methods for verifying and authenticating a voter's identity, and encryption methods for the voted ballots. Counties and cities participating in the pilot program are required under the bill to participate in a security review after each election. In each year of the pilot program, the bill requires the Commissioner to conduct a security assessment and update the security measures for the pilot program. The bill also requires that voters eligible to return their military-overseas ballots by electronic means through the pilot program be permitted to sign the statement of voter and any other documents related to absentee voting using the digital signature associated with their respective Common Access Cards issued by the U.S. Department of Defense. The bill provides that the pilot program is in effect for elections held on and after January 1, 2023. The Commissioner is required by the bill to submit a report on or before December 1, 2027, on the outcomes of the pilot program and to include a recommendation on whether to implement the electronic return of voted military-overseas ballots on a permanent, statewide basis. The bill has an expiration date of December 31, 2027.

6. Budget Amendment Necessary: Yes – Item 89 of HB/SB30

7. Fiscal Impact Estimates: Preliminary

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2023	\$900,000 - \$1,300,000	General Fund
2024	\$750,000 - \$1,000,000	General Fund
2025	\$750,000 - \$1,000,000	General Fund
2026	\$750,000 - \$1,000,000	General Fund
2027	\$750,000 - \$1,000,000	General Fund
2028	-	
2029	-	

- 8. Fiscal Implications:** This bill establishes a pilot program for the electronic return of voted military-overseas ballots during primaries for a registered voter of a participating county or city. Based on an estimate provided to ELECT from a vendor that provides the type of software that would fulfill the goal of this legislation, first-year implementation and licensing cost are estimated to be between \$900,000 and \$1,300,000. Subsequent annual licensing costs are estimated to be between \$750,000 and \$1,000,000 for the remainder of the pilot term.

Software costs have two components, one-time implementation and annual licensing costs. The one-time implementation cost is estimated to be between \$150,000 and \$300,000. Implementation costs would depend on the time to implement the software, custom requirements, integration with external systems, user acceptance procedures, and training requirements. The annual license fee is estimated to be between \$750,000 and \$1,000,000. Licensing costs would depend on security requirements, hosting requirements, local involvement and support requirements, and other support requirements. Full annual licensing costs are expected to be incurred from fiscal year 2023 through fiscal year 2027, with no expenditures expected in fiscal year 2028 due to the timing of annual licensing payments, the December 31, 2027, expiration of the bill's provisions, and primary timing.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Department of Elections, State Board of Elections, and localities (General Registrars and Electoral Boards).

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/3/2022