

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** HB2707

<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** Timothy D. Hugo

**3. Committee** Privileges and Elections

**4. Title** Election procedures; voting equipment requirements; random postelection audits of equipment; recounts.

**5. Summary/Purpose:** Requires localities to use optical scan tabulator systems. The bill requires the State Board of Elections (SBE) to develop accommodations for disabled voters and limits the use of direct recording electronic (DRE) devices to marking ballots that can be optically scanned. The bill prohibits any form of wireless electronic communication capability on any voting or counting device.

The bill requires SBE to develop procedures to enable local electoral boards to conduct post-election audits of at least two percent of machines in jurisdictions with 50,000 or more registered voters and at least five percent of machines in jurisdictions with fewer than 50,000 registered voters.

The bill requires the random selection for auditing of a representative sample of vote counting machines within 48 hours of public announcement of initial vote counts and prohibits certifying results until audits are completed. The bill provides that paper records control in the event of a significant discrepancy, defined as a difference of more than one-tenth of one percent between the hand counted total and the initial machine tally. The bill requires local electoral boards to publicly announce comparative results. The bill requires recount officials as part of the recount proceedings to randomly audit three percent of voting devices using SBE standards for hand recounts. A discrepancy exceeding one-tenth of one percent requires extending the audit to all precincts. The bill deletes obsolete references to mechanical voting equipment and punchcard devices and takes effect January 1, 2009.

**6. Fiscal Impact Estimates are:** Preliminary, see Item 8

**7. Budget amendment necessary:** No

**8. Fiscal implications:**

The 90 counties and cities who currently use only electronic touchscreen equipment would need to dispose all of the DRE's that were purchased under the mandate of the Federal Help America Vote Act (HAVA). Forty other localities would need to dispose of the one DRE per precinct purchased for handicapped voters under HAVA handicapped voter requirements. A total of over 9,000 DRE's would need to be disposed of, that were purchased using a combination of federal

HAVA and local funds totaling about \$30 million. (The Purchase of voting equipment is a local expense under the Code of Virginia.) The purchase of all new optical scan equipment and one accessible optical scan marking device for 130 localities would total \$26.8 million dollars that would be a local expense unless the Commonwealth chose to provide statewide funding in the Appropriation Act. (Assumptions: Optical Scan Election Systems and Software (OS&S) would cost \$5,000 per unit. Automark OS&S equipment would cost \$5,200 per unit. SBE assumed the localities would need a 15 percent back up equipment factor with a minimum of one unit per locality. The total minimum number of units required for Optical scan units would be 2,594 units (One per precinct) at \$5,000 per unit totaling \$13.0 million. The automark units required would be 2,653 (1 per precinct) totaling \$13.8 million.)

In addition, the localities would have to fund the proposal's election audit requirements which requires after each election to hand count ballots from a set percentage of machines and compare the results to the electronic vote counts.

Local election officials would need training on the new equipment resulting in a one time training cost estimated at \$1.5 million. (Assumptions: Three hours of training at \$25 per hour for 19,716 Officers of Election for \$1.5 million for election officer training. Four hours of training at \$25 per hour for 134 voting equipment custodians totaling \$13,400 for custodian training. Trainer expenses for 134 localities for 1.5 sessions for elections officers and 1 session for equipment custodians at \$75 per hour totals \$25,125 for trainer expenses.)

The election audit requirement would delay the certification of election results from the current local practice of one week after the election by the local electoral boards. The audits would rely on hand counts and could result in the possibility of more frequent statewide hand recounts.

**9. Specific agency or political subdivisions affected:** State Board of Elections, local electoral boards

**10. Technical amendment necessary:** No

**11. Other comments:** Identical to SB840

**Date:** 1/30/07 mtb

**Document:** G:\2007Session\FIS\SB2707.Doc

c: Secretary of Administration