

Department of Planning and Budget

2018 Fiscal Impact Statement

1. Bill Number: HB553

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

2. Patron: Freitas

3. Committee: Privileges and Elections

4. Title: Elections for certain offices; ranked choice voting.

5. Summary: Provides that members of the United States Senate, United States House of Representatives, General Assembly, the Governor, Lieutenant Governor, and Attorney General shall be elected by ranked choice voting. The bill describes ranked choice voting as the method of casting and tabulating votes in which (i) voters rank candidates in order of preference, (ii) tabulation proceeds in sequential rounds in which last-place candidates are defeated, and (iii) the candidate with the most votes in the final round is elected.

6. Budget Amendment Necessary: Indeterminate – see Item 8.

7. Fiscal Impact Estimates: Preliminary – fiscal impact is indeterminate and pending a full review of all impacted systems by the Department of Elections. See Item 8.

8. Fiscal Implications: This legislation would allow voters to rank candidates for certain offices in order of preference. If no candidate receives more than half of the total votes counting for candidates, the candidate with the lowest amount of votes is eliminated and those votes are redistributed to the voters' second preferred candidate, if indicated. If no additional preferences are noted, the ballot is not counted in subsequent rounds. Vote counting continues in this manner until one candidate receives more than half of the votes counting for candidates or until there two or fewer candidates remaining.

Based on a preliminary analysis by the Department of Elections (ELECT), the agency indicates it may need to make system modifications on many of its existing systems, including the Virginia Election and Registration Information System (VERIS), election night results reporting, and secure electronic ballot delivery for overseas voters. Additional systems may be impacted but the full extent is pending a full review by ELECT.

ELECT estimates that the system changes identified thus far would require five contractors with approximately 2,000 hours of work each. Assuming an average contractor cost of \$120 per hour, ELECT estimates these modifications to cost approximately \$1.2 million and would take approximately 12 months to complete.

Additionally, ELECT would have to develop voter education materials so that voters are aware of the ranking process. The costs of developing and distributing these materials are currently indeterminate.

According to ELECT, all voting equipment approved for use in the Commonwealth would have to be recertified that it can accept ranked choice voting and provide any information required. Localities may incur costs if their voting machines are not capable of accepting ranked choice ballots.

9. Specific Agency or Political Subdivisions Affected: Department of Elections, all localities

10. Technical Amendment Necessary: No.

11. Other Comments: This fiscal impact statement has been revised to reflect additional information and cost estimates provided by the Department of Elections.

Date: February 1, 2018