

FISCAL IMPACT

No State General Fund Impact

Drafting Number: LLS 05-0465 **Date:** February 14, 2005

Prime Sponsor(s): Sen. Mitchell Bill Status: Senate Local Government

Rep. Madden Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: CONCERNING THE CREATION OF A PERMANENT PAPER RECORD OF EACH

VOTE CAST IN AN ELECTION.

| Fiscal Impact Summary | FY 2005/2006 | FY 2006/2007 |
|---|--------------|--------------|
| State Revenues General Fund | | |
| State Expenditures General Fund Cash Fund - Department of State Cash Fund | | |
| FTE Position Change | 0.0 FTE | 0.0 FTE |
| Other State Impact: None | | |
| Effective Date: August 10, 2005, unless a referendum petition is filed | | |
| Appropriation Summary for FY 2005/2006: None required | | |
| Local Government Impact: Increased costs for conducting elections | | |

Summary of Legislation

The bill requires a paper record of all votes cast at elections held on or after November 1, 2007, and the preservation of those paper records as the permanent official record of the election. Each voter must be allowed to independently verify and correct his or her ballot before the vote is cast. For general elections, the bill requires the Secretary of State to manually recount the paper records of votes cast in 20 randomly-selected precincts and compare totals from the hand count with totals recorded by voting machines in those precincts.

The bill requires that hardware, software, and source codes on electronic voting machines and other vote counting machines used in an election be made available for inspection and analysis by a designated election official and a representative of each major and minor political party. Inspection and analysis is permitted 45 to 31 days before an election, and then again immediately after the first canvass of votes from the machine. The bill prohibits any voting machine from being remotely accessed or accessible after final inspection of the machine by election officials and before votes on the machine are first counted after the polls close.

Existing procedures for conducting a recount on electronic voting equipment are repealed.

State Expenditures

The bill requires a manual count of ballots at 20 randomly-selected Colorado precincts following each general election held on or after November 1, 2007. This requirement would cost the Department of State an estimated \$36,040 per year in even-numbered years, including roughly \$20,000 in personal services. The requirement would first apply to the November 2008 general election, in FY 2008-09. The estimated cost is based on five two-person teams counting votes for four days each at four different precincts.

In addition, by requiring that paper records be used as the official election results for purposes of a recount, the bill will increase the time and cost associated with recounting votes for state offices. Under current law, the state pays to reimburse counties for conducting recounts for state elected offices and statewide ballot issues. State expenditures will only increase if a recount is conducted and any increase in costs will depend on the number of ballots cast in the race for which the recount is needed; the cost of a recount in a statewide race, for example, is significantly more than the cost of a recount in a state legislative district race. It is assumed that the department would seek additional funding if a recount were required, and that the funding would be provided through the annual budget process. The increased costs for a statewide recount under the bill could total between \$200,000 and \$650,000.

Local Government Impact

By requiring that paper records of votes be generated, the bill will increase election costs for local governments. In some cases, local governments may be required to replace all or a large portion of their voting machines. In other cases, the bill would require the purchase of printers to equip existing voting machines. A new voting machine costs between \$1,000 and \$4,000; adding a printer to an existing machine costs between \$300 and \$800. In addition, the bill requires that all votes be counted using the same processes and equipment as absentee ballots, which may require local election officials to purchase additional voting machines for each precinct. The actual increase in local election costs has not been estimated.

State Appropriations

No new state appropriations are required to implement the bill in FY 2005-06.

Departments Contacted

State