

HF983 - 1CE - Ranked-Choice Voting

Chief Author: **Steve Elkins**
 Committee: **State Government Finance Division**
 Date Completed: **3/9/2020 4:41:31 PM**
 Agency: **Secretary of State**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	45	-	-	-
Total	-	-	45	-	-	-
Biennial Total			45			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Michelle Weber **Date:** 3/9/2020 4:41:31 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2019	FY2020	FY2021	FY2022	FY2023
General Fund		-	-	45	-	-
Total		-	-	45	-	-
Biennial Total				45		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund		-	-	45	-	-
Total		-	-	45	-	-
Biennial Total				45		-
2 - Revenues, Transfers In*						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill authorizes counties, municipalities and school districts to adopt and implement ranked-choice-voting for elections to their local offices.

1. A jurisdiction may adopt ranked-choice-voting and must notify the secretary of state when it does so.
2. Tabulators must be able to handle both ranked-choice and non-ranked-choice votes.
3. A second ballot card is permitted, if necessary, and offices may be placed in a different order than otherwise required by law. On all ballot cards, the ranked-choice and non-rankedchoice offices must be clearly separated.
4. A specific method of ranked-choice-voting is mandated, if ranked-choice is adopted.
5. The secretary is provided rulemaking authority to implement this chapter.
6. Tabulating machines approved by the secretary of state for general use under chapter 206 but with an unapproved add-on ranking function may be used after notice to the secretary.
7. All new equipment purchased after the secretary has certified that at least one tabulating machine is available that has certified ranked-choice-voting functionality, must also have that functionality.

Assumptions

With respect to the implementation of ranked-choice-voting, there are no machines that are specifically certified for ranked-choice-voting in Minnesota at this time. It is not clear what the standard for certification would be, and that might be the subject of rulemaking. It is also not known whether there are machines in production that would comply with this bill's requirements. Prices for such machines are not known, but generally precinct tabulating machines run from \$4900 to \$9000 per basic machine, while central count machines are much more expensive.

There are existing machines that have had software developed for those machines that can implement ranked-choice-voting.

It is also not known whether, or how many, jurisdictions would adopt ranked-choice-voting under this bill's provisions. Three larger jurisdictions already use ranked-choice-voting for their municipal elections, which are currently held in years other than state elections. However, most local elections are now held in the even numbered year, coinciding with state elections.

New precinct tabulating machines have a typical cost in the range of \$4,900 to \$9,000 per basic machine. The machine must also be compatible with an assistive voting device, which must be available in each precinct. A new machine purchased in order to comply with this bill may or may not be compatible with existing assistive voting equipment, and thus additional expenditures may be necessary, in order to provide a complete suite of accessible machines to the public.

Rulemaking would have a substantial cost. The Minnesota Rulemaking Manual lists an estimate for a small rule, which this likely would be, of \$45,472, see: <https://www.health.state.mn.us/data/rules/manual/chapters.html> at entry cost-inf. There would likely need to be rulemaking to address the ballot layout issues. The bill also gives some rulemaking authority to the chief local election officials.

Combining ranked-choice-voting and non-ranked-choice-voting offices at one election may well result in the necessity of a second ballot card, especially as ranked-choice-voting offices occupy more space on the ballot. A second ballot card would cost an additional \$.27 per card. As it is unknown how many jurisdictions would adopt ranked-choice-voting, therefore the number of ballots necessary in those jurisdictions cannot be estimated at this time.

This fiscal note also assumes that the secretary of state will not report election results beyond the first choice results for any jurisdiction that has adopted ranked-choice-voting. Persons inquiring about results in subsequent rounds will be referred to the websites of the local jurisdictions. The existing Election Reporting System Election Night Reporting module is incompatible with ranked-choice-voting and an entirely new module would need to be built, with a massive investment of many hundreds, even thousands of hours, of staff time, to accommodate the results from subsequent ranked-choice rounds, which are also often not available on election night.

The bill appears to be effective August 1, 2020, except for section 12.

Expenditure and/or Revenue Formula

For the rulemaking:

Expenses of a small rulemaking = \$45,472

\$45,472 (FY21)

The office of the secretary of state promulgates rules on a regular basis. If this process can be timed to coincide with that process, the secretary of state is able to absorb the rulemaking costs identified as part of ongoing operational activities associated with the work of the office. These activities are not anticipated to displace any other work of the office.

Certifying machines:

The certification of new equipment is paid for, by law, section 206.57, Subd. 2, by the manufacturing company, and there is no net cost to the state for additional certification.

Long-Term Fiscal Considerations

Once rulemaking is complete and a process is established for machine certification, there are no long-term fiscal considerations at the state level.

Local Fiscal Impact

If a jurisdiction wishes to adopt ranked-choice-voting, it will also need to purchase additional software to convert existing machines into ranked-choice-voting capable machines, and that software may not exist currently for the machines the jurisdiction currently owns. Some machines in use in the counties will not be able to be adapted, in which case new machines will need to be purchased at a range of prices between \$4800 and \$9000 for precinct count machines under the current state voting machine contract, central count machines are much more expensive.

While this bill does not explicitly require voter education and outreach, it would be reasonable to note that a city with approximately 35,000 voters recently spent \$25,000 for ranked-choice-voting educational materials and 2.5 staff years in conjunction with the adoption of ranked-choice-voting.

There may also be the additional costs for ballot printing described in the Assumptions section above. It is not known what that total cost will be, nor how many jurisdictions will adopt ranked-choice-voting pursuant to this bill, and at what time.

References/Sources

Bibi Black

651-201-1326

I have reviewed the content of this fiscal note and believe it is a reasonable estimate of the expenditures and revenues associated with this proposed legislation.

If Information Technology costs are included, my agency's Chief Information Officer has reviewed the estimate.

Agency Contact:

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