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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/14/06

SPONSOR HAFC LAST UPDATED \_\_\_\_\_ HB 430/HAFC

SHORT TITLE Require Paper Ballots for all Voting Systems SB \_\_\_\_\_

ANALYST Medina

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	(See Fiscal Implications)		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to House Bill 530, which contains a \$4,000.0 appropriation.

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Appropriations and Finance Committee Substitute for House Bill 430 amends the Election Code to require the use of paper ballot voting systems. The bill requires all voting systems used in elections covered by the Election Code use a paper ballot on which the voter physically or electronically marks the voter's choices on the ballot itself, provided that voting systems owned or used by a county on March 1, 2006 that do not use a paper ballot may be used until either December 31, 2007 or until an adequate supply of voting systems is available and sufficient federal, state or local funds are available to address the mandate. Funds would need to be available to replace the voting systems, acquire the necessary software, pay the existing debt on the voting systems to be replaced, and for the Secretary of State to purchase the paper ballots for all counties to use on the new voting systems for primary and general elections. This bill requires that at least one additional voting system be provided per precinct, and if the voting system used in the precinct is a paper ballot system, the county clerk is to ensure that an adequate number of voting booths are provided in lieu of providing more electronic vote tabulators.

This bill also prohibits voting systems from being used if it has not been certified by the Secretary of State and if a competitive bid process has not been conducted by the Secretary of State pursuant to Chapter 13, Article 1, NMSA 1978. Furthermore, this bill requires the paper ballot to be used by the state or its contractor to check either the veracity of a machine count or the count

itself and, just as absentee ballots in a recount proceeding. In the case of a discrepancy, the paper ballot is to be considered the true and correct record of the voter's choice.

### **FISCAL IMPLICATIONS**

This committee substitute bill is a companion to House Bill 530, which carries an appropriation of \$4,000.0 from the general fund to the Secretary of State for the purpose of purchasing voting machines from counties that purchased voting machines to meet new voting system standards. The appropriation would be made if legislation, such as House Appropriations and Finance Committee Substitute for House Bill 430, is enacted requiring the replacement of those voting machines.

There is no clear indication from the Secretary of State as to how many voting machines would need to be purchased from the counties. According to LFC and DFA analysis, there are approximately 1,400 precincts throughout the state and federal HAVA mandates require that at least one HAVA-compliant voting machine be made available at a single polling place. Precincts are often consolidated into groups to form a polling place for HAVA purposes. Nevertheless, it remains unclear how many voting machines would need to be purchased or what the fair market price would be for these machines. Just as unclear as to whom the machines would then be sold by the Secretary of State is where the machines would be stored for the period between the purchase from the counties and the sale to prospective buyers.

DXM/yr