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Office

H.B. 74
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 74's Bill Analysis](#)

Version: As Reported by Senate Financial Institutions and Technology

Primary Sponsor: Rep. Hall

Local Impact Statement Procedure Required: No

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Highlights

- The bill creates a six-member cybersecurity and fraud advisory board to examine and develop recommendations to improving cybersecurity and fraud prevention in state information technology (IT) services. The Department of Administrative Services (DAS) may incur some small cost to prepare a report of the board's findings to the Governor, President and Minority Leader of the Senate, and the Speaker and Minority Leader of the House of Representatives.
- The bill expands the post-election audit requirements for county boards of elections to include all elections, which adds odd-numbered year primary elections and special elections. This would increase election audit costs for county boards of elections that will vary by the number of votes cast and races on the ballot.
- The bill modifies the procedures for voter registration and updates to voter registration made through the Bureau of Motor Vehicles (BMV) in conjunction with a BMV-related transaction. The magnitude of any IT-related costs to comply with these procedures is unclear.
- The bill requires the Board of Voting Machine Examiners (renamed the Board of Voting Systems Examiners) to test on-demand ballot systems and voter registration systems in the same fashion as other voting systems. The costs for these tests are offset through a \$2,400 testing fee deposited into the Board of Voting Machine Examiners Fund (Fund 4S80).
- The bill adds a nonvoting member to the renamed Board of Voting Systems Examiners. Members are reimbursed for their expenses, which are paid from Fund 4S80.

- The bill requires petitions for the formation of minor political parties to comply with the requirements that apply to other petitions. Any costs related to these filings would appear to be infrequent and minimal.

Detailed Analysis

Cybersecurity and Fraud Advisory Board

The Department of Administrative Services (DAS) may incur a small cost to prepare a report of the findings of the Cybersecurity and Fraud Advisory Board, which the bill creates. The Board is tasked with “examining and developing recommendations with regard to best practices in, shared experiences regarding, and future efforts to improve cybersecurity and fraud prevention with respect to the information technology (IT) systems and shared services used across state agencies.” Under the bill, the Board consists of six members that the bill specifies are not compensated or reimbursed for expenses. The bill requires the Board to prepare a report of its recommendations not later than 12 months after the Board’s first meeting and abolishes the Board upon delivery of the report. Under the bill, the Board’s six members consist of employees of the Governor, the Attorney General, the Auditor of State, the Secretary of State, the Treasurer of State, and the Chief Information Security Officer whom the bill designates as the Chairperson of the Board.

Elections provisions

Post-election audits

The bill expands the post-election audit law to require an audit of every election. Under current law, a county board of elections is required to perform a post-election audit of a general election and of a primary election in an even-numbered year. Therefore, the bill requires that these post-election audits be performed in odd-numbered year primary elections and any applicable special elections. This provision would result in additional costs to county boards of elections. The costs would vary based upon the number of votes cast in the county and the number of ballot questions used in the audit.

BMV voter registration

The bill modifies the procedures for voter registration and updates to voter registration made through the Bureau of Motor Vehicles (BMV) in conjunction with a BMV-related transaction. These changes generally involve the electronic submission of voter registration information, documents, and signatures from the Registrar or a deputy registrar to the Secretary of State when electronic submission is not currently required. As a result, the BMV will likely incur additional costs to implement the new electronic processes and procedures in order to comply with the bill’s requirements. The magnitude of costs incurred is uncertain but may be significant if technology updates and improvements are needed.

Board of Voting Machine Examiners

The bill requires the Secretary of State (SOS) and Board of Voting Machine Examiners to examine, test, approve, and certify voter registration systems and ballot-on-demand voting systems in the same manner as requires the SOS and Board of Voting Machine Examiners to examine, test, approve, and certify voter registration systems and ballot-on-demand voting systems in the same manner as currently tested equipment. The bill also requires the SOS to

adopt standards for security of those systems. The bill prohibits the SOS or county boards of elections from acquiring a voter registration system or ballot-on-demand voting system that has not been certified but does specify that any board of elections using a system before the effective date of the bill may continue to use the system until the county acquires a new system. Any testing costs for these new systems incurred by the Board will be offset by the \$2,400 testing fee administered by the Board. All revenue is deposited into the Board of Voting Machine Examiners Fund (Fund 4S80).

In conjunction with these changes, the bill renames the Board of Voting Machine Examiners as the Board of Voting Systems Examiners and adds a cybersecurity expert to the Board as a nonvoting member. Because board members are reimbursed for expenses, the addition of this member may result in some minimal additional costs to the Board, which would be paid from Fund 4S80.

New political party petitions

The bill requires proponents of a petition to form a new minor political party to comply with the requirements that currently apply to other election petitions that are circulated statewide. These requirements include that the circulator of a petition, if compensated, provide the circulator's name, address, and the name and address of the employer. The bill also requires that a person compensated for supervising, managing, or otherwise organizing the petition include the same information as the circulator. Presumably, there would be very few such petitions circulated that would require such filings with the SOS. Consequently, any new costs associated with these petitions would be minimal.

Voter registration and absent voter forms

The bill generally prohibits any person from preprinting or filling out any portion of a voter registration form or application for an absent voter ballot on behalf of the applicant. The bill does specify that a voter that requires assistance due to disability may receive assistance in filling out these forms. The bill further specifies that current law provisions that allow the SOS or a board of elections to preprint certain information, allow for elections officials to assist a disabled voter, and allows a relative of a uniformed service or overseas voter to fill out applications for absent voter ballots remain unchanged. There does not appear to be any direct fiscal impact related to the prohibition in the bill.

Initiative or referendum titles

The bill requires the Attorney General (AGO) to certify the title of a statewide initiative or referendum petition, in the same manner that the AGO currently does with its summary, as a fair and truthful statement of the petition's contents. The bill specifies this provision does not apply to any petitions certified by the AGO prior to the effective date of the bill. There does not appear to be any additional costs associated with adding the title of a petition to this process.