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# OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 294  
134<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 294's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Seitz and Ray

**Local Impact Statement Procedure Required:** No

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### Highlights

The bill enacts the Ohio Election Security and Modernization Act, which modifies election law in several ways. The bill would result in additional costs for the Secretary of State (SOS) and Department of Public Safety (DPS) and potentially reduce some costs for county boards of elections. The following provisions have fiscal effects:

- **Voter registration.** The bill requires, within two years of its effective date, for the SOS and DPS to create the Automated Voter Registration and Verification System. This system would result in additional IT development and maintenance costs for both the SOS and DPS.
- **Absent voting.** The bill modifies the timelines associated with absent voting by mail and in-person absent voting by reducing the number of days available for voting by these methods. Ultimately, county boards of elections may see some minimal cost savings associated with these changes.
- **Voter roll maintenance.** The bill modifies voter roll maintenance procedures by expanding the number of activities that would qualify as “voting related activities” for purposes of removing voter registrations from the Statewide Voter Registration Database. Potentially reducing the number of registrations subject to removal may result in some minimal administrative cost savings.
- **Voter ID.** The bill expands the potential qualifying “utility bill” or “bank statements” for purposes of voter identification. This provision may reduce the number of provisional ballots cast by some small amount.

- **Elections administration.** The bill makes some modifications to procedures pertaining to Elections Administrative Plans (EAPs) and voting machine testing that codify what are existing SOS directives. These provisions would therefore have no direct fiscal impact.

## Detailed Analysis

### Overview

The bill enacts the Election Security and Modernization Act which makes numerous changes to the Elections Law. Those provisions that have a fiscal impact on the Secretary of State (SOS), the Bureau of Motor Vehicles (BMV), and local boards of elections deal with: (1) creating an automated voter registration and verification system, (2) absent and in-person early voting, (3) voter roll maintenance, (4) voter identification (ID), and (5) other general election administration changes. Overall, the provisions of the bill would result in increased election administration costs for the SOS, as well as the BMV. Concurrently, some provisions of the bill would potentially result in some net cost savings for county boards of elections. Finally, several provisions of the bill codify existing elections oversight practices, both those of the SOS and county boards of elections and consequently would have no new direct fiscal effects.

### Automated voter registration

Under the new system in the bill, a BMV office is required to attempt to obtain the necessary information from individuals for voter registration purposes. When the BMV obtains this information, it is required to consult the Statewide Voter Registration Database (SWVRD) to determine if the person is registered to vote, and if the person is registered at the address and name submitted to the BMV. Upon doing so, the BMV must provide the person the opportunity to electronically register to vote. The BMV is then required to send this voter registration to the SOS. A BMV office is also required to send any electronically submitted change of name or change of address submissions to the Secretary of State. Overall, these process changes will require various modifications to the software operating systems used by the SOS and BMV offices. The total scope of these changes is unclear. However, because there are many current requirements in how the SOS has implemented the National Voter Registration Act (NVRA), there is already some degree of data sharing between these agencies.

### New system costs

The Department of Public Safety (DPS), which oversees the BMV, would likely incur the bulk of the IT-related costs resulting from the Automated Voter Registration and Verification System. Although some of the system changes will be relatively easy to make, the provisions of the bill that pertain to the electronic voter registration system used by customers will be more extensive. DPS has indicated to LBO that it does not have a total cost estimate of these changes as of this writing. In addition to these system changes, providing the new registration options at BMV locations could result in an increase in the number of potential transactions handled at these facilities. However, merely increasing the number of transactions processed is unlikely to result in any substantive cost increases to deputy registrars or BMV locations operated by DPS. These costs would be paid from the Highway Purposes Fund (Fund 5TM0) under appropriation item 762321, Operating Expense – BMV.

The SOS would also see some cost increases resulting from the bill. Currently, the Office generally collects the information required by the bill during the voter registration process. This

information is housed within the Statewide Voter Registration Database (SWVRD). Making the database available for use by BMV locations would result in additional IT costs. The costs of maintaining the SWVRD are paid from the Business Services Fund (Fund 5990) appropriation item 050629, Statewide Voter Registration Database. While the SOS and DPS have discussed the logistics of these changes, the SOS does not have a cost estimate of those possible IT costs as of this writing. However, since the SOS already maintains the state's voter registration system, its costs for any needed IT updates are likely to be lower than those of DPS. The bill also provides the SOS the authority to request other state agencies to assist in these efforts as well. However, it is unclear as to whether or not the SOS would expand the requirements of other state agencies beyond what is current practice.

The bill could affect the volume of voter registrations and updates in different ways. It is possible that the SOS could see a potential increase in voter registration workload as a result of the bill. However, it is also quite likely that individuals that would have otherwise registered to vote or change voter registration status with the SOS or county board of elections would do so at one of the participating government agencies under the bill. In this case, they would be substituting one way of registering or updating for another. Overall, there are nearly 8.1 million registered voters in Ohio as of this writing.

### **Automated voter registration in other states**

Because a cost estimate for Ohio to develop the Automated Voter Registration and Verification System is not available, LBO examined the costs of implementing similar automated voter registration programs in other states. As of this writing, there are 36 states that have some form of automated voter registration where citizens are given the choice to be electronically registered at the same time they do business with a government office (typically the BMV), having their voter registration information digitally transmitted to the appropriate elections office.

As an example, in FY 2018, the state of Washington implemented a similar program to the one proposed in this bill. However, this system required features such as automatic voter registration, as well as the creation of a new automated system with online registration availability. Overall, the estimated statewide IT costs were approximately \$280,000.<sup>1</sup> The agencies participating in automatic voter registration as required under the Washington legislation were the BMV, the Health Benefit Exchange, and any other state agencies designated by the Governor.

## **Absent and early voting**

### **Absent voting by mail**

The bill shortens the deadline to submit an application to cast absent voter's ballots by mail from noon on the third day before the election day to the close of business on the tenth day before election day. This provision applies to applications delivered to the office of a board of elections either in person, by mail, or online. Overall, the shortening of this deadline may reduce the number of absent voter ballots requested and returned, but to what degree is unclear. If this

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<sup>1</sup> Fiscal note for Washington H.B. 2595, which can be found at the following link: <https://fortress.wa.gov/ofm/fnspublic/FNSPublicSearch/Search/bill/2595/65>.

were the case, county boards of elections would experience some cost savings in postage costs. During the November 3, 2020 general election, there were 2,273,817 absent voter ballots mailed to voters. Of that amount, 2,144,504 were returned to the board of elections either through the mail or delivered to the board by the voter.<sup>2</sup>

### **Online applications**

The bill requires, no more than one year after the effective date, that the SOS establish a secure online system for voters to apply and receive an absent voter's ballot by mail. As part of this system, the SOS is required to transmit all completed online applications to the required county board of elections. The SOS has already begun procedures to develop and implement such a system. Therefore, any additional IT costs for development would not be as high as that of implementing the automated voter registration system described above.

### **Return procedures**

In 2020, an Ohio appeals court ruled that Ohio law allows, but does not require, a board of elections to place one or more ballot drop boxes at the office of a board of elections or in other locations. This decision further stated that the SOS has the authority under existing law to regulate the boards' use and placement of drop boxes.

The bill specifies that absent voter's ballots that are not returned to the board by mail must be personally returned to the office of the board of elections, and not to any other location, such as a drop box elsewhere in the county. The bill does allow the board of elections to provide a maximum of three secure outdoor drop boxes on the premises of the board of elections. The board may do so from the period beginning on the tenth day before election day, and ending at the close of the polls on election day. These provisions do not impose any additional costs on county boards of elections since the drop box provisions are permissive.

### **In-person absent voting**

The bill specifies that in-person absent voting must be permitted for all voters beginning on the day after the close of voter registration before an election and ending on the Sunday before the election. In effect, the bill eliminates one day of in-person absent voting, that being the day before election day (Monday). This provision does not appear to have significant fiscal impacts on county boards of elections. There may be some minimal cost savings for boards of elections that rent or otherwise acquire an early voting location outside of the office of the board of elections. During the 2020 general election cycle, only Lucas and Summit counties used alternate early voting locations other than the office of the board of elections. During the 2020 general election cycle, there were 1,345,625 in-person absent voter ballots cast statewide. It is unclear as to the impact that removing one day of early voting on the total number of in-person absent voter ballots cast.

### **Voter roll maintenance**

The bill modifies voter roll maintenance procedures by expanding the types of voter activity that allow an elector to avoid having his or her registration canceled after being sent a

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<sup>2</sup> Ohio elections statistics from the Secretary of State can be accessed at <https://www.sos.state.oh.us/elections/election-results-and-data/2020/>.

voter confirmation notice. This may minimally reduce some administrative costs associated with canceling voter registrations. Under current law, when the voter confirmation process is triggered, a board of elections must send a notice by forwardable mail, with return postage prepaid, to the voter to confirm the voter's current address. The bill only modifies the various activities that would constitute a voting-related activity if the voter fails to return the mailed confirmation notice. Therefore, the bill would not reduce any mailing costs for county boards of elections. However, the expansion of "voting related activities" would presumably lead to fewer voter registrations being canceled. The reduction of canceled registrations would reduce some administrative costs for the Secretary of State and county boards of elections, both in canceling registrations, and through some individuals having to register again.

The most recent removal of voters from the SWVRD occurred after the November 3, 2020 general election. This process began in August 2020, when the Secretary of State submitted a list of approximately 116,000 inactive voters that were required to confirm their registrations. At the conclusion of this process in January 2021, there were 97,795 inactive voters removed from the voter registration database.<sup>3</sup> It is unclear how many of these inactive voters engaged in the expanded activities during the confirmation timeframe from August through December, and thus under the bill would not have been removed from the SWVRD.

## **Voter ID**

The bill expands the definitions of "bank statements" and "utility bills" for instances where a voter uses one of those documents as a form of voter ID. The bill modifies the definitions of these forms of ID to be consistent with current Secretary of State directive, and additionally makes it clear that electronic versions of these documents are acceptable. Because the bill is codifying what is current practice under SOS directive, there is no direct fiscal impact to this change. However, absent this change, and should this directive be removed, the provision could potentially reduce the number of provisional ballots cast in a particular election by some small number. In the November 3, 2020 general election, there were a total of 130,306 provisional ballots counted, and 24,369 provisional ballots rejected. Of the number rejected, 1,208 were rejected because the voter subsequently failed to provide proper voter ID.<sup>4</sup>

## **Other election provisions**

The bill contains several other election administrative provisions that primarily codify existing SOS directives. The bill requires each board of elections to prepare and submit an Election Administrative Plan (EAP) before each presidential primary and each general election held in an even-numbered year. The bill also modifies the procedures for the pre-election testing of voting machines, which also conforms the law to current SOS directives. Finally, the bill removes a requirement that a high school student be a senior in order to serve as a precinct election official under the "Youth at the Booth" Program. This change would allow a greater number of students to be eligible for the program.

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<sup>3</sup> <https://www.sos.state.oh.us/media-center/press-releases/2021/2021-01-19/>.

<sup>4</sup> <https://www.sos.state.oh.us/elections/election-results-and-data/2020/>.