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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 274
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Sens. Gavarone and Brenner

Local Impact Statement Procedure Required: Yes

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Highlights

- County boards of elections (BOEs) will need to replace every voting machine in the state to meet new requirements set in the bill. This will be a significant expense, based on the statewide machine acquisition program for which the state provided funding of \$114.5 million under S.B. 135 of the 132nd General Assembly.
- According to initial estimates, if BOEs switched to hand counted elections as allowed under the bill, they could incur between \$2.20 and \$4.50 per ballot in added costs to count each vote cast. The bill allows for counties to place an issue on the ballot to issue bonds to cover these costs.
- Under the bill, BOEs will incur significant additional personnel costs to review, verify, revise, and add certain voter information. Also, due to absentee and provisional ballot processing changes in the bill, BOEs will incur considerable costs for additional staff and equipment to meet certain deadlines.
- The Secretary of State (SOS) provided an initial estimate that the cost would be in the tens of millions of dollars to comply with the requirements in the bill, primarily related to the Statewide Voter Registration Database and the certification of voting system changes of the bill.
- The Auditor of State will incur new annual costs to audit election registration systems. These costs will likely be assessed to the SOS and BOEs at the same rates that they are charged for financial audits.

Detailed Analysis

Overview

The bill makes comprehensive changes to the way elections are conducted in the state of Ohio that will require a significant investment in personnel, equipment, and information technology (IT) by counties and the Secretary of State (SOS). Of the major changes, the bill would (1) require county boards of elections (BOEs) to fully replace voting systems in the state, (2) require BOEs to review, revise, and add information to the record of every registered voter, and (3) allow a county's BOE, board of county commissioners, or voters through the use of a ballot initiative, to use hand counted paper ballots instead of voting machines. The provisions of the bill will go into effect 90 days after passage.

County boards of elections

Under the bill, BOEs are required to update and add new systems, incorporate new labor intensive procedures, and under certain circumstances to switch to hand counting paper ballots. Initial research suggests that considerably more staffing will be needed to accomplish these additional work processes.

New voting systems

To replace every voting machine in the state, BOEs will incur costs exceeding \$114.5 million, the amount allocated under S.B. 135 of the 132nd General Assembly in FY 2019. Based on input from elections officials and the Secretary of State, it appears as though no voting machine certified in the state of Ohio meets the new standards outlined in the bill. New voting machines would need to be certified by the Board of Voting System Examiners. Typically, the certification process for new voting equipment ranges from four to six months.

Hand counting paper ballots

The bill allows any county to adopt the use of hand counted paper ballots instead of using voting machines, marking devices, or automatic tabulating equipment. According to initial estimates from Ohio BOEs, they could incur between \$2.20 and \$4.50 to count each vote cast in a hand counted election if counties opted for this way of conducting vote counts. These costs include staffing, the space rented to perform the count, site security, and materials. Granted, these costs could vary depending on how a BOE decides to conduct a hand counted election. Additionally, BOEs may incur additional costs to format ballots for printing as voting machines are used to generate ballots. In total, there were 4.2 million ballots counted during the 2022 general election and just under 6.0 million counted in the 2020 general election. A BOE or the board of county commissioners may exercise the authority in the bill on the recommendation of the BOE. Alternatively, the electors of a county may submit an initiative petition.

If a BOE determines that it would need additional supplies or equipment to change the county to a hand counted paper ballot system, and the board of county commissioners decides that it should issue bonds to cover those costs, the board of county commissioners may place a separate issue on the ballot seeking authorization to issue the bonds.

Voter identification validation measures

BOEs will incur substantial personnel costs to review, verify, revise, and add certain voter information. They will also incur IT and equipment costs to store additional information such as

photographs of registered voters and create a separate database for canceled voter registration records. The bill makes various changes concerning voter information such as full names, dates of birth, citizenship status, Social Security numbers, Ohio driver license or identification card numbers, and photograph ID.

BOEs will also incur significant personnel costs and additional equipment costs due to changes to the way that absentee ballots sent by mail and provisional ballots are processed. The bill makes various process changes. One provision delays processing of absentee voter ballots until after voting has concluded. This is so that a provisional ballot will be counted over the absentee ballot if a voter casts both. In order to meet the unofficial count deadline, BOEs may require additional staff and optical scanners to include absentee and provisional ballots in the count. These optical scanners can cost in excess of \$100,000. During the 2022 general election, there were approximately 918,000 absent voter ballots cast by mail, and around 79,000 provisional ballots cast.

Secretary of State

The Secretary of State has indicated to LBO that as of this writing, the office is working on a specific cost estimate to comply with the multitude of requirements established under the bill. In totality, the office believes these costs will be in the tens of millions of dollars. These costs will include personnel, equipment, and IT. The below listed categories highlight where these costs are most likely to be concentrated.

Statewide Voter Registration Database

The SOS will incur considerable costs to update the Statewide Voter Registration Database (SWVRD) and build an additional database to store canceled voter registrations. Additionally, the bill requires the SOS to contract with a commercial service to evaluate the accuracy of the information in the SWVRD, weekly reports required under the bill, and county voter registration systems. These commercial evaluations along with the audits performed by the Auditor of State (AOS) replace the annual audits of the SWVRD performed by the SOS under the process set by rule. The SOS must also perform annual reviews of the SWVRD to check citizenship status using Bureau of Motor Vehicle (BMV) records. Under the bill, the SOS will be obtaining information from federal, state, and local agencies; the U.S. Postal Service; colleges and universities; and commercial sources for voter roll maintenance. Some of this data will need to be purchased and will likely be disseminated to BOEs for voter roll maintenance. The bill also sets a variety of report requirements to the public and BOEs regarding various SWVRD information.

Voting system certification

The bill renames the Board of Voting Machine Examiners to the Board of Voting System Examiners to reflect the additional systems, beyond a voting machine, that now need to be certified under the bill. The cost for these additional certification assessments will be offset by the fees that the Board may set by rule. The bill defines voting systems to include voter registration systems, ballot marking devices, automatic tabulating equipment, and any other equipment or software that is used for the purpose of registering electors; maintaining voter registration records; casting or tabulating votes; communicating among systems involved in the tabulation, storage, or casting of votes; or reporting or auditing the results of an election. The SOS, in consultation with the Board, must prescribe guidelines for the approval, certification, and continued certification of voting systems.

Auditor of State

The AOS would likely contract with an outside entity to perform the audits required under the bill, as the AOS has not audited an election registration system. Presumably, these audit costs would be assessed to the SOS and BOEs at the same rates that they are charged for financial audits. The bill requires the AOS to annually to audit the SWVRD and three counties' registration systems. Furthermore, the AOS must perform an additional audit of a county's voter registration system for the entire county or for a particular precinct or precincts, upon the request of the SOS or the county's board of elections.

Voter registration agencies

Voter registration agencies will incur costs to designate and train a coordinator to the agency's voter registration program. The bill defines voter registration agencies and applies several requirements that currently only apply to a designated agency to the following: the Registrar of Motor Vehicles or a BMV deputy registrar, a public high school or vocational school, a public library, the office of a county treasurer, and a probate court or court of common pleas.