

Multiple Agency Fiscal Note Summary

Bill Number: 1727 HB 1727 AMH SGOV ZOLL 166	Title: Odd-numbered year elections
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Estimated Cash Receipts

NONE

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Secretary of State	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final 2/ 3/2022
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Individual State Agency Fiscal Note

Bill Number: 1727 HB 1727 AMH SGOV ZOLL 166	Title: Odd-numbered year elections	Agency: 085-Office of the Secretary of State
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

Legislative Contact: Jason Zolle	Phone: 360-786-7124	Date: 01/24/2022
Agency Preparation: Mike Woods	Phone: (360) 704-5215	Date: 01/31/2022
Agency Approval: Mike Woods	Phone: (360) 704-5215	Date: 01/31/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/02/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Current law requires that all city, town and district general elections be held on the first Tuesday following the first Monday in November in odd-numbered years. Section 2 changes that requirement to include counties and moves the general elections to even-numbered years.

Section 4 of HB 1727 plus the proposed amendment (1727 HB AMH) adds “special” elections to the types of elections for which the state of Washington shall assume a prorated share of election costs.

The bill will have fiscal impacts to the Office of the Secretary of State, including some that may not be foreseeable. The result is an indeterminate fiscal impact to OSOS.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates . Distinguish between one time and ongoing functions .

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 4 of the bill is not expected to have a fiscal impact to the OSOS, given the rarity of special elections.

However Section 2 would result in the shifting of many odd-year races, which are currently in the odd-year voters’ pamphlet, to even-year voters’ pamphlets. The impact is indeterminate, as OSOS cannot predict how many races would shift to even years.

In many even-year election pamphlets, the pamphlet size approaches the limits of current printing and binding methods. The additional pages from odd-year elections may exceed the size to a point where a more expensive method of printing and binding will be required. To cover the cost of this new publishing method we may need an additional \$1,000,000 each odd fiscal year, for the even-year pamphlet. This amount assumes the current funding level for publishing the odd-year pamphlet at \$750,000 would shift to the odd fiscal year, for a net fiscal impact of \$250,000 over the biennium.

Similar bills in the past have included fiscal impacts that showed a cost savings. However, those fiscal impacts were based on RCW 29A.04.420 specifying the state would only pay for odd-year elections. Following passage of ESHB 2421, the state now pays for election costs in both even-years and odd-years, so the savings is no longer applicable.

A summary of potential impacts by fiscal year is attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout
Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods
NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*
NONE

Part V: New Rule Making Required

<u>Item Description</u>	Possible Impact By State Fiscal Year					
	2022	2023	2024	2025	2026	2027
OSOS Staff Compensation	\$0	\$0	-\$60,000	\$60,000	-\$60,000	\$60,000
Goods and Services for Petitions and Voter's Pamphlet	\$0	\$0	-\$1,145,250	\$1,395,250	-\$1,145,250	\$1,395,250
Travel for L&A tests	\$0	\$0	-\$15,000	\$15,000	-\$15,000	\$15,000
Total Potential Yearly Impact	\$0	\$0	-\$1,220,250	\$1,470,250	-\$1,220,250	\$1,470,250
Total Potential Biennial Impact				\$250,000		\$250,000

Estimates Are Indeterminate

OSOS assumes the bill would result in a shifting of many odd-year races which are currently in the odd-year voters' pamphlet, to even year pamphlets.

As stated in the fiscal note text, the additional pages in the even-year pamphlets may cause a situation in which the limits of current printing and binding methods are exceeded. OSOS cannot reasonably predict the shift in the number of pages, but for purposes of this fiscal note assumes an additional cost of \$1M in each odd fiscal year for even year pamphlets. This amount assumes the current funding level for publishing the odd-year pamphlet of \$750,000 would shift to the odd fiscal year, for a net additional cost of \$250,000 per biennium.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1727 HB 1727 AMH SGOV ZOLL 166	Title: Odd-numbered year elections
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Indeterminate changes to election-related costs
- ☒ Counties: Indeterminate changes to election-related costs; changes to reimbursements; change in staffing and training
- ☒ Special Districts: Indeterminate changes to election-related costs
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Affected jurisdictions would be allowed to move local election to even-numbered years prior to 2028
- ☒ Key variables cannot be estimated with certainty at this time: Net change in the number of ballot pages; need for adjustments to staffing and training; number of local governments electing to shift election dates prior to 2028

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: James Vogl	Phone: 360-480-9429	Date: 02/02/2022
Leg. Committee Contact: Jason Zolle	Phone: 360-786-7124	Date: 01/24/2022
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/02/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/03/2022

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government .

This legislation would eliminate the state general election in odd-numbered years.

This legislation would eliminate odd-numbered elections to county, city, town and special districts starting in 2028 unless the jurisdiction chooses to switch to even-numbered year elections before then.

In addition, elections are permitted in odd-numbered years only for :

- special elections called for any purpose authorized by law ;
- elections for recall of a public officer ;
- public utility districts, conservation districts, or district elections at which property ownership is a prerequisite to voting
- consolidation proposals and certain capital fund aid proposals; and
- special flood control districts consisting of three or more counties.

If this legislation results in a situation where the term of an elected official ends prior to the next election scheduled for that position, the official shall remain in office until the a successor is elected and qualified.

References to elections in odd-numbered years throughout the code are eliminated or modified.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments , identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

This legislation could result in a significant but indeterminate change in expenditures by local governments.

County auditors could experience a change in personnel and training costs as elections staff are hired or released in response to the change in workload. The reduction of ballot measures in odd-numbered years could make it difficult for some currently permanent staff to be retained on an ongoing basis. The Washington State Association of County Auditors (WSACA) indicates that with the loss of revenue from reimbursements from local jurisdictions in odd years, county legislative authorities may not fund elections operations at the current rate. These impacts are indeterminate, however and will depend upon the net change in the number of staff dismissed and hired, as well as the scale of recruitment and training that may be required.

In addition to impacts related to elections staff, counties may incur costs related to the retention of temporary election board workers. WSACA indicates that increasing the time interval between elections may lead to challenges retaining temporary workers and may require additional re-training for returning workers. These impacts are indeterminate, however, and will depend on the scale of recruitment and training that may be required.

Direct elections costs for things like ballot and voter pamphlet printing would increase in even-numbered year elections, as there would be more items on the ballot. The net change in the number of ballot pages needed to conduct primary and general elections cannot be predicted, however. The number of additional ballot pages would vary by jurisdiction and supplemental costs for items such as printing, postage, assembly, labor and other factors. In addition, variables such as the number of voters receiving the additional pages and the length of page needed to accommodate all ballot measures would also impact expenditures. Costs associated with an increase or decrease in ballot printing costs, postage, and ballot processing costs related to a change in the number of ballot pages cannot be predicted in advance and are indeterminate.

In addition to increased expenditures for supplemental ballot pages, changes are also expected for costs such as those associated with proofing ballots and providing voter pamphlets. WSACA anticipates that the direct costs associated with elections that would be avoided from not holding elections in odd-numbered years would likely be pushed in even-numbered years, with a net effect of little impact on direct election costs. The exact magnitude of this impact,

however, is indeterminate.

Jurisdictions may incur costs to revise local provisions relating to the election of councils or boards of directors. In jurisdictions that have provisions that are tied to state law, these costs will likely be minimal. The Washington State Association of Counties anticipates that King, Clallam, Whatcom, Snohomish, Pierce, San Juan and Clark counties may all incur costs to update their charters to align with the provisions of this legislation. Initial research by the Association of Washington Cities indicates that many jurisdictions have provisions that are tied to state law, however a comprehensive analysis including counties and special districts, and the scope of any necessary changes to local provisions, is not available. Accordingly, these costs cannot be estimated with accuracy and are indeterminate. As an illustrative example, however, while the King County Executive Office is unable to estimate the exact costs of amending the county charter to align with the provisions of this legislation, it anticipates that those costs would be less than \$50,000.

Jurisdictions needing to conduct standard elections or other ballot measures during odd-numbered election years may experience a significant increase in costs as they would incur a larger proportional cost related to the election. The need for incurring these costs will depend upon unique circumstances that cannot be predicted in advance. Associated impacts on expenditures are indeterminate.

WSACA indicates that in order to comply with federal elections law, elections offices must contact voters at least once annually. In the absence of odd-numbered year elections, this would require that counties send mailers at an additional cost of approximately \$1 per voter to cover printing, postage and processing costs. This expenditure would impact both counties, and cities that are billed for voter registration costs. The statewide magnitude of this expenditure impact is indeterminate, as it would depend on the number of registered voters in a given year, as well as which jurisdictions, if any choose to eliminate local elections in odd-numbered years before the 2028 deadline.

Counties may also incur additional costs related to maintaining voter lists and processing undeliverable ballots, according to WSACA, as address updates are requested from voters during and after elections in response to undeliverable ballots. These costs would likely increase in even-numbered year elections if odd-numbered year elections were eliminated, but the magnitude of that impact is indeterminate.

The magnitude of changes in local government expenditures would be mitigated to some extent by the delay of implementation of changes in election dates for local elections until 2028. However, impacts to county auditors would occur if cities, counties or special districts elect to move elections to even-numbered years prior to that date.

Election costs are apportioned to all jurisdictions participating in an election. As a result cities and special districts are likely to experience an indeterminate change in election costs for changes to any election by other local jurisdictions. This impact is indeterminate.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments , identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

This legislation could result in an indeterminate but significant change in revenue to local governments.

According to WSACA, a large portion of county funding for elections operations comes from billing local jurisdictions for their prorated amount of elections costs, and counties would see a decrease in this revenue stream with most odd-year elections being eliminated. As an illustrative example, WSACA indicates that in 2021, the Whatcom County Auditor's office billed out \$372,634 in costs for the primary and general elections, and billed out \$330,465 in 2020. Some of these reimbursements reflect direct elections costs that would be pushed from odd-numbered years into even-numbered years, which would likely have little net impact, as discussed in the expenditure section above. Another portion of these reimbursements, however, go toward covering operational costs such as staff salaries, hardware and software maintenance, building charges, phones, and software subscriptions. In the absence of elections in odd-numbered years, counties would lose the revenue from local reimbursements allocated for covering these costs.

It is unknown how much local reimbursement revenue from cities and other local governments to counties may decrease statewide, as well as what fraction of reimbursements for any given election is tied to direct elections costs versus operational costs, so the magnitude of this revenue impact is indeterminate.

Section 4 of the bill would amend RCW 29A.04.420, adding special elections to a list of elections for which the state shall assume a prorated share of elections costs. This would represent a new revenue stream for counties in such elections. The future frequency of special elections is unknown, so the magnitude of the revenue impact is indeterminate, however according to the Office of the Secretary of State's fiscal note for this bill, special elections are rare, so the revenue impact of this provision for counties would likely not be significant.

SOURCES:

Association of Washington Cities

King County Executive Office

Office of the Secretary of State

Washington Association of County Officials

Washington State Association of County Auditors

Washington State Association of Counties