

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2250 HB	<b>Title:</b> Local elections
-----------------------------	-------------------------------

## Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	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	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Secretary of State	Fiscal note not available											
<b>Total \$</b>	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Secretary of State	Fiscal note not available								
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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

<b>Prepared by:</b> Cheri Keller, OFM	<b>Phone:</b> (360) 584-2207	<b>Date Published:</b> Final 1/23/2024
---------------------------------------	---------------------------------	---

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2250 HB

Title: Local elections

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- Cities: Indeterminate increase in expenditures for costs apportioned to jurisdictions that elect to use ranked choice voting (RCV)
- Counties: Indeterminate but equivalent increase in expenditures and increase in revenue, due to counties implementing RCV and then apportioning the costs to the jurisdictions that elect to use RCV
- Special Districts: Indeterminate increase in expenditures for costs apportioned to jurisdictions that elect to use RCV
- Specific jurisdictions only:
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs: Election software or hardware purchases
- Legislation provides local option: Certain jurisdictions may implement ranked choice voting
- Key variables cannot be estimated with certainty at this time: Number of jurisdictions electing to use RCV; number of counties needing to update election software/hardware/systems; ability of current hardware/software to accommodate RCV

### 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: Allan Johnson	Phone: 360-725-5033	Date: 01/23/2024
Leg. Committee Contact: Jason Zolle	Phone: 360-786-7124	Date: 01/16/2024
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/23/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/23/2024

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

Counties, cities, towns, school districts, fire districts, and port districts (eligible jurisdictions) that have voters in only one county may choose to use ranked choice voting (RCV) for their elections. An eligible jurisdiction that has voters in more than one county may choose to use RCV if another eligible jurisdiction that lies entirely within at least two counties of the original district uses RCV, or if RCV is ordered to remedy a violation of the Washington Voting Rights Act.

An eligible jurisdiction that chooses to adopt RCV need not use it for every office in an election. Ranked choice voting must be implemented within two years following its adoption. Jurisdictions that adopt RCV before the effective date of this act are exempt from the specifications in the act.

Certain requirements for RCV ballot design and vote tabulation are established. The Secretary of State (OSOS) is required to adopt rules by May 1, 2025, to specify and implement certain requirements.

Eligible jurisdictions that adopt RCV must either hold a primary using RCV to winnow the list to five candidates or eliminate the primary altogether. No primary may be held if fewer than five candidates have filed for office.

For offices in which there is more than one position with the same name, district number, or title, an eligible jurisdiction using RCV can choose whether the positions will be dealt with as separate offices. If dealt with as separate offices, RCV is conducted using instant runoff voting.

If dealt with as a multi-member office, RCV is conducted using the single transferable vote method.

An RCV work group is established, consisting of a member from the Association of Washington Cities, a member of the Washington State Association of County Auditors, and a member from an organization with expertise in RCV. The work group is required to advise and aid the OSOS when developing implementation and support materials for local governments that enact RCV.

The work group shall also develop voter education materials for such local governments. The work group must consult with and provide meaningful opportunity for input from a number of groups and organizations, as well as community stakeholders. A report to the Legislature is due June 1, 2025.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This bill would have indeterminate expenditure impacts for counties, cities, and special districts. This bill provides a local option to some local jurisdictions, enabling them to choose Rank Choice Voting (RCV) for municipal elections. Expenditures by that jurisdiction to implement RCV would be voluntary and therefore a local option. However, there are 1,086 eligible local jurisdictions that may elect to use RCV for their elections. Any county containing a jurisdiction that elects to utilize RCV would be required to alter its election process to accommodate the jurisdiction. Each county would incur differing levels of cost to implement RCV depending upon the type of hardware and/or software currently in use. It is likely that one or more jurisdictions would elect to use RCV and one or more counties would be required to purchase new software and incur one-time implementation costs as well as incur ongoing costs.

#### **SUMMARY OF RCV IMPLEMENTATION IMPACTS (INDETERMINATE AND EXAMPLE):**

Currently, the number of counties that would need to implement RCV cannot be known, because which jurisdictions would choose to use RCV is also unknown. Therefore, the overall costs to local governments would be indeterminate. However, as an illustrative example, if all counties needed to implement RCV, counties would likely incur significant expenditures for software, hardware, changes to protocol, voter education about RCV and employee/poll worker training, and additional

ongoing costs.

If every county implemented RCV, there would be one-time expenditures for software of \$3.93 million. Costs associated with the purchase of new hardware in this scenario could result in additional expenditures of up to \$27.53 million. While most voting systems used by counties in the state appear to be able to accommodate RCV without requiring substantial costs to upgrade or replace hardware, the extent of the need for these improvements is not known. (See the discussion on one-time software/hardware costs below)

For counties that need to implement RCV, other one-time implementation costs could be between \$0.50/resident and \$1/resident. As an example, if 50% of residents statewide utilized RCV, these costs could reach \$1.97 million to \$3.93 million. (See the discussion on other one-time implementation costs below)

For counties that need to implement RCV, ongoing costs would be about \$0.35/resident. As an example, if 50% of residents statewide utilized RCV, these costs could reach \$1.38 million. (See the discussion on ongoing implementation costs below)

If a jurisdiction within a county using RCW elects to not conduct elections for one or more officer, other jurisdictions within the same county not electing to use RCV would face an indeterminate increase in pro-rated costs for primary elections, as these jurisdictions would be paying a proportionately larger amount to the county for the facilitation of primary elections.

#### NUMBER OF COUNTIES IMPLEMENTING RCV:

The number of counties implementing RCV would depend upon the number of qualified local jurisdictions electing to utilize RCV. The need to implement RCV in each county would depend upon the individual choices made by cities and qualified special districts. Counties containing more cities and special districts, such as King County or Spokane County, would be more likely to have a given jurisdiction within their purview that would elect to implement RCV. A county with fewer jurisdictions, such as Asotin County, would be less likely to have a given jurisdiction within their purview that would elect to implement RCV. So it is anticipated that some counties with a higher number of individual jurisdictions would need to implement RCV. However, at this time, the location and number of jurisdictions that would choose to use RCV, and therefore the number of counties that would need to implement the RCV system, is unknown. Therefore, total costs from counties implementing RCV are indeterminate.

#### ONE-TIME SOFTWARE AND HARDWARE COSTS:

Counties would incur indeterminate implementation costs if one or more local jurisdictions within that county elects to use RCV. Potential costs to the county auditor would be significantly associated with the purchase and implementation of new software or hardware. (For the purposes of this fiscal note, "hardware" refers to both accessible voting machines and ballot tabulation machines.)

The Office of the Secretary of State website indicates that counties currently utilize nine unique combinations of voting systems, software, vendors and type and method of accessible voting units. The adaptability of each combination to accommodate RCV varies. Initial analysis indicates that new software, at a minimum, would be needed in most, if not all, counties. Information from [rankchoicevoting.org](http://rankchoicevoting.org) and [siteline.org](http://siteline.org) indicate that most voting systems in the state could accommodate RCV and would not require new hardware purchase although the need to purchase new hardware is uncertain and it is possible that some or all hardware would need to be upgraded or replaced in all counties.

Based upon nationwide research and case studies recent one-time costs to implement RCV range from approximately \$0.50/resident to \$4/resident depending upon the need to buy new software and hardware.

As an example, if we assume implementation of RCV by all counties, initial costs could reach approximately \$3.93 million

(\$0.50/resident x 7,864,400 = \$3,932,200) for software purchases. However, precise costs of software per resident would depend on how advanced the software already is in a given county, as well as how improvements in the software industry (which are occurring rapidly) may make new software more affordable by the required time of RCV implementation.

Some counties that would implement RCV may also be required to purchase new hardware and in these locations the incremental increase in expenditure would be \$3.5 per resident (\$4/resident - \$0.50/resident = \$3.50/resident). In the event that all counties needed to purchase new hardware, these costs could reach an additional \$26.4 million in local impacts (\$3.50/resident x 7,864,400 = \$27,525,400).

#### OTHER ONE-TIME IMPLEMENTATION COSTS:

One-time implementation costs beyond hardware/software purchases would be associated with factors such as changes to protocol, voter education about RCV and employee/poll worker training. When looking at examples of RCV implementation around the country, these costs are likely to be \$0.50/resident to \$1/resident. The scope of these costs would vary based upon the number and size of jurisdiction electing to utilize RCV. Significant fiscal impacts could occur even if a limited number of large jurisdictions elected to utilize RCV. For example, almost 10% of state residents are located in the City of Seattle. As an example, if 50 percent of residents statewide utilized RCV, then one-time implementation costs beyond hardware/software could be \$1.97 million to \$3.93 million. (7,864,400 residents x 0.50 = 3,932,200; 3,932,200 residents x \$0.50/resident = \$1,966,100; 3,932,200 residents x \$1/resident = \$3,932,200).

#### ONGOING EXPENDITURES:

It is possible that some auditors may need to supply voters in RCV jurisdictions with multiple ballots with one ballot used for candidates selected in the traditional manner and another ballot used for RCV elections. In these circumstances, an indeterminate increase in ongoing election costs would occur.

Because RCV is relatively new, it is harder to determine ongoing costs. Ongoing costs would be associated primarily with: sustained increase in printing costs; supplemental/continuing voter education and employee/poll worker training. Based upon experiences in other jurisdictions, costs associated with voter education, employee/poll worker training would likely diminish over time. Research indicates that some impacts could increase over time, such as the number of candidates participating in elections. Research shows indeterminate potential impacts for other variables such as voter participation rates with increases in some communities and decreases in others. When viewed in whole, these ongoing fiscal impact variables are hard to pin down but it seems like they will not exceed the experiences of St . Paul, MN and the State of Maine which document ongoing costs of about \$0.35/resident.

As an example, if 50% of residents statewide utilized RCV, then one-time implementation costs beyond hardware/software would be \$1.38 million. (7,864,400 residents x 0.50 = 3,932,200; 3,932,200 residents x \$0.35/resident = \$1,376,270).

#### EXPENDITURES IMPACTS FOR JURISDICTIONS ELECTING TO USE RCV:

Eligible jurisdictions would have the option to use RCV. Costs to consider, adopt and support the use of RCV are considered a local option and therefore result in no fiscal impact.

#### PRIMARY ELECTION AND PRORATED ELECTION COSTS:

Eliminating primary elections for a certain jurisdiction would decrease the election cost for that jurisdiction. However, according to the Washington State Association of County Auditors (WSACA) there would be a proportional increase in costs for other jurisdictions in the county, because the other jurisdictions would need to cover the overall election costs would for the county. resulting in a fiscal impact to those jurisdictions. These increased costs cannot be estimated in advance and are indeterminate.

County auditor election departments conduct elections on behalf of special taxing districts, cities, counties, state government, and federal government. Each county bills its local jurisdictions for a prorated share of the cost of each election. Election costs include both fixed and variable costs related to a specific election. The cost to a jurisdiction varies significantly depending on how many other jurisdictions share the specific election date. November general elections have the most participating jurisdictions so the cost to individual jurisdictions is lower. Conducting a one-issue election on a special election date usually leads to much higher costs. Based upon recent case studies, general election costs range from \$.20 per voter to almost \$1.50 per voter. Special elections often have higher costs (depending on how many jurisdictions participate) and these costs range from \$1 to \$4 per voter.

#### SCHOOL DISTRICTS:

The Local Government Fiscal Note Program does not include school district fiscal impacts. If a school district were to eliminate the primary election or implement an alternative voting method, it would trigger the same costs for counties.

#### APPORTIONING COSTS ON JURISDICTIONS USING RCV

Under the provisions of this legislation, the costs of implementing a ranked choice voting election borne by a county must be apportioned under this section to the jurisdiction using ranked choice voting. For example, if the city of Spokane wanted to implement ranked choice voting in their jurisdiction, many of the costs borne by Spokane County implementing RCV (including new or updated hardware, software, and voter education) would be apportioned to the city of Spokane. So, this would be an increase in costs for any cities, towns or special districts that want to use RCV. However, as the precise costs for counties to implement these changes is not known.

#### WORK GROUP EXPENDITURES:

Jurisdictions selected to participate in the RCV Work Group will incur indeterminate expenditures. These costs cannot be predicted in advance.

#### ASSUMPTIONS:

The number of registered voters, statewide or by county, is not known. The number of residents is used as a proxy for the purposes of analysis. The Office of Financial Management estimate of state population as of April 1, 2023 is 7,864,400.

NOTE: This analysis does not include potential costs for a jurisdiction to choose to adopt RCV, only the costs that would be apportioned to them from the county. It is unclear from this legislation which adoption avenue, or avenues, is most likely to be used. Jurisdictions may adopt RCV from the following options: voter approval, special jurisdiction board approval, city or county resolution, or city or county ordinance.

### C. SUMMARY OF REVENUE IMPACTS

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

Counties may experience an indeterminate increase in revenue from jurisdictions to reimburse the counties for their proportionate cost of implementing RCV. The number of jurisdictions electing to use RCV cannot be predicted. The proportionate costs of implementing RCW will vary from jurisdiction to jurisdiction and cannot be predicted in advance. According to the Washington State Association of County Auditors (WSACA), the amount apportioned would be equivalent to the costs for the county auditor to implement RCV.

The costs of implementing a ranked choice voting election borne by a county must be apportioned under this section to the jurisdiction using ranked choice voting. For example, if the city of Spokane wanted to implement ranked choice voting in their jurisdiction, many of the costs borne by Spokane County implementing RCV (including new or updated hardware, software, and voter education) would be apportioned to the city of Spokane.

#### SOURCES:

Association of Washington Cities  
Fair Vote Washington  
Local Government fiscal note S SB 6002 (2018)

Local Government fiscal note HB 2746 (2018)  
Local Government Fiscal Note SHB 1156 (2021)  
Local Government Fiscal Note SB 5564 (2022)  
Maine's RCV Primary: A Firsthand Account from the Secretary of State  
<https://www.youtube.com/watch?v=F9SAjSj68LY&feature=youtu.be&t=1737>  
Maria Perez, et. al., v. Javier Gonzales, et. al. Case no. D-101-CV-201702778, First Judicial District Court, Santa Fe County  
Maine Office of the Secretary of State  
Municipal Research and Services Center  
Office of Financial Management Population Estimates (2021)  
Office of the Secretary of State  
Rank Choice Voting Resource Center [https://www.rankedchoicevoting.org/voting\\_equipment](https://www.rankedchoicevoting.org/voting_equipment)  
Pierce County Auditor Office  
Pew Charitable Trusts  
<https://www.pewtrusts.org/en/research-and-analysis/articles/2012/06/21/the-cost-of-ranked-choice-voting-in-st-paul-minnesota>  
Siteline Institute <https://www.sightline.org/2017/07/11/an-action-plan-for-ranked-choice-ready-voting-equipment/>  
"The Cost of Rank Choice Voting" Christopher Rhode, Northern Arizona University  
U.S. Census Bureau  
Utah Secretary of State  
Washington Association of County Officials  
Washington State Association of County Auditors