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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/08
 LAST UPDATED 2/12/08 HB _____

SPONSOR Lopez

SHORT TITLE Voting System Ownership and Maintenance SB 517

ANALYST Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$400.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$868.6	\$1,268.6	\$2,137.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB221

SOURCES OF INFORMATION

LFC Files

Responses Received From

Association of County Clerks (ACC)

Attorney General's Office (AGO)

Secretary of State (SOS)

SUMMARY

Synopsis of Bill

Senate Bill 517 appropriates \$400 thousand from the GENERAL FUND to the Office of the Secretary of State to pay for the maintenance of voting systems owned by the state.

FISCAL IMPLICATIONS

The appropriation of \$400 thousand contained in this bill is a RECURRING expense to the GENERAL FUND. Any unexpended or unencumbered balance remaining at the end of FISCAL YEAR 2009 shall revert to the GENERAL FUND.

The state, according to estimates provided by the Secretary of State, would be responsible for \$1.3 million annually to cover the hardware and software warranty agreement on the voting systems. The Secretary of State also suggests including an emergency clause in the bill, which would allow it to cover maintenance costs that may be need for the June primary.

If the bill does not pass, counties may look to BOF for a loan.

SIGNIFICANT ISSUES

The Association of County Clerks explains that this bill will keep the ownership of the voting equipment with the state, unless a county consents to ownership. The state purchased the paper ballot tabulators in 2006 but did not provide for ownership of the equipment. As a solution, the Secretary of State's office issued a letter to the counties asking them to take ownership. ACC is concerned that if the counties were to accept ownership then counties would be responsible for annual maintenance costs amounting to more than \$1 million. However, if the state retains ownership and responsibility for maintenance, the Secretary of State may be more successful negotiating lower maintenance costs than each individual county.

The Attorney General's Office adds that the bill will clarify the issue of transfer of ownership between the state and the counties.

Documents submitted by the Secretary of State indicate that there are three pieces of voting equipment that need to be covered by maintenance agreements; the M100, which reads the paper ballots; the Automark, which make voting ADA compliant; and the M650, which counts the ballots. The attached spreadsheet lists by county the maintenance cost for the machines.

EO/bb

Summary of Verified County Inventory

County	Quantity M-100	Cost \$195 per M-100 Hardware	Cost \$60 per M-100 Firmware	Quantity Automark	Cost \$280 per Automark Hardware	Cost \$60 per Automark Firmware	650	Cost \$2,600 per 650 Hardware	Cost \$350 per 650 Firmware	TOTAL
Bernalillo	508	\$99,060.00	\$30,480.00	435	\$121,800.00	\$26,100.00	2	\$5,200.00	\$700.00	\$283,340.00
Catron	12	\$2,340.00	\$720.00	10	\$2,800.00	\$600.00				\$6,460.00
Chavez	59	\$11,505.00	\$3,540.00	53	\$14,840.00	\$3,180.00				\$33,065.00
Cibola	33	\$6,435.00	\$1,980.00	33	\$9,240.00	\$1,980.00				\$19,635.00
Colfax	25	\$4,875.00	\$1,500.00	21	\$5,880.00	\$1,260.00				\$13,515.00
Curry	44	\$8,580.00	\$2,640.00	38	\$10,640.00	\$2,280.00				\$24,140.00
DeBaca	8	\$1,560.00	\$480.00	5	\$1,400.00	\$300.00				\$3,740.00
Dona Ana	129	\$25,155.00	\$7,740.00	110	\$30,800.00	\$6,600.00	1	\$2,600.00	\$350.00	\$73,245.00
Eddy	51	\$9,945.00	\$3,060.00	44	\$12,320.00	\$2,640.00				\$27,965.00
Grant	43	\$8,385.00	\$2,580.00	38	\$10,640.00	\$2,280.00				\$23,885.00
Guadalupe	9	\$1,755.00	\$540.00	6	\$1,680.00	\$360.00				\$4,335.00
Harding	7	\$1,365.00	\$420.00	4	\$1,120.00	\$240.00				\$3,145.00
Hidalgo	10	\$1,950.00	\$600.00	8	\$2,240.00	\$480.00				\$5,270.00
Lea	54	\$10,530.00	\$3,240.00	47	\$13,160.00	\$2,820.00				\$29,750.00
Lincoln	28	\$5,460.00	\$1,680.00	22	\$6,160.00	\$1,320.00				\$14,620.00
Los Alamos	29	\$5,655.00	\$1,740.00	23	\$6,440.00	\$1,380.00				\$15,215.00
Luna	21	\$4,095.00	\$1,260.00	15	\$4,200.00	\$900.00				\$10,455.00
McKinley	84	\$16,380.00	\$5,040.00	75	\$21,000.00	\$4,500.00				\$46,920.00
Mora	15	\$2,925.00	\$900.00	12	\$3,360.00	\$720.00				\$7,905.00
Otero	53	\$10,335.00	\$3,180.00	46	\$12,880.00	\$2,760.00				\$29,155.00
Quay	22	\$4,290.00	\$1,320.00	19	\$5,320.00	\$1,140.00				\$12,070.00
Rio Arriba	54	\$10,530.00	\$3,240.00	45	\$12,600.00	\$2,700.00				\$29,070.00
Roosevelt	29	\$5,655.00	\$1,740.00	25	\$7,000.00	\$1,500.00				\$15,895.00
San Juan	89	\$17,355.00	\$5,340.00	79	\$22,120.00	\$4,740.00	1	\$2,600.00	\$350.00	\$52,505.00
San Miquel	39	\$7,605.00	\$2,340.00	35	\$9,800.00	\$2,100.00				\$21,845.00
Sandoval	88	\$17,160.00	\$5,280.00	79	\$22,120.00	\$4,740.00	1	\$2,600.00	\$350.00	\$52,250.00
Santa Fe	109	\$21,255.00	\$6,540.00	94	\$26,320.00	\$5,640.00	1	\$2,600.00	\$350.00	\$62,705.00
Sierra	18	\$3,510.00	\$1,080.00	14	\$3,920.00	\$840.00				\$9,350.00
Socorro	33	\$6,435.00	\$1,980.00	29	\$8,120.00	\$1,740.00				\$18,275.00
Taos	46	\$8,970.00	\$2,760.00	39	\$10,920.00	\$2,340.00				\$24,990.00
Torrance	19	\$3,705.00	\$1,140.00	18	\$5,040.00	\$1,080.00				\$10,965.00
Union	14	\$2,730.00	\$840.00	10	\$2,800.00	\$600.00				\$6,970.00

Summary of Verified County Inventory

Valencia	43	\$8,385.00	\$2,580.00	41	\$11,480.00	\$2,460.00	1	\$2,600.00	\$350.00	\$27,855.00
SOS	80	\$15,600.00	\$4,800.00	8	\$2,240.00	\$480.00				\$23,120.00
	1905	\$371,475.00	\$114,300.00	1580	\$442,400.00	\$94,800.00	7	\$18,200.00	\$2,450.00	\$1,043,625.00
Cost of Software Maintenance and Support Fees for Entire State Inventory of Voting Machines:										\$225,000.00
Annual Grand Total:										\$1,268,625.00