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**FISCAL IMPACT STATEMENT**

**LS 7289**

**BILL NUMBER:** HB 1541

**NOTE PREPARED:** Jan 23, 2003

**BILL AMENDED:**

**SUBJECT:** Help America Vote Act compliance.

**FIRST AUTHOR:** Rep. Weinzapfel

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** The bill conforms election law to the Federal Help America Vote Act (HAVA). The bill makes appropriations from the state General Fund to provide state matching funds required by HAVA. The bill establishes the State Election Administration Interim Study Committee (SEAISC) to study issues relating to state election administration. The bill appropriates Federal money received under HAVA. The bill repeals superseded statutes relating to funding of voting systems.

**Effective Date:** Upon passage; July 1, 2003.

**Summary of Net State Impact:** The following table details the net impact to Indiana under this bill due to additional federal funds available and the required state matching funds needed for HAVA:

**Table A. Net State Impact:**

	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>State Revenue</b>	\$26.2 M - \$49.4 M	\$5 M - \$21.6 M	\$3 M - \$12.9 M
<b>State Expenditures</b>	(\$1.6 M)	(\$1.1 M)	(\$0.68 M)
<b>Net State Impact</b>	<b>\$24.6 M - \$47.8 M</b>	<b>\$3.9 M - \$20.5 M</b>	<b>\$2.3 M - \$12.2 M</b>

**Explanation of State Expenditures: Federal Grant Match-** In order to receive Federal funds under Title II Subtitle D Section 253 of HAVA, the state must appropriate a five percent match of the total amount spent for activities required under HAVA. The bill appropriates **\$1,587,674** in FY 2004 and **\$1,134,052** in FY

2005 from the General Fund. Approximately **\$680,000** would need to be appropriated in FY 2006.

The following table lists the other requirements necessary to receive the Federal funds under section 253 of HAVA:

<b>Table B. HAVA Section 253 Requirements:</b>
A. Indiana must file a plan to the Federal Election Assistance Commission (FEAC) including details of Indiana financial (appropriations and expenditures) and administrative (monitoring of Federal monies distributed, establish fund to receive revenue) efforts to comply with Title III of HAVA including Federal voting machine, provisional voting and voter education standards.
B. Indiana must file another plan to FEAC to implement a uniform nondiscriminatory administrative complaint procedure. A complaint procedure plan may be filed with the plan outlined under A.
C. Indiana must be in compliance with the following Federal Acts: Voting Rights Act of 1965 (42 USC 1973ee et seq), Voting Accessibility for the Elderly and Handicapped Act (42 USC 1973ee et seq), The Uniformed and Overseas Citizens Absentee Voting Act (42 USC 1973ff et seq), The National Voter Registration Act of 1993 (42 USC 1973gg et seq), The Americans with Disabilities Act of 1990 (42 USC 12101 et seq), The Rehabilitation Act of 1973 (29) USC 701 et seq)
D. Indiana must demonstrate how the state will use funds for purposes other than implementing Title III of HAVA, in the submitted proposal. Indiana must also certify that all Title III requirements have been met, and the amount of proposed non-Title III expenditures does not exceed \$7 M in FY 2004, \$5 M in FY 2005, and \$3 M in FY 2006.
E. Indiana appropriates a 5% match of Federal funds appropriated under sec 253 of Federal HAVA as listed above.

***Establishment of Election Administration Fund-*** Under the bill, the Auditor of State would incur additional administrative responsibility to establish the Election Administration Fund (EAF). The EAF would consist of Federal funds received under Section 101, Sec 102, and Title II Subtitle D, Part 1 of HAVA. The Budget Agency would allocate money appropriated by the General Assembly and proceeds of bonds issued by the Indiana Bond Bank to the appropriate account within the EAF as required to match Federal funds and under all requirements of law. The Budget Agency would have approval authority for any expenditures from the EAF.

The Election Division would administer the EAF. All expenses necessary to administer the EAF would be paid from revenue received from Section 101 of HAVA.

Money in the EAF at the end of a state fiscal year would not revert to the state General Fund.

***Election Division's Responsibilities-*** In addition to administration of the EAF, the Co-Directors of the Election Division would be required to apply to the Secretary of the US Health and Human Services for payments from the total Federal grant under HAVA Sections 261-265. (See table below for the total US appropriation.) Any Federal funds received under this provision would be used to improve voting facilities for impaired voters.

The Division would be required to carry out the state's responsibilities and provide information regarding voter registration and absentee ballot procedures for absent uniformed or overseas voters. The Division would submit additional information to the Federal Election Assistance Commission.

*Voting System Improvement and Voter Education Funds*- These funds are repealed under the bill. P.L. 239-2001 established the Voting System Improvement Fund (VSIF) to reimburse counties for the purchase, lease, purchase, lease, upgrade, or expansion of existing voting systems. As of October 2002, neither state nor Federal funds have been appropriated/deposited into the VSIF. Counties have applied for reimbursement, in case of future availability of money in the VSIF.

*State Election Administration Interim Study Committee (SEAISC)*- Under the bill, SEAISC would be established to study: the structure of the state's election administration system, other issues relating to the administration of state elections, and issues assigned to the Committee by the Legislative Council. SEAISC would make recommendations for legislation regarding the above topics of study. Depending on the membership level, state expenditures could range from \$6,000 to \$12,000 per state fiscal year to fund SEAISC. The expenditures required for the Committee would be paid from the Legislative Services Agency budget.

*Statewide Voter Registration File (SVRF)*- The bill would place a six-month speed-up for the Election Division to maintain the SVRF by January 1, 2004. However, the Division could delay implementation of the SVRF with proper notification to the Election Assistance Commission until January 1, 2006.

*Statewide Voter Registration Advisory Committee (SVRAC)*- The bill establishes the fourteen member SVRAC. The SVRAC would be required to help the Co-Directors of the Election Division to develop the state plan under Section 254 of HAVA. All members would be entitled to reimbursement for travel and other expenses incurred involving the member's duties with the SVRAC. Up to eight members, given they are not either state or local government employees, would be eligible for salary per diem per meeting. SVRAC expenses would be paid with revenues received under Section 101 of HAVA.

**Explanation of State Revenues: Federal Grants under HAVA**- Under HAVA, the state could receive between \$34.5 M and \$84.5 M from Federal grants, including any additional grants (see Table D below) for disabled voting improvements that the state may qualify for over FY 2004- FY2006. The above range is tentative and depends on the amount of authorizations actually appropriated/dispensed by the Federal Government to Indiana. The following tables illustrate the revenue that may be received by the state.

**Table C. Grants Available Under HAVA**

HAVA Grant Description	FY 2004	FY 2005	FY 2006
Section 101 (For complying with Title III including voter ed, voting system improvement, & establishing toll-free numbers)	\$6.8 M		
Section 102 b & c. (To replace LEVER and PUNCHCARD voting systems)	\$12.4 M		
Sections 252, 253 and 257. (Requirements Payments to IN)	\$7 M - \$30.2 M	\$5 M - \$21.6 M	\$3 M - \$12.9 M
<b>INDIANA TOTAL</b>	<b>\$26.2 M - \$49.4 M</b>	<b>\$5 M - \$21.6 M</b>	<b>\$3 M - \$12.9 M</b>

**Table D. Competitive Grants Available Under HAVA**

HAVA Grant Description	FY 2004 (U.S. Total)	FY 2005 (U.S. Total)	FY 2006 (U.S. Total)
Sections 261- 265. (Disabled voters grant. Payment determined by US Health & Human Services. May be received by a State or local unit of government.)	\$50 M	\$25 M	\$25 M
Voting Technology Improvement. May be awarded to "eligible" entities	\$20 M		
Testing equipment/technology. May be awarded to "eligible" entities	\$10 M		
<b>U.S. TOTAL</b>	<b>\$80 M</b>	<b>\$25 M</b>	<b>\$25 M</b>

HAVA does not specify the amount of funding that Indiana may receive under Sections 261-265. The Co-Directors of the Indiana Election Division must apply to the US Health and Human Services Agency (USHHSA) for grants under these sections. Federal grants awarded under these sections would be determined by the Secretary of USHHSA. Funds can be applied for and received by **both state and local government** entities. Total US authorizations are \$50 M in FY 2004, \$25 M in FY 2005, and \$25 M in FY 2006.

**Use of the Federal Grants-** Under the bill, grants received under Section 101 of HAVA would be used to reimburse counties for new voting systems purchased after December 31, 2000. Grants from Section 101 may also be used for any other purpose authorized by the bill and Section 101 of HAVA. Grants from Section 102 of HAVA can only be used to reimburse counties specifically replacing either a punch card or lever machine voting system with an approved system purchased after December 31, 2000. A county may be reimbursed by not more than \$4,000 per each precinct employing either a punch card or lever machine voting system during the 2000 general election.

**NOTE:** *As of the date of this fiscal impact statement, the Federal government has neither appropriated*

*nor disbursed any funding authorizations under HAVA to Indiana.*

**Explanation of Local Expenditures: Voter's Bill of Rights-** Under the bill, additional items would be placed in the voter's bill of rights. The additional items would slightly raise the printing costs associated with producing copies. The changes must be added by January 1, 2004.

**Information Submission-** County election boards would be required to assist the Election Division in compiling information on uniformed and overseas absentee ballots to the Federal Election Assistance Commission. The provision could require additional administrative time for county election boards to accomplish.

Under the bill, various additional responsibilities would be required by county voter registration offices, county election boards, the circuit court clerk, and precinct election boards that could increase the administrative staff time and expenditures to these offices.

**Voting System Accessibility-** The bill would require each county to have disabled voter accessibility on at least one voting machine per precinct by January 1, 2006. Under Federal regulations, disabled voting areas would be required to have wheelchair access, and various audio and enhanced visual instructions for the operation of the voting system. The estimated impact to local expenditures is currently indeterminable. *This fiscal impact statement will be updated when additional information is available.*

*Background:* During the 2002 general election, Indiana had approximately 5,457 precincts.

**Internet/Toll-Free Number-** County election boards would be required to establish a toll-free telephone number of an Internet web site for provisional voters. Federal grants under Section 101 of HAVA, could be used for establishing voter toll-free telephone numbers.

*Background:* Approximately 37 Indiana county governments have limited or no Internet access.

### **Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Election Division; Legislative Services Agency; Auditor of State, State Budget Agency. Office of the Governor; Treasurer of State.

**Local Agencies Affected:** County voter registration offices, county election boards, circuit court clerks, and precinct election boards.

**Information Sources:** Indiana Election Division; State Budget Agency; Association of Indiana Counties; US Census Bureau.

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