

**Department of Legislative Services**  
 Maryland General Assembly  
 2009 Session

**FISCAL AND POLICY NOTE**

Senate Bill 970 (Senator Colburn)  
 Education, Health, and Environmental Affairs

**Election Law - Delay in Replacement of Voting System**

This bill delays the implementation of a new voting system that provides a voter-verifiable paper record, required by Chapters 547 and 548 of 2007, until the later of January 1, 2016 or the date of the final payment for the State’s current direct-recording electronic (DRE) touchscreen voting system. Under current law, certification standards require that a voting system provide a voter-verifiable paper record for each election occurring on or after January 1, 2010.

The bill takes effect July 1, 2009.

**Fiscal Summary**

**State Effect:** General fund expenditures decrease by \$1.5 million in FY 2010 and by \$3.2 million in FY 2011 through 2014. Revenues are not affected.

(in dollars)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	(1,487,500)	(3,214,400)	(3,211,200)	(3,207,900)	(3,204,500)
Net Effect	\$1,487,500	\$3,214,400	\$3,211,200	\$3,207,900	\$3,204,500

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** Local government expenditures for a new voting system will be delayed, until FY 2015, resulting in a \$1.5 million expenditure decrease in FY 2010 and a \$3.2 million expenditure decrease in FY 2011 through 2014. Revenues are not affected.

**Small Business Effect:** None.

## Analysis

**Current Law:** Chapters 547 and 548 of 2007 specify that the State Board of Elections (SBE) may not certify a voting system unless it determines the voting system will provide a specified “voter-verifiable paper record.” Chapter 547 and 548 also established requirements relating to accessibility for voters with disabilities including that a voting system provide access to voters with disabilities equivalent to access provided to voters without disabilities, without creating a segregated ballot. The Act applies to each election occurring on or after January 1, 2010.

**Background:** Chapters 547 and 548 of 2007 were enacted following continued scrutiny in Maryland and nationwide of the security and accuracy of DRE touchscreen voting machines. The State’s existing DRE touchscreen voting machines do not produce a paper record that a voter may verify at the time of voting.

SBE issued a request for proposal in January 2009 in order to procure a new voting system and the proposed fiscal 2010 State budget includes approximately \$5.8 million for one capital lease payment and contractual services for a new voting system. This amount represents \$2.9 million in State general funds and \$2.9 million in special funds from local election reform payments.

Chapter 564 of 2001, which required SBE to select, certify, and acquire a uniform statewide voting system for both polling places and absentee voting, provides, in uncodified language, that each county must pay its share, based on its voting age population, of one-half of the State’s cost of acquiring and operating the uniform statewide voting systems for polling places and absentee voting. Operating costs include the cost of maintenance, storage, printing of ballots, technical support and programming, related supplies and materials, and software licensing fees.

The estimated total cost of the voting system is just under \$39 million, expected to extend from fiscal 2009 through 2015, which includes capital lease payments and contractual services. Actual costs may vary depending on the contract awarded.

**State Fiscal Effect:** General fund expenditures for a new voting system will be delayed, presumably until fiscal 2015, assuming procurement and implementation of a voting system prior to the 2016 statewide elections. Payments for the State’s existing voting system are scheduled to end in fiscal 2014 and therefore it is assumed that, under the bill, a new voting system that provides a voter-verifiable paper record will be required for each statewide election occurring on or after January 1, 2016. As a result, general fund expenditures may decrease by at least \$1.5 million in fiscal 2010, reflecting the State’s share of foregone budgeted capital lease costs for a new voting system. Actual savings may vary depending on the contract that would otherwise be awarded for a new voting

system. This assumes a voting system meeting the current requirements of Chapters 547 and 548 of 2007 could otherwise be procured, utilizing the allowance included in the proposed fiscal 2010 State budget.

The estimate does not account for foregone design and implementation costs of a new voting system, which may result in significant additional savings; nor does it account for any effect that continuing use of the State's current DRE touchscreen voting system will have on ongoing voting system services costs. It is uncertain at this time how future voting system services costs for the current system or a new system would compare, though services costs for a new system may be less than those for the current system due, at least in part, to the fewer number of machines involved with an optical scan system (one per polling place, plus a ballot marking device accessible for voters with disabilities, versus multiple DRE machines per polling place). This may offset, to at least some extent, a decrease in general fund expenditures due to foregone capital lease and design and implementation costs.

A significant portion of the potential reduced costs in the near term from the delayed implementation will be incurred from fiscal 2011 through 2014. This is due to the fact that only one capital lease payment for a new voting system is expected to be made in fiscal 2010, whereas two payments are expected to be made in future years, through fiscal 2014 (with one remaining lease payment in fiscal 2015). Annual out-year expenditure reductions, through fiscal 2014, may average approximately \$3.2 million, accounting only for foregone budgeted capital lease costs.

General fund expenditures will subsequently increase beyond fiscal 2014, reflecting the delayed implementation of a new voting system.

**Local Fiscal Effect:** Local government expenditures for a new voting system will be delayed, presumably until fiscal 2015. As a result, county expenditures may collectively decrease by at least \$1.5 million in fiscal 2010, reflecting the counties' share of foregone budgeted capital lease costs for a new voting system. Actual savings may vary depending on the contract that would otherwise be awarded for a new voting system.

Additional savings may also result from foregone design and implementation costs. As mentioned above, however, savings due to foregone costs of a new voting system may be offset by higher services costs for the current DRE touchscreen system.

A significant portion of the potential reduced costs in the near term from the delayed implementation will be incurred from fiscal 2011 through 2014. Annual out-year expenditure reductions, through fiscal 2014, may average approximately \$3.2 million, accounting only for foregone budgeted capital lease costs. These savings, however, may be offset by higher services costs for the current DRE touchscreen system. County

expenditures will subsequently increase beyond fiscal 2014, reflecting the delayed implementation of a new voting system.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1211 (Delegate Eckardt, *et al.*) - Ways and Means.

**Information Source(s):** Allegany County, Wicomico County, Department of Budget and Management, State Board of Elections, Department of Legislative Services

**Fiscal Note History:** First Reader - March 5, 2009  
ncs/mwc

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