

PREPARED BY: Scott Danigole
 DATE PREPARED: March 20, 2023
 PHONE: 402-471-0055

LB 193

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	10,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	10,000,000			

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 193 prohibits any voting system or component or subcomponent of a voting system from being used or purchased unless it has been designed, manufactured, integrated, and assembled in the United States from trusted suppliers, using trusted processes, accredited by the Defense Microelectronics Activity of the United States Department of Defense.

The Secretary of State states that they are not aware of a supply chain that would allow for every source material used in voting systems to be manufactured in the US. Until such time that the provisions of LB 193 could be enforced, the Secretary of State notes that hand counting ballots could be used. This would create a significant cost to counties as they would need to hire thousands of additional election workers to hand-count ballots.

For purposes of this fiscal note, the Secretary of State has estimated the cost of securing equipment designed, manufactured, integrated, and assembled only in the US at the same cost of the current system which was purchased in 2020. It is highly likely that the actual cost would be much higher; since no such system is currently available a true estimate cannot be provided.

There is no basis to disagree with the Secretary of State's estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 193	AM:	AGENCY/POLT. SUB: Secretary of State	
REVIEWED BY: Kimberly Burns	DATE: 03/20/2023	PHONE: (402) 471-4171	
COMMENTS: No basis to disagree with the Secretary of State's explanation and estimate of minimal fiscal impact from LB 193.			

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2023

LB⁽¹⁾ 193

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 3-9-2023 Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$10,000,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$10,000,000			

Explanation of Estimate:

LB193 prohibits any voting system or component or subcomponent from being used unless all components have been “designed, manufactured, integrated, and assembled in the United States from trusted suppliers, using trusted processes, accredited by the Defense Microelectronics Activity...” The existing statutory definition of voting system includes the process of creating, casting, and counting ballots and includes any software or service used in such process. We are not aware of a supply chain that would allow for every source material used in voting systems to be manufactured in the US.

One possible outcome of the legislation would be to count ballots by hand unless and until a compliant voting system was developed. This would be a significant cost to our counties as they would need to hire thousands of additional election workers to count ballots by hand. Even with the use of hand counting, there would still be components of the voting system such as ballot printers and ADA compliant ballot marking devices required by federal law that would not meet the standards of the legislation.

For purposes of this fiscal note, we have included the costs of the equipment purchased in 2020 as a minimum cost for new equipment. We anticipate that any equipment that would meet the standards of this legislation would be much more expensive. However, as we are not aware of a voting system that would meet the standards set forth in this legislation, we are unable to provide a better estimate of the cost of that equipment.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				\$10,000,000
Aid.....				
Capital improvements.....				
TOTAL.....				\$10,000,000

