

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

|   |   |                              |                                       |  |  |
|---|---|------------------------------|---------------------------------------|--|--|
| <b>LRB Number</b> <b>15-1151/1</b>  | <b>Introduction Number</b> <b>AB-0124</b>                   |                              |                                       |  |  |
| <b>Description</b><br>Fees for election recounts  |   |                              |                                       |  |  |
| <b>Fiscal Effect</b><br><br><b>State:</b><br><input type="checkbox"/> No State Fiscal Effect<br><input type="checkbox"/> Indeterminate<br><input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget<br><input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs  |   |                              |                                       |  |  |
| <b>Local:</b><br><input type="checkbox"/> No Local Government Costs<br><input checked="" type="checkbox"/> Indeterminate<br>1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue<br><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br>2. <input checked="" type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue<br><input checked="" type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory<br><div style="float: right; text-align: right;">           5. Types of Local Government Units Affected<br/> <input checked="" type="checkbox"/> Towns      <input checked="" type="checkbox"/> Village      <input checked="" type="checkbox"/> Cities<br/> <input checked="" type="checkbox"/> Counties      <input type="checkbox"/> Others<br/> <input checked="" type="checkbox"/> School Districts      <input type="checkbox"/> WTCS Districts         </div> |   |                              |                                       |  |  |
| <table style="width: 100%;"> <tr> <td style="width: 50%;"><b>Fund Sources Affected</b></td> <td style="width: 50%;"><b>Affected Ch. 20 Appropriations</b></td> </tr> <tr> <td> <input type="checkbox"/> GPR              <input type="checkbox"/> FED              <input type="checkbox"/> PRO              <input type="checkbox"/> PRS              <input type="checkbox"/> SEG              <input type="checkbox"/> SEGS         </td> <td></td> </tr> </table>   |   | <b>Fund Sources Affected</b> | <b>Affected Ch. 20 Appropriations</b> | <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS |  |
| <b>Fund Sources Affected</b>  | <b>Affected Ch. 20 Appropriations</b>                       |                              |                                       |  |  |
| <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS  |   |                              |                                       |  |  |
| <b>Agency/Prepared By</b><br>GAB/ Michael Haas (608) 266-8005   | <b>Authorized Signature</b><br>Kevin Kennedy (608) 266-8005 | <b>Date</b><br>4/9/2015      |                                       |  |  |

## Fiscal Estimate Narratives

GAB 4/9/2015

|                            |           |                     |         |               |          |
|----------------------------|-----------|---------------------|---------|---------------|----------|
| LRB Number                 | 15-1151/1 | Introduction Number | AB-0124 | Estimate Type | Original |
| <b>Description</b>         |           |                     |         |               |          |
| Fees for election recounts |           |                     |         |               |          |

### Assumptions Used in Arriving at Fiscal Estimate

Based on a lack of available statewide or local data, the estimated fiscal effect of this bill is indeterminate. No statewide data on election recounts, in terms of frequency, costs, or outcomes, is currently available. During the 2013-2014 legislative session, in relation to a similar bill, the Legislative Council reported that their research indicated that a recount has never reversed the result of an election in Wisconsin when the original vote margin was greater than 0.12 percent of the total votes cast. This assumption is critical to understanding the low probability of a recount petitioner receiving a refund of the cost to conduct a recount under this bill. In this analysis, we were able to look at a sample of recount costs in one county. Based on the limited cost information available from a single county's experience this analysis concludes that the bill would likely reduce the unreimbursed costs to local jurisdictions for conducting recounts where the original vote margin is between 0.25 and two-percent by a conservative estimate of approximately 90 percent.

This bill would reduce the eligible margin for conducting a recount at no cost to the petitioner from 0.50 percent to 0.25 percent, which is double the largest original vote margin that has changed an election outcome after a recount in Wisconsin, according to the Legislative Council's research. The bill would also increase the cost to the petitioner, and therefore decrease costs to municipalities and counties, in cases where the total votes cast is greater than 1,000 and the original vote margin is between 0.25 and 2.0 percent. The bill would also increase the cost to the recount petitioner, and therefore decrease costs to municipalities and counties, where the total votes cast is less than or equal to 1,000 and the original vote margin is 10 or more.

Based on the Legislative Council's research, in any case where this bill would potentially increase the cost of conducting a recount for a petitioner, there is a very low probability that the recount would change the result of the election. The greater the original margin, the less likely that a recount would be requested in the first place. However if the recount did reverse the original election result, the petitioner would then receive a refund of the recount fees under the bill. Due to the increased cost incurred by a potential recount petitioner when the recount is unlikely to change the result of the election, this estimate assume that candidates would request fewer recounts when the original vote margin is greater than 0.25 percent.

This estimate also assumes that most local jurisdictions do not include costs of potential recounts in their election administration budgets. Any costs associated with conducting a recount, either under the current or proposed fees, may reduce funds away from other budget areas, as well as divert staff efforts away from other required tasks. Decreasing the number of recounts conducted where the original vote margin is greater than 0.25 percent, and jurisdictions not having to defray costs and efforts from other local priorities in order to conduct recounts presents an indeterminate cost savings to those jurisdictions.

According to the Manitowoc County Clerk, the 2013 Spring Election Recount for Circuit Court Judge cost approximately \$57 per ward to conduct (nearly \$5,400). In that recount there were 16,269 votes cast with an original vote margin of 20 votes (8,135 to 8,115 with 19 scattering), or a margin of 0.122 percent. The County Clerk also noted that many jurisdictions conducted a by-hand recount of the ballots. Conducting a recount using electronic voting and tabulating equipment would substantially increase the cost of conducting a recount due to the requirement to reprogram the equipment and obtain or rent additional memory card devices. Estimates of those increased costs were not readily available at the time this fiscal estimate was prepared.

Using the Manitowoc County costs as a conservative estimate (\$57 per ward), the G.A.B. has calculated the estimated fiscal effect on local jurisdictions under the current and proposed recount fees for a statewide recount with varying original vote margins. There are currently 6,791 wards in the State of Wisconsin. At \$57 per ward, it would cost local jurisdictions \$387,087 to conduct a statewide recount. Actual costs would likely be higher due to the use of electronic tabulating equipment and the related costs outlined above.

Under either the current or proposed fee structure, local jurisdictions would incur the full cost to conduct a statewide recount if the original vote margin were less than 0.25 percent, and at no cost to the petitioner. Therefore there would be no fiscal impact related to recounts involving margins of less than 0.25 percent.

Under current law, if the original vote margin was between one-half and two-percent, the petitioner would pay \$33,955 (\$5 per ward multiplied by 6,791 wards) or about 8.8 percent under the current fees, and local jurisdictions would pay \$353,132 or nearly 91.2 percent of the cost to conduct the recount. Under the proposed bill, the petitioner would pay all costs and the local jurisdictions would receive full reimbursement, representing an estimated savings to local jurisdictions of \$353,132 for a statewide recount involving such a margin. The savings to individual municipalities and counties would vary depending upon the number of wards involved, whether or not voting equipment was involved in the jurisdiction, and other factors. Under either fee structure, the petitioner would pay the full cost if the original vote margin were 2.0 percent or greater.

Based on all of the assumptions outlined in this document and the unpredictability of recount scenarios and frequency, the cost savings to local jurisdictions because of this bill are indeterminate. Given the available information, it is not possible to determine the number of recounts actually conducted throughout Wisconsin, the total votes cast or original vote margins in those elections, or the actual costs to conduct those recounts. However, it is likely the bill would reduce the unreimbursed costs to local jurisdictions for conducting recounts where the original vote margin is between 0.25 and two-percent by a conservative estimate of approximately 90 percent. The bill would transfer costs for conducting these recounts to the petitioner, in cases where the recount is statistically unlikely to reverse the outcome of the election.

### **Long-Range Fiscal Implications**