

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6952
BILL NUMBER: HB 1286

NOTE PREPARED: Jan 6, 2024
BILL AMENDED:

SUBJECT: Elections.

FIRST AUTHOR: Rep. Sweet
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Exclusive Voting By Hand-Marked Paper Ballot*– The bill provides that the state of Indiana shall conduct all elections using secure, hand-marked paper ballots that are: (1) designed and made in Indiana; (2) embellished with a distinctive watermark; and (3) serialized numerically. The bill provides that no other method of voting may be used in Indiana. The bill specifies that ballots must be counted by hand. The bill requires precincts to have video cameras that record and live stream the counting of ballots and the ballot box container. The bill requires each precinct to have one voting system equipped for individuals with disabilities. The bill specifies requirements for reporting results of the election. The bill requires election results to be announced the evening of the election. The bill prohibits the use of a pollbook in any form other than paper. The bill provides that ballots are not confidential.

Sunset of VSTOP– The bill prohibits the state from conducting the Voting System Technical Oversight Program (VSTOP) after June 30, 2024. The bill specifies storage requirements for certain election documents.

Secretary of State Provisions– The bill requires the Secretary of State (SOS) to randomly choose 10 counties for post-election hand recounts and inspections of secured storage facilities. The bill provides that all Indiana citizens have the right to inspect and copy all election materials at the office of the county clerk. The bill requires the SOS to establish and maintain a statewide voter registration data base. The bill requires the SOS to administer voter registration rolls and provides that the secretary may not delegate this function.

Other Provisions– The bill requires county clerks to create and print the paper pollbook for each precinct. The bill specifies that an election in Indiana may be held only on election day. The bill prohibits: (1) early in person voting; (2) vote centers; (3) Internet voting; (4) mass mail-in voting; (5) ballot harvesting; and (6)

a ballot drop box. The bill provides that a precinct may contain not more than 1,500 registered active voters. The bill specifies that absentee voter boards may be used for all voters at extended care facilities. The bill requires all voter registration applications to include proof of citizenship and a signature. The bill specifies certain restrictions that apply to a third party organization. The bill provides that a digital identification is not acceptable for the purposes of registration or voting. The bill specifies: (1) requirements for absentee ballots; and (2) the individuals who qualify to receive an absentee ballot. The bill requires an absentee ballot to include a copy of the voter's proof of identification or the last four digits of the voter's Social Security number.

Criminal Penalty– The bill provides that a person who violates these provisions: (1) commits a Class A misdemeanor; and (2) is deprived of the right of suffrage for 10 years. The bill repeals a provision that designates as confidential certain information maintained by VSTOP.

Election Crimes Unit– The bill requires the Attorney General to establish an Election Crimes Unit.

Effective Date: Upon passage.

Explanation of State Expenditures: *Summary*– The Secretary of State, Attorney General, and Election Division could require an increase ranging from \$750,000 to \$1.3 M for implementation and ongoing expenditures for the following provisions:

- 1) Ten-county random post election hand recount (election years only)
- 2) Secretary of State administration of voter registration rolls
- 3) Attorney General Election Crimes Unit
- 4) Voter Fraud Hotline

Costs for some or all of the above items could be mitigated by re-appropriation of VSTOP funds, that would be required to be transferred from the VSTOP program, as required by the bill.

Second, the SOS would be required to establish and maintain a statewide voter registration database. If the SOS could fulfill this provision by assuming control of the Election Division's statewide voter registration system, and the existing appropriation for maintenance of the existing system could be sufficiently utilized, it is likely this provision may not require new expenditures to establish. However, any impact to state expenditures would likely be determined by the databases requirements via future legislative and administrative action.

Additional Information– Approximately \$750,000 has been appropriated to the VSTOP program for FY 2025 under HEA 1001-2023. Approximately \$2.3 M is appropriated for FY 2025 for Statewide Voter List maintenance.

Explanation of State Revenues: *Criminal Penalty*– If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class A misdemeanor is \$5,000. The total fee revenue per case would range between \$113 and \$135. The amount of court fees deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases](#).

Explanation of Local Expenditures: *Exclusive Voting By Hand-Marked Paper Ballot*– It is estimated that

county election authorities in aggregate would require additional expenditures ranging from \$2.6 M to \$7.1 M in CY 2024 to implement and carry out the bill's requirements at the county level. The expenses would include production or purchase of acceptable paper ballots, video cameras, ballot hand counting services, printing costs for paper registration rolls, and other miscellaneous costs (estimated at \$2,000 per county on average). The above estimate assumes that each county would already have enough ADA compliant voting systems to place one per precinct.

Criminal Penalty– If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Criminal Penalty*– If additional court actions occur and a guilty verdict is entered, more revenue will be collected by certain local units. If the case is filed in a court of record, the county general fund will receive \$47.40 and qualifying municipalities will receive a share of \$3.60. If the case is filed in a municipal court, the county receives \$30, and the municipality will receive \$46. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

State Agencies Affected: Secretary of State, Election Division, Attorney General.

Local Agencies Affected: County election authorities; trial courts, local law enforcement.

Information Sources: Election Division active voter and precinct statistics, State Budget Agency As Passed FY 2024-FY 2025 Appropriations: <https://www.in.gov/sba/files/35-GG-3.pdf>; <https://verifiedvoting.org/wp-content/uploads/2021/03/Price-of-Voting-FINAL2.pdf>; <https://www.essvote.com/feature/universal-voting/>; https://www.323.tv/product/polycom-eagleeye-iv-usb-12x-ptz-camera/?gad_source=1&gclid=EAIaIQobChMIhJiHg_C_gwMVivPICh2Q-geUEAQYAiABEgJwOPD_BwE; <https://verifiedvoting.org/election-system/hand-counted-paper-ballots/>.

Fiscal Analyst: Chris Baker, 317-232-9851.