

# SB 367 - HB 458

## FISCAL NOTE



Fiscal Review Committee  
Tennessee General Assembly

March 23, 2025

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**SUMMARY OF BILL:** Requires the Coordinator of Elections (COE) to make monthly comparisons of the statewide voter registration database with various databases to ensure no non-United States citizens are registered to vote, including databases from the Department of Safety (DOS), Department of Correction (DOC), State Vital Records Division, and state welfare and public assistance agencies.

Establishes a process that allows for a registered voter to challenge the qualifications of other persons applying to register to vote, or the qualifications of those whose names appear on the voter registration list. Requires the county election commission to hold a hearing to make a determination on the qualifications of the person's eligibility to vote and creates a process for appeal of the decision by either party.

Requires a person who registers to vote by mail, online, or through an agency other than a county election commission or DOS to appear in person to vote in their first eligible election.

Increases the age requirement, from 60 to 65 years old, that an individual may request to vote absentee due to age.

Requires all ballots to include a watermark approved by the COE.

Requires all optical scanners used to tabulate votes to scan the hand-marked selections to the machine-printed text selections, and prohibits a QR code, bar code, or similar code that is unreadable by a human to be used as a marking to be scanned by an optical scanner for vote tabulation. Requires optical scanners be used to tabulate votes to create and save a digital image of each ballot scanned, and requires the Secretary of State (SOS) to make available on its website these digital images no later than the second Friday after an election.

Requires the county election commissions to complete address verification for any voter who has changed their address without notifying the election commission, at least quarterly and not less than 30 days after beginning the process. Requires the COE to transmit information regarding a voter's change of address to the county election commissions at least 30 days prior to the end of each quarter.

Requires each county election commission to conduct routine voter list maintenance to ensure that all voter registrations are being maintained and checking for accuracy of the voter registration list on a monthly basis.

Requires a driver license or photo identification license to have printed prominently on the front if the individual is not eligible to vote due to not being a citizen.

## FISCAL IMPACT:

STATE GOVERNMENT	
EXPENDITURES	General Fund
FY25-26	\$459,000
FY26-27	\$697,500
FY27-28	\$1,500,000
FY28-29	\$845,000
FY30-31 & Every Four Years Thereafter	\$247,500
FY32-33 & Every Four Years Thereafter	\$495,000

LOCAL GOVERNMENT	
EXPENDITURES	Mandatory
FY25-26	\$29,023,700
Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.	

OTHER FISCAL IMPACT
Assuming all 95 counties receive one challenge to relating to the qualifications of another person's right to vote, the increase in local expenditures would be \$48,300; however, the total increase in local expenditures cannot be reasonably estimated due to the unknown total of challenges each county will receive.

### Assumptions:

- Tennessee Code Annotated § 2-2-141(a) currently requires the COE to compare the statewide voter registration database with the DOS database, along with other state and federal agencies, including the systematic alien verification for entitlements (SAVE) program database, and county records, to ensure non-United States citizens are not registered to vote, and to notify the county election commission if a registered voter may not be a citizen.
- Requiring the COE to compare voter registration databased on a monthly basis, and authorizing the use of the social security database, naturalization records, public health and public assistance records, will not necessitate any increase in personnel or resources.
- The hearing and appeal process created in the proposed legislation relating to challenging the qualifications of another person's right to vote will result in an increase of approximately \$48,270 if all 95 counties each receive one challenge. However, the total increase in local expenditures cannot be reasonably estimated due to the unknown total of challenges each county will receive.
- In order to distribute updated voter registration forms that specify that a person who registers to vote by mail, online, or through certain agencies must appear in person to vote

in their first election, and that individuals voting absentee due to age must be at least 65, will result in a one-time increase in state expenditures of \$8,985 in FY25-26.

- According to information provided by the SOS, in order to create and save a digital image of each ballot that complies with the specifications of the proposed legislation, 51 counties will have to replace their voting machines, which will result in a mandatory one-time increase in local expenditures of \$29,023,680 in FY25-26.
- In order for the SOS to make available on its website these scanned digital images, it will have to contract with a third-party entity, which is estimated to result in an increase in state expenditures of \$450,000 in FY25-26 and FY26-27; \$1,600,000 in FY27-28; and \$350,000 in FY28-29.
- The SOS will be able to update its website to reflect the changes in in-person voting requirements by utilizing existing resources.
- In order to watermark all paper ballots, approximately 1,125,000 absentee, provisional, and emergency ballots would need to be watermarked in the FY26-27 elections, and every four years thereafter, at a cost of \$0.22 per ballot, for a total increase of \$247,500 ( $1,125,000 \times \$0.22$ ) in FY26-27 and every four years thereafter. For elections taking place in FY28-29 and every four years thereafter, double the amount of paper ballots is expected to be required, which will result in an increase of \$495,000 ( $\$247,500 \times 2$ ) in FY28-29 and every four years thereafter.
- Tennessee Code Annotated § 2-2-106(b) currently requires county election commissions to complete address verification programs to identify any voter who has changed their address without notifying the election commission no later than 90 days before a federal election.
- Requiring county election commissions to do verification programs quarterly, instead of once every other year, will result in an increase in workload to local election commissions.
- However, it is assumed that this can be handled by utilizing existing local resources.
- County election commission will also be able to conduct routine voter list maintenance by utilizing existing staffing, and without an increase in local expenditures.
- Passage of SB 6002 / HB 6001 during the First Extraordinary Session of the 114<sup>th</sup> General Assembly provided for DOS to contract with two relevant vendors to ensure driver licenses and photo identification licenses have it prominently on the front that the individual is not a citizen. Therefore, this provision can be accomplished without any increase in state expenditures.
- The proposed legislation will result in an increase in state expenditures of:
  - \$458,985 ( $\$8,985 + \$450,000$ ) in FY25-26;
  - \$697,500 ( $\$450,000 + \$247,500$ ) in FY26-27;
  - \$1,500,000 in FY27-28; and
  - \$845,000 ( $\$350,000 + \$495,000$ ) in FY28-29.
- There will also be a recurring increase in state expenditures of \$247,500 in FY30-31 and every four years thereafter, and of \$495,000 in FY32-33 and every four years thereafter.
- There will be a mandatory one-time increase in local expenditures of \$29,023,680 in FY25-26.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Executive Director