

Department of Legislative Services
 Maryland General Assembly
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FISCAL AND POLICY NOTE
 Revised

House Bill 740
 Ways and Means

(Delegates Cardin and Rosenberg)

Education, Health, and Environmental Affairs

Election Law - Online Voter Registration

This bill authorizes the State Board of Elections (SBE) to operate an online voter registration system that allows an individual to electronically apply to become a registered voter or change the individual’s name, address, or party affiliation in the individual’s existing voter registration record. For fiscal 2012 and 2013, a cumulative sum of up to \$250,000 of the balance in the Fair Campaign Financing Fund (FCFF) must be transferred to SBE to implement an online voter registration system. Any unused funds must revert to FCFF. The bill also specifies various methods by which a change in party affiliation or nonaffiliation may be made, including through the online voter registration system.

The bill takes effect June 1, 2011.

Fiscal Summary

State Effect: Special fund expenditures increase by \$245,000 over the course of FY 2012 and 2013 (shown below in FY 2012) to develop an online voter registration system. Revenues are not affected.

(in dollars)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	245,000	0	0	0	0
Net Effect	(\$245,000)	\$0	\$0	\$0	\$0

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

Local Effect: Local government expenditures increase by \$80,000 annually, upon implementation of an online voter registration system, to maintain the system. To the extent voter registration activity shifts to the online system, the ongoing costs of the system may be offset to at least some extent by savings in costs to administer voter registration through paper applications. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Potential minimal.

Analysis

Bill Summary: The bill authorizes SBE to operate an online voter registration system that allows an individual to electronically apply to become a registered voter or change the individual's name, address, or party affiliation in the individual's existing voter registration record.

The bill specifies procedures an individual must follow to apply to register to vote through the online voter registration system or to make a change to the individual's existing voter registration record, including that:

- the individual must provide (1) a Maryland driver's license number; (2) a Maryland identification card number; (3) if the individual is an absent uniformed services voter or an overseas voter and does not have a Maryland driver's license or identification card, a Social Security number; or (4) in the case of an individual with an existing voter registration record, a Maryland voter identification number on the individual's voter notification card; and
- the individual must affirmatively consent to the use of one of the following as the individual's signature for the application: (1) the electronic copy of the individual's signature on file with the Motor Vehicle Administration (MVA); (2) the individual's Social Security number; or (3) in the case of an individual with an existing voter registration record, the electronic copy of the individual's signature on file in the statewide voter registration list.

MVA must transmit an electronic copy of an individual's driver's license or identification card signature to SBE within five days of being notified by SBE that the individual submitted a voter registration application through the online voter registration system.

SBE is authorized to take any additional measures it deems necessary to ensure the integrity and accuracy of voter registration applications submitted through the online voter registration system and adopt any regulations necessary to administer the system.

The bill amends the Budget Reconciliation and Financing Act (BRFA) of 2009 (Chapter 487), as amended by the BRFA of 2010 (Chapter 484), to specify that, for fiscal 2012 and 2013, a cumulative sum of up to \$250,000 of the balance in FCFF must be transferred to SBE to implement an online voter registration system. The funds transferred must be used to pay costs associated with implementation of such a system that would otherwise be paid by local governments. The transfer may not reduce the

balance in FCFF below \$1 million. Any funds transferred that are not used to pay the cost of implementing an online voter registration system must revert to FCFF.

The bill also specifies various methods by which a change of party affiliation or nonaffiliation may be made, including through the online voter registration system.

Current Law:

Methods of Voter Registration

An individual may apply to become a registered voter through a number of means including (1) visiting an election board office; (2) by mail; (3) when applying for services at a voter registration agency (specified public and nongovernmental agencies designated by SBE, including agencies providing public assistance and services for individuals with disabilities, public higher education institutions, and military recruiting offices); or (4) when applying to MVA for issuance, renewal, or modification of a driver's license or identification card.

Fair Campaign Financing Fund

FCFF holds funds collected under the Public Financing Act (PFA), which provides for a system of public financing of election campaigns for candidates for Governor and Lieutenant Governor. Until recently, the fund generated revenue from a "tax add-on" on State personal income tax returns that allowed an individual to contribute up to \$500 to the fund on the individual's tax return. The tax add-on, however, was repealed in the BRFA of 2010. Both the BRFA of 2009 and the BRFA of 2010 authorized use of money in the fund for other purposes, indicating that the General Assembly had found that the fund could not operate as originally contemplated (*see Background*).

Background:

Online Voter Registration

The Pew Center on the States, a division of the nonprofit Pew Charitable Trusts, indicates in a November 2010 report ("*Upgrading Democracy: Improving America's Elections by Modernizing States' Voter Registration Systems*") that state voter registration systems "have been unable to keep up with technological advances or with America's rapidly changing – and increasingly transient – society," reducing the accuracy and integrity of the system and increasing maintenance costs. As evidence for the need for changes, the report cites an estimate that 2.2 million voters were unable to cast ballots during the 2008 general election due to problems with their voter registrations.

One improvement suggested by the Pew Center on the States is establishing means for voters to submit information online to limit manual data entry by election personnel and associated costs and potential for error. The center indicates that online voter registration systems have been demonstrated to be an effective method of voter registration in Arizona and Washington. SBE indicates that online voter registration is also available in a small number of other states.

Public Financing Act and Use of the Fair Campaign Financing Fund

With the exception of the 1994 gubernatorial race, the public campaign financing program for gubernatorial campaigns under PFA has not been used. A 2004 report by the Study Commission on Public Financing of Campaigns in Maryland found that the gubernatorial FCFF, from which public contributions are distributed, had rarely reached a functional level and that the expenditure limit that participating gubernatorial tickets are subject to under the law is more than likely “far below the minimum amount of funds needed to launch a credible campaign effort[.]”

The authorizations of the use of money in FCFF for other purposes in the BRFA of 2009 and 2010 were made after advice was given by the Attorney General that if the General Assembly finds that the fund cannot function as originally contemplated, it may constitutionally spend the money in the fund for other purposes that “as nearly as possible fulfill the general intent of the contributors to enhance the electoral process.”

As of the end of March 2011, the balance in FCFF is \$5,014,126. The BRFA of 2010 authorized \$150,000 and \$500,000 to be transferred out of FCFF in fiscal 2011 for a voting system study and implementation of an online campaign finance reporting system, respectively. Those transfers occurred in December 2010.

State Fiscal Effect: Special fund expenditures are expected to increase by \$245,000 over the course of fiscal 2012 and 2013 to develop an online voter registration system, utilizing funds transferred from FCFF. This estimate includes costs for (1) servers for the website (\$30,000); (2) creation of the website (\$103,000); and (3) programming updates to the State’s voter registration database to allow information to be accepted from the online system (\$112,000).

MVA and SBE are currently working on program requirements for implementation of a separate system that will allow for voter registration at MVA, and transfer of the registration information to SBE, all electronically. SBE advises that implementation of this MVA system will reduce costs of subsequently implementing an online voter registration system; however, funding has not been identified for the MVA system.

Local Fiscal Effect: Local government expenditures are expected to increase by \$80,000 annually, upon implementation of the online voter registration system, to maintain the system. This estimate reflects the expected annual costs of hosting the website (\$60,000) and website maintenance (\$20,000).

These costs are expected to be billed to the local boards by SBE in proportion to each county's voting age population. *For illustrative purposes*, if \$80,000 in increased costs is allocated among the counties, Montgomery County (representative of a large county) expenditures, for example, would increase by approximately \$13,500, while Cecil County (representative of a smaller county) expenditures would increase by approximately \$1,400.

To the extent voter registration activity shifts to the online system, the ongoing costs to maintain the system may be offset to at least some extent by savings in costs to administer voter registration through paper applications. The Pew Center on the States' November 2010 report includes information on jurisdictions that have experienced cost savings as a result of online voter registration.

Additional Information

Prior Introductions: None.

Cross File: SB 806 (Senator Young, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): State Board of Elections; Maryland Department of Transportation; Comptroller's Office; Baltimore City; Allegany, Harford, Montgomery, and Wicomico counties; Department of Legislative Services

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