

Date of Hearing: May 10, 2017

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
Lorena Gonzalez Fletcher, Chair  
AB 668 (Gonzalez Fletcher) – As Amended May 2, 2017

Policy Committee: Elections and Redistricting Vote: 5 - 1

Urgency: No State Mandated Local Program: No Reimbursable: No

**SUMMARY:**

This bill places a \$450 million bond act on the June 5, 2018, statewide primary election ballot and, upon voter approval, authorizes the use of those bond funds to match county funds for the purchase of specified voting equipment and related technology. These bonds are required to be repaid within 10 years of the date they are issued.

**FISCAL EFFECT:**

- 1) GF debt service costs in the tens of millions of dollars annually if voters approve the bond act, depending on the timing of when bonds are issued and interest rates at that time. For example, assuming \$100 million of the bonds are sold the first year, and the remaining \$350 million are sold at an even rate over the following 10 years, at a rate of 5 percent interest, the repayment of the bonds would cost about \$13 million in the first year and grow annually until reaching a maximum of almost \$55 million annually in ten years. The debt service costs would then decline annually thereafter for the next ten years until the bonds are fully repaid.
- 2) One-time GF costs of several hundred thousands of dollars for printing and mailing costs to place the measure on the ballot on June 5, 2018. For example, at a cost of \$69,000 per page in the voter guide, assuming a total of six pages, the cost would be \$414,000 to place this measure on the ballot. The actual costs would depend on the length of the title and summary, analysis by the Legislative Analyst's Office, proponent and opponent arguments, and text of the proposal.

**COMMENTS:**

- 1) **Background.** After the 2000 Presidential election, California and the federal government enacted legislation designed to modernize elections, including providing significant new funding to replace voting systems. In California, AB 56 (Shelley), Chapter 902, Statutes of 2001, authorized the sale of \$200 million in bonds for counties to use for the purchase of updated voting systems. In addition, the state received federal funds to replace voting systems.
- 2) **Purpose.** According to the author, "Many voting machines are a decade old or even more, and need to be modernized in order to ensure our elections continue to be reliable. As voting systems age, the risks of failures or crashes increase. It is essential that investments in upgrading technology are made now, rather than waiting for our machinery to fail and possibly jeopardize electoral outcomes." The author also states, "In addition to aging equipment and software, counties looking to transition to the vote center model of elections

allowed under SB 450 (Allen 2016) will be able to save money in the long run but may need investments now in new systems for this new model of elections.”

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