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FISCAL AND POLICY NOTE
Preliminary

MC 19-18

(Montgomery County Delegation)

Montgomery County - Ranked Choice Voting MC 19-18

This proposed bill authorizes the Montgomery County Council to adopt, by law, a ranked choice voting system for specified elections.

The bill takes effect January 1, 2019.

Fiscal Summary

State Effect: If Montgomery County adopts a ranked choice voting system in advance of the 2020 elections, and the system affects offices voted on in those elections, general fund expenditures increase by approximately \$47,500 in FY 2020, reflecting increased paper ballot costs. Similar increased paper ballot costs are incurred in future years. The expenditure increases may be delayed and/or limited to fiscal years in which gubernatorial elections occur if a system is adopted at a later date and/or only affects gubernatorial elections.

Local Effect: If Montgomery County adopts a ranked choice voting system in advance of the 2020 elections, and the system affects offices voted on in those elections, Montgomery County expenditures increase by \$912,600 over the course of FY 2019 and 2020, reflecting various implementation costs. Certain implementation costs continue to be incurred in future years, at a reduced overall level. The expenditure increases may be delayed and/or limited to fiscal years in which gubernatorial elections occur if a system is adopted at a later date and/or only affects gubernatorial elections.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill authorizes the Montgomery County Council to adopt, by law, a ranked choice voting system for elections for county executive, member of the county council, judge of the circuit court, State's Attorney, clerk of the circuit court, register of wills, judge of the orphans' court, sheriff, or member of the board of education. The enacted local law may provide for the ballot format, procedures for tabulating votes, and any other provision necessary to implement ranked choice voting. "Ranked choice voting" means a method of casting and tabulating votes in which voters rank candidates in order of preference, and votes are tabulated in a manner that reflects voter preference.

Current Law/Background:

Current Electoral Process under State Election Law

State election law, which generally governs all elections except municipal elections (other than in Baltimore City), requires that the electoral process for primary elections, general elections, and special elections be uniform, except where it would be inappropriate, or where exceptions are provided for in the law. With some exceptions, in elections governed by State election law, voters are able to choose in each race a number of candidates equal to the number of offices being filled in that race (*e.g.*, one candidate in a State Senate race and three candidates in some House of Delegates races), and the winners are nominated or elected based on which candidates receive the greatest number of votes.

Ranked Choice Voting

Ranked choice voting is a system in which voters, rather than choosing a candidate or candidates for an office, rank the candidates for an office by their preference for each candidate. The manner in which the ranked choice voting results are tabulated can differ, and, in the case of this bill, the tabulation is described broadly as being conducted "in a manner that reflects voter preference." The bill authorizes the Montgomery County Council to determine the procedures for tabulating votes.

A common method of ranked choice voting tabulation, as described by the National Conference of State Legislatures (NCSL), is (1) the ballots are counted per each voter's number-one preference; (2) if no candidate receives 50% or more in that first round, the candidate with the fewest number of votes is eliminated, and the votes are counted again; (3) if a voter's number-one choice was the eliminated candidate, then the vote is given to that voter's second-choice candidate; and (4) the elimination process is repeated until one candidate tops 50%.

In Maryland, the City of Takoma Park has used ranked choice voting in municipal elections since 2007. NCSL indicates that other cities that use ranked choice voting include Cambridge, Massachusetts; Minneapolis and St. Paul, Minnesota; and San Francisco, Oakland, and other Bay Area cities in California. Ranked choice voting was authorized for use in statewide elections in Maine through a citizen initiative in 2016. However, following a May 2017 advisory opinion from the Maine Supreme Judicial Court that the law conflicts with the Maine Constitution, legislation was enacted in fall 2017 that delays the law's implementation and repeals it December 1, 2021, if relevant changes are not made to the constitution by then.

State Fiscal Effect: If the Montgomery County Council adopts a ranked choice voting system for one or more of the offices listed in the bill in advance of the 2020 elections (and the system is used for an office voted on in the 2020 presidential elections), general fund expenditures increase by approximately \$47,500 in fiscal 2020, reflecting the State's share of increased paper ballot costs during the 2020 primary election. Pursuant to Chapter 564 of 2001, the State shares costs of the statewide voting system with the counties, including the cost of printing ballots. Similar general fund expenditure increases occur in future years (fiscal 2021 – \$89,900; fiscal 2022 – \$21,200; fiscal 2023 – \$49,700).

This estimate assumes that an additional ballot card (\$0.215 per card) will need to be added to each voter's ballot because of a greater amount of space needed for the ranked choice voting races on the ballot and/or to separate the ranked choice voting races from other races on the ballot for clarity. Future years reflect ongoing increased ballot costs for the 2020 general election and future statewide elections.

If the Montgomery County Council adopts a ranked choice voting system at a later date, or only uses ranked choice voting for races voted on during the gubernatorial elections, the above expenditure increases are delayed accordingly and/or limited to years in which gubernatorial elections occur.

Local Fiscal Effect: If the Montgomery County Council adopts a ranked choice voting system for one or more of the offices listed in the bill in advance of the 2020 elections (and the system is used for an office voted on in the 2020 presidential elections), Montgomery County expenditures increase by approximately \$912,600 over the course of fiscal 2019 and 2020, reflecting county costs associated with establishing the ranked choice voting system and implementing it for the 2020 primary election. While much of the implementation will also involve the State Board of Elections (SBE), it is assumed that most of these costs are paid for by the county, either directly, or by being billed for the costs by SBE. The estimate includes the following costs:

- Subject matter expert(s) – \$304,100 (based on costs associated with subject matter experts under the current voting system contract, assuming a similar individual, or

a combination of individuals focusing on different aspects of ranked choice voting implementation, would need to embed with the Montgomery County Board of Elections to assist with the implementation);

- Programming to integrate Montgomery County ranked choice voting into the SBE election management system – \$315,000 (based on programming costs for SBE’s new election management system that is in development and assuming accommodation of ranked choice voting in the system would require significant additional programming);
- Independent verification of tabulation method – \$50,000 (based on costs incurred by Minneapolis for verification of the city’s ranked choice voting tabulation method; the cost of the development of, or procurement of services for, a tabulation method in Montgomery County has not been quantified but is not expected to be a significant additional cost);
- Increased ballot costs – \$47,500 (mentioned above under State Fiscal Effect, shared by SBE and the county);
- Voter outreach – \$160,000 (based on an approximate cost to send a direct mailing on ranked choice voting to voters in advance of the specimen ballots; though this amount could also be used instead for design and coordination of a broader voter outreach campaign using social media, etc.); and
- Increased specimen ballot costs – \$36,000 (based on an assumed minimum of a 20% increase in the cost of printing and mailing specimen ballots to include additional pages for longer ballot images and for ranked choice voting educational content).

Implementation costs continue in future years but at a reduced overall level (fiscal 2021 – \$387,200; fiscal 2022 – \$217,200; fiscal 2023 – \$245,700), reflecting the cost of a subject matter expert (or experts) for a portion of fiscal 2021 (for the 2020 general election) and continuing increased paper ballot costs and voter outreach.

If the Montgomery County Council adopts a ranked choice voting system at a later date or only uses ranked choice voting for races voted on during the gubernatorial elections, the above expenditure increases are delayed accordingly and/or limited to years in which gubernatorial elections occur.

Additional Information

Prior Introductions: HB 1116 of 2016, a similar bill, received a hearing in the House Ways and Means Committee, but no further action was taken.

Cross File: Unavailable at this time.

Information Source(s): State Board of Elections; Montgomery County; City of Takoma Park; National Conference of State Legislatures; Minneapolis Elections and Voter Services; FairVote; Maine Legislature; Maine Supreme Judicial Court; Department of Legislative Services

Fiscal Note History:

md/hlb

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