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January 5, 2001

Hon. Bill Lockyer
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Tricia Knight
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9005, we have reviewed the proposed initiative cited as the "Electoral Freedom of Choice and No Wasted Votes Act" (File SA2000RF0028).

PROPOSAL

This measure would establish a system in which voters would rank their choices for any elective office in California, and those rankings would be used to hold an "instant runoff election." Specifically, ballots would be counted in rounds, in which the candidate with the least number of votes would be eliminated, and the votes cast for that candidate would be reallocated to each voter's second-ranked candidate for that office. The ballots would be tabulated again, and the votes for the candidate with the least number of votes would be reallocated to each voter's next highest ranked candidate who has not yet been eliminated. This process would be repeated until all but one candidate has been eliminated. The last remaining candidate would be declared the winner.

This initiative would require the Secretary of State to develop uniform standards for ballots and ballot counting devices capable of tabulating votes for an instant runoff election. The Secretary of State may also require the use of specified brands of equipment, and must certify whether voting equipment selected by local governments meet official stan-

dards. Furthermore, the state would be required to reimburse local governments for any funds expended to purchase voting equipment to meet those standards if the devices being replaced do not meet the new standards.

FISCAL EFFECT

Local Governments. This measure would probably result in minor costs to local governments to redesign election ballots and educate voters on how to use the system. In addition, local governments may also incur minor costs for operating and storing the voting equipment. These costs could be partially offset to the extent that local governments realize some savings by avoiding the cost of conducting subsequent runoff elections.

State Government. The Secretary of State has estimated that the costs to the state of developing standards for instant runoff election voting equipment would be minimal, particularly since the Secretary of State has already certified a touch screen voting system that can be configured for "instant runoff voting." However, the Secretary of State would incur one-time costs of up to \$2 million to reprogram the CalVoter system, to enable the state to receive instant runoff voting data and report it on election night.

According to the Secretary of State's office, implementing the initiative would require counting all ballots by *hand* or the use of a *touch screen* voting system, since it is infeasible to use existing optical scanner or punch card systems to implement this initiative. Assuming that all counties elect to use touch screen voting systems, the cost to reimburse local governments for equipment purchased to implement the initiative would be about \$375 million.

SUMMARY

This measure would likely result in additional one-time costs to the state of at least \$375 million.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

B. Timothy Gage
Director of Finance