

HF3276 - 0 - Ranked Choice Voting

Chief Author: **Cedrick Frazier**  
 Committee: **Elections Finance & Policy**  
 Date Completed: **2/22/2024 7:26:10 PM**  
 Lead Agency: **Secretary of State**  
 Other Agencies:  
     Administrative Hearings

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
<b>Local Fiscal Impact</b>		
	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
<b>Administrative Hearings</b>	-	-	-	-	-	-
Administrative Hearings	-	-	-	-	-	-
<b>Secretary of State</b>						
General Fund	-	-	209	75	75	
<b>State Total</b>						
Administrative Hearings	-	-	-	-	-	-
General Fund	-	-	209	75	75	
<b>Total</b>	-	-	<b>209</b>	<b>75</b>	<b>75</b>	
<b>Biennial Total</b>			<b>209</b>			<b>150</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Secretary of State					
General Fund	-	-	1	1	1
<b>Total</b>	-	-	<b>1</b>	<b>1</b>	<b>1</b>

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Susan Nelson    **Date:** 2/22/2024 7:26:10 PM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>	<b>Biennium</b>			<b>Biennium</b>	
Dollars in Thousands	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>	<b>FY2027</b>
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Secretary of State					
General Fund	-	-	209	75	75
<b>Total</b>	<b>-</b>	<b>-</b>	<b>209</b>	<b>75</b>	<b>75</b>
<b>Biennial Total</b>			<b>209</b>		<b>150</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	12	-	-
Secretary of State					
General Fund	-	-	209	75	75
<b>Total</b>	<b>-</b>	<b>-</b>	<b>221</b>	<b>75</b>	<b>75</b>
<b>Biennial Total</b>			<b>221</b>		<b>150</b>
<b>2 - Revenues, Transfers In*</b>					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	12	-	-
Secretary of State					
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>
<b>Biennial Total</b>			<b>12</b>		<b>-</b>

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 Agency: **Secretary of State**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	209	75	75	
<b>Total</b>	-	-	<b>209</b>	<b>75</b>	<b>75</b>	
<b>Biennial Total</b>			<b>209</b>		<b>150</b>	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	1	1	1
<b>Total</b>	-	-	<b>1</b>	<b>1</b>	<b>1</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	209	75	75
<b>Total</b>		-	-	<b>209</b>	<b>75</b>	<b>75</b>
<b>Biennial Total</b>					<b>209</b>	<b>150</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	-	-	209	75	75
<b>Total</b>		-	-	<b>209</b>	<b>75</b>	<b>75</b>
<b>Biennial Total</b>					<b>209</b>	<b>150</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>					-	-

**Bill Description**

This legislation establishes ranked choice voting, allowing counties, cities, and school districts to adopt ranked choice voting as the method of voting if the elections are not held in conjunction with a state general election. The legislation allows jurisdictions to adopt ranked choice voting on or after January 2025. Any city, county, or school district adopting ranked choice voting must notify the Office of the Secretary of State (OSS). The legislation prescribes ballot formatting for ranked choice voting, including if a mixed election ballot is necessary. The legislation prescribes basic requirements for tabulation in single seat and multiple seat elections, and the minimum requirements for precinct election results reporting. The legislation also creates a general framework for conducting a recount and post-election review in ranked choice voting elections. The legislation also provides for rulemaking authority with the OSS if the OSS determines that rulemaking is necessary to implement ranked choice voting.

The legislation also makes conforming changes to specific statutes to implement ranked choice voting, as well as requires any new voting system purchased in Minnesota be compatible with ranked choice voting. The OSS is required to certify that any new equipment meet the requirements of ranked choice voting, and any jurisdiction adopting ranked choice voting must use equipment certified by the OSS for ranked choice voting or be certified at the local level.

**Assumptions**

The OSS assumes that the OSS will need to create an entire new rule chapter to reflect ranked choice voting procedures, representing a medium rule under the cost estimate for rulemaking as established by the Department of Health rulemaking cost estimate (<https://www.health.state.mn.us/data/rules/manual/docs/cost-inf.docx>). The OSS does not incur Attorney General legal costs as part of rulemaking, and so the OSS only assumes the additional medium rulemaking costs of programing staff, rules staff, clerical support, state registrar fees, and Administrative Law Judge fees.

It is not known whether, or how many, jurisdictions would adopt ranked-choice-voting under this bill's local option provisions. Five jurisdictions already use ranked-choice-voting for their municipal elections, which are currently held in years other than state elections. However, most local elections are now held in the even numbered year, coinciding with state elections. The OSS has not previously provided support to ranked choice voting jurisdictions because the procedures for ranked choice voter were established in the city charter and not in state law. With the adoption of statewide ranked choice voting standards, the OSS will need to provide administrative support to counties, cities, and school districts as they adopt ranked choice voting. While it is unclear the number of jurisdictions that will choose to adopt ranked choice voting under the local option provision, the OSS anticipates increased staffing needs in order to support local jurisdictions is, at minimum, one additional full-time election administrator. The OSS anticipates this cost will be an ongoing cost.

This fiscal note also assumes that the secretary of state will not report election results beyond the first round results for

any jurisdiction that has adopted ranked-choice-voting. Persons inquiring about results in subsequent rounds will be referred to the websites of the local jurisdictions. The OSS assumes a small amount of changes to the OSS election night reporting page will be necessary to expand the reporting of first round results by those jurisdictions adopting ranked choice voting.

**Expenditure and/or Revenue Formula**

	FY2024	FY2025	FY2026	FY2027
ALJ Costs for Rulemaking		12,250		
OSS Costs for Rulemaking		115,444		
Implementation Staffing		75,000	75,000	75,000
Election Night Reporting		6,300		
<b>TOTAL</b>		<b>208,994</b>	<b>75,000</b>	<b>75,000</b>

**Long-Term Fiscal Considerations**

The vast majority of the costs in this bill are one-time costs associated with rulemaking. The costs of ongoing election administration support of local governments adopting ranked choice voting will be ongoing.

**Local Fiscal Impact**

Local governments will incur costs associated with adopting ranked choice voting, including potentially new equipment purchases, potential costs if they are required to print an additional ballot, and training costs for election judges and election officials.

**References/Sources**

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**Agency Contact:**

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Chief Author: **Cedrick Frazier**  
 Committee: **Elections Finance & Policy**  
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 Agency: **Administrative Hearings**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Chloe Burns      **Date:** 2/22/2024 5:12:59 PM  
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**State Cost (Savings) Calculation Details**

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Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Administrative Hearings	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>	-	-	-	-	-	-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Administrative Hearings	-	-	-	12	-	-
<b>Total</b>	-	-	-	12	-	-
<b>Biennial Total</b>	-	-	-	12	-	-
<b>2 - Revenues, Transfers In*</b>						
Administrative Hearings	-	-	-	12	-	-
<b>Total</b>	-	-	-	12	-	-
<b>Biennial Total</b>	-	-	-	12	-	-

**Bill Description**

SF3668/HF3276 authorizes the Office of the Secretary of State (OSS) to conduct rulemaking related to establishing a taskforce to make recommendations on implementing ranked choice voting.

**Assumptions**

The Office of Administrative Hearings (OAH) in consultation with Minnesota Management and Budget (MMB) assesses agencies the cost of services rendered to them. All agencies shall include in their budgets provisions for such assessments.

OAH has used OSS’s assumption that a medium rulemaking will be required to meet the requirements of Sec. 14, Rules; Local Option Ranked Choice Voting. Based on past practices, OAH assumes that a medium rulemaking under chapter 14 will require an estimated 50 hours of administrative law judge (ALJ) time for activity related to rulemaking procedures.

OAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$245 per hour (see Minn. Stat. § 16A.126, subd. 1 (2022)).

**Expenditure and/or Revenue Formula**

Estimated 50 hours of ALJ time for rulemaking activities in FY25 related to implementing the requirements of Sec. 14, Rules; Local Option Ranked Choice Voting = 50 hours x \$245/hr = \$12,250 charged to OSS in FY2025 pursuant to the requirements of Minn. Stat. § 14.53.

**Long-Term Fiscal Considerations**

Costs associated with the rulemaking activities are a one-time occurrence.

**Local Fiscal Impact**

**References/Sources**

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