

BALLOT PROPOSITION # 121

FISCAL ANALYSIS

Description

Proposition 121, if approved by voters, would replace the partisan primary election with an open “top two” primary election. Regardless of party affiliation, all candidates would appear on a single primary ballot and the 2 individuals with the most votes would advance to the general election. If more than 1 candidate is to be elected to an office, the number of candidates who will advance to the general election is the number of candidates to be elected times 2.

This Constitutional Amendment would apply to most elections occurring after January 1, 2014.

Estimated Impact

State law requires the Joint Legislative Budget Committee Staff to prepare a summary of the fiscal impact of certain ballot measures. Proposition 121 would replace the partisan primary election with an open “top two” primary election. The state government is currently responsible for the cost of sample ballots sent to voters. By consolidating the different types of party sample ballots, Proposition 121 is projected to reduce printing costs and result in a state government savings of \$(165,000) to \$(278,000).

Local governments currently pay the other primary election expenses. Proposition 121 is expected to increase these expenses due to greater production and mailing of ballots primarily to independent voters on the early voting list who do not currently receive a primary ballot. The open primary may also increase the number of ballot pages. The additional local government cost is projected to range from \$440,000 to \$2 million.

Analysis

In lieu of there being a single source for statewide primary election costs, we asked Maricopa County to provide a cost estimate.

State Impact

Local governments cover the costs of elections; however, the state reimburses the counties for some costs through the Secretary of State. The state’s main election costs come from reimbursing counties for the printing and mailing of primary and general election sample ballots to all registered voters who are not on the early voting list (early voters do not receive sample ballots). Separate sample ballots are currently printed for the 5 officially recognized parties in Arizona.

The state’s sample ballot costs are projected to decline with an open “top two” primary. Proposition 121 would consolidate all parties onto 1 sample ballot, which would reduce the number of ballot styles. Maricopa County, for example, currently has 5,160 different ballot styles. There are different ballot styles for each of the 1,032 precincts and split precincts within the county multiplied by the 5 official parties. Proposition 121 would reduce the number of ballot styles in Maricopa County from 5,160 to 1,032, thereby reducing production costs.

While the total number of sample ballots to be produced will remain the same, the size of the ballot would increase to accommodate all of the candidates. The cost of printing a larger sample ballot will somewhat offset the savings from fewer ballot styles.

Maricopa County estimates that the impact of these changes will generate a net savings of \$(165,000) for the state’s primary election sample ballot cost in their county. If this savings can be extrapolated statewide, the overall state savings would be \$(278,000). *See Table 1.*

(Continued)

Local Impact

Local governments are responsible for the costs of producing official primary ballots and mailing early primary ballots. Proposition 121 would have the following impacts:

- Similar to the sample ballots, the printing costs of the official primary ballots would be reduced with the elimination of separate ballots for each party, which may significantly reduce the number of ballot styles for a given county. Maricopa County estimates a cost savings of \$(160,000) for a primary election’s official ballots.
- Production and mailing costs would increase, as all independent early voters would now receive a primary ballot. Unless they request a specific party ballot, independent early voters currently receive no primary ballot in the mail. Only 10% of all independent early voters in Maricopa County request primary election ballots. By expanding ballot distribution to the remaining independent voters, Maricopa County estimates that this requirement would increase primary election costs in their county by \$600,000.
- The proposition could increase the number of pages for official primary ballots as candidates from the 5 recognized parties would now be included on 1 primary ballot. Counties have traditionally attempted to keep ballots to 1 page, front and back, because moving to an additional page significantly increases printing and mailing costs. Laws 2012, Chapter 353, which consolidates all local candidate elections to primary and general election dates in even-numbered years, will already increase the size of the primary and general election ballots, potentially increasing the ballots to 2 pages. If Chapter 353 already increases the ballot size to 2 pages and the proposition does not result in additional pages beyond the 2 pages, then the net impact of this proposition on ballot size is \$0. If, however, the proposition itself causes an increased number of ballot pages, then there would be increased printing and postage costs. Maricopa County estimates that the production cost of a 2-page ballot and increased postage for a primary election in their county would be \$760,000.

We estimate the low-end cost to local governments to be \$440,000, which includes the \$600,000 cost of producing and mailing a single page ballot to independent early voters and the \$(160,000) cost savings from the reduced ballot styles in Maricopa County alone. If the open primary causes a 2-page ballot, the Maricopa County estimate would increase by \$760,000. The total Maricopa County cost could then be as high as \$1.2 million – the \$440,000 net low-end cost plus \$760,000 for a 2-page ballot.

Extrapolating the Maricopa County estimate of \$1.2 million, based on relative voter registration figures, would make the total statewide cost as high as \$2 million. *See Table 1.*

The fiscal impact of Proposition 121 to both state and local government is depicted in *Table 1.*

Table 1

Fiscal Impact of Proposition 121

	<u>Low Estimate</u>	<u>High Estimate</u>
State Government	\$ (165,000)	\$ (278,000)
Local Government	\$ 440,000	\$ 2,022,000

Local Government Impact

See discussion above.

9/10/12

This estimate was prepared by Brett Searle (602-926-5491).