

REIMBURSE LOCAL SPECIAL ELECTION COSTS

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House Bill 4033 (H-1) as reported from committee

Sponsor: Rep. Veronica Paiz

Committee: Elections

Complete to 3-31-23

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4033 would add a new section to the Michigan Election Law that would require the state to reimburse local units of government for the cost of conducting a special election to fill a vacancy for a state legislative office if the election is called by the governor and is held on a date other than a regular election date. The bill includes language of legislative intent that funding for the reimbursement would be appropriated from the general fund.

To qualify for reimbursement, a county, city, or township would have to submit its account of the costs of the special election to the Department of Treasury within 90 days after the election. The Department of Treasury and Secretary of State would be responsible for determining the costs that would be eligible for reimbursement, which could not include the salaries of permanent local officials or the cost of reusable election supplies and equipment.

If the state disputes an account, it would have to send a notice listing the reasons for the disapproval to the appropriate county, city, or township. The local unit could then request that the state review the disapproved costs. If an account is not disputed, the state would have to reimburse the county, city, or township within 90 days of receiving it.

Proposed MCL 168.634b

FISCAL IMPACT:

House Bill 4033 would require additional reimbursements to be made to local units of government each time a primary or general special election is held on a date when no other election is held. The costs would not be covered by annual appropriations to the Department of State and would likely require additional appropriations. Adjusting past costs for inflation, the average cost of a special election per city or township jurisdiction is estimated at approximately \$6,000 per election, and the average cost per county is estimated at approximately \$43,600. Special elections requiring a primary and general election on dates other than a regular election date would double the cost, to an average of \$12,000 per jurisdiction and \$87,200 per county.

Prior years' costs do not reflect the costs of elections following approval of Ballot Proposal 2 of 2022, which increased costs to both the state and local clerks by requiring early election voting sites, among other election administration requirements. County, city, and township clerks anticipate substantially higher election administration costs related to Proposal 2 requirements, but are still in the process of estimating those costs.

In 2022, four special elections were held in March when no other election was scheduled, with each race covering an average of four jurisdictions and one county. Under 2022 PA 166, \$600,000 was appropriated for FY 2021-22 from general fund revenue to the Department of State. Final reimbursements totaled \$435,500. The average cost per race was \$87,100 including cities, townships and counties. The average cost per jurisdiction was \$22,100. All four of these races were held in larger urban communities. Costs would be significantly lower in smaller and rural election districts.

Since 2013, 15 primary and general special elections have been held in March and May. Regular election dates are often scheduled in August and November. However, March and May are more likely not to have elections scheduled, which would require state reimbursements under the bill.

POSITIONS:

The following entities indicated support for the bill:

- Department of State (3-7-23)
- Lansing City Clerk (3-7-23)
- Michigan Association of Counties (2-21-23)
- Michigan Association of County Clerks (2-21-23)
- Michigan Association of Municipal Clerks (2-21-23)
- Michigan Municipal League (2-21-23)
- Michigan Townships Association (2-21-23)
- Ottawa County (2-21-23)
- Promote the Vote (2-21-23)
- Southeast Michigan Council of Governments (SEMCOG) (2-21-23)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.