

**LOCAL GOVERNMENT  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 11, 2015

Agency Submitting: Local Government

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2014-15</b>	<b>Fiscal Year 2015-16</b>	<b>Fiscal Year 2016-17</b>	<b>Effect on Future Biennia</b>
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses  
**A.B. 209 / BDR 24 - 816**

City/County: **City of Henderson**

Approved by: Mike Cathcart, Business Operations Manager

Comment: The fiscal impact of this legislation cannot be calculated at this time. The bill would require county and city clerks to establish and maintain audit trails for each process of an election followed by an audit of each election; sets security requirements for operating systems, hardware and software used in conducting elections; revises provisions related to recounts. The majority of these requirements would fall on the County Election Department however additional costs for implementing these changes would impact the City as well. Based on information obtained from the County Election Department the requirements of this bill would be very labor intensive, but the costs cannot be calculated at this time.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Las Vegas**

Approved by: Michelle Thackston, Administrative Secretary

Comment: The City Clerk's Office states that this BDR could have a fiscal impact if the City is required to maintain an audit trail, pay for an election audit, and/or vet all election computer hardware/software. While the majority of the audit responsibility will fall upon Clark County Election Department, we believe that any cost incurred by them will be pushed out to their clients (i.e. local municipalities). And for areas that we would have to contract a certified fraud examiner or CPA, we would incur those costs as well. There would also be a cost associated with additional administrative costs, staff time, the cost of contracting a certified fraud examiner or public accountant, pushed-out contracting costs incurred by CCED. It is difficult to determine these costs but they could be significant.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

City/County: **City of Reno**

Approved by: Ryan High, Budget/Strat. Initiatives Mgr.

Comment: After initial review, there is minimal to no fiscal impact to the City of Reno.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>City of Sparks</b> Approved by: Jeff Cronk, Financial Services Director Comment: No Impact				
<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>Carson City</b> Approved by: Nickolas A. Providenti, Finance Director Comment: This bill would have a fiscal impact to Carson City. We estimate that we would need at least 1 additional FTE and 4 part-time workers to work the year of the election for documenting every process in the office. Also we would need to hire an auditor to certify the election. We estimate the cost of the FTE with benefits to be \$75,000 per year. The 4 part time workers would be \$12,000 and we estimate the cost of the Certified Fraud Examiner or CPA to be \$10,000.				
<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Has Impact	\$0	\$97,000	\$75,000	\$172,000

City/County: <b>Churchill County</b> Approved by: Eleanor Lockwood, County Manager Comment: Bill 24-816 would require the County Clerk to establish and maintain audit trails for each process and require the County to engage the services of a certified fraud examiner or CPA to perform an audit of each election. The establishment of the internal controls and risk assessment associated with the election process to create an audit trail is likely to cost approximately \$10,000 in the first year. The annual audit by the CPA or fraud examiner is likely to cost \$25,000 per election.				
<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Has Impact	\$10,000	\$25,000	\$25,000	\$25,000

City/County: <b>Clark County</b> Approved by: David Dobrzynski, Assistant Director of Finance Comment: Fiscal impact undeterminable, Response from our current CPA firm stated that it would cost the Election Department at least \$100,000+ per election, depending on the type of election / number of polling sites set up.				
<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

City/County: **Elko County**

Approved by: Cash A. Minor, Assistant County Manager/CFO

Comment: Has Impact

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Has Impact	\$0	\$10,000	\$20,000	\$30,000

City/County: **Humboldt County**

Approved by: Sondra Schmidt, Comptroller

Comment: Significant impact both fiscally and time wise. This requires certification of an election in a manner that may require the purchase of a new election system. Unable to determine impact. Review the cost for a CPA audit of our Court processes to estimate. Note that Court audit is only every four years. This would require audits two (2) times every other year.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

City/County: **Lincoln County**

Approved by: Denice Brown, Administrative Assistant

Comment: This bill will have a significant fiscal impact upon Lincoln County. At this time we would estimate \$3000-\$5000.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Has Impact	\$0	\$5,000	\$5,000	\$0

City/County: **Washoe County**

Approved by: Liane Lee, Government Affairs Manager

Comment: Sec. 6 & 7 - Establish and maintain an audit trail for what is defined as “each process involved in the conduct of an election” is extremely broad in scope which is not reasonably practical or feasible to accomplish. Sec. 8 - The requirement to contract with a certified fraud examiner to audit each election would be very costly. Again, the scope would require a highly skilled team to perform the audit described, which would be very costly. Election books and processes are already available to the public to inspect and view, observers are also allowed to view election processes through the election cycle, and we are required to submit extensive reporting to the Secretary of State’s office after each election in various overlapping areas as this bill stipulates. . Security and verification of systems is also already required and submitted to the SOS. The scope and timeframe of an audit for each election will also increase the costs. It is a very broad spectrum of duties to perform and the timeframe of the audit is 30 days after the election, with reporting within 60 days. This will require more than one person to perform, which will increase the cost of an audit significantly. Sec. 9 & 11 - Specifically, subsections 2 and 3, at this time, are not technically feasible in our existing environment. Our systems are not singularly linked in any way, and therefore we have no ability to detect and create records of the type outlined in this bill, in a single program that would work with all of our systems, or be able to track each “transmission of data” by user. At this time, our election equipment is secured, independent, and only accessed by authorized personnel. It is doubtful that we could even comply fully with this section at all as written and unclear whether or not the technical ability is available as well.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$150,000	\$225,000	\$0	\$225,000

City/County: **White Pine County**

Approved by: Elizabeth Frances, Finance Director

Comment: The addition of auditing requirements for elections will add an unfunded mandate to the County's budget. The scope and cost of each audit is unknown and therefore a precise cost cannot be estimated at this time. However, it will have adverse impact on the County in the form of increased expense.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

**The following cities/counties did not provide a response:** Boulder City, City of Elko, City of Mesquite, City of North Las Vegas, Douglas County, Esmeralda County, Eureka County, Lander County, Lyon County, Mineral County, Nye County, Pershing County, and Storey County.