

ECONOMIC IMPACT ASSESSMENT

(Government Code section 11346.3(b))

Current regulations require ballot tally source code to be stored in escrow. The current ballot tally regulations were promulgated in 1995 and have not been changed since. AB 829 and SB 360 added election management system, ballot marking system, and voting systems source codes to be placed in escrow, respectively.

The purpose of revising sections 20610 through 20682 of Title 2, Division 7, Chapter 6 of the California Code of Regulations is as follows:

1. Reflect the changes in current business practices
2. Remove requirements that are no longer relevant
3. Add EMS source code in accordance with AB 829 (Fong)
4. Replace ballot tally software program source code with the term “voting system source code(s)” in accordance with SB 360 (Padilla)
5. Add ballot marking system source code(s) in accordance with SB 360 (Padilla)

In accordance with Government Code Section 11346.3(b), the Secretary of State has made the following assessments regarding the proposed regulation:

Creation or Elimination of Jobs Within the State of California

In revising the regulations relating to the escrow of source codes, no jobs in California will be created or eliminated.

Creation of New or Elimination of Existing Businesses Within the State of California

In revising the regulations relating to the escrow of source codes, no new businesses in California will be created or existing businesses eliminated.

Expansion of Businesses or Elimination of Existing Businesses Within the State of California

In revising the Escrow of Source Codes regulations, businesses that could expand or be eliminated include voting system, election management and source code escrow companies.

Benefits of the Regulations

The proposed regulations and amendments to existing regulations were drafted to include EMS source codes pursuant to AB 829, replace ballot tally software program source with the term “voting system source code(s)” pursuant to SB 360, add ballot marking system source code(s) pursuant to SB 360, and update the existing regulations to reflect current business practices and process.

The benefits of the proposed regulations include clarification to allow additional source code escrow companies the ability to be certified which in turn will give them the opportunity to gain new business.