Selling of Surplus Voting Equipment

Background

On September 16, 2002, the Voting Modernization Board (Board) adopted policies and procedures regarding the distribution and use of the bond funds authorized by the passage of Proposition 41. One policy that was adopted stated that if a county were to receive a rebate or reduction in the price of a voting system, the county shall refund the Board in the same proportion that that the state provided funding for the voting system. (See Item 5 of CCROV memorandum # 02282, dated September 20, 2002.)

In July 2011, several counties inquired about selling surplus voting machines, seeking direction with regard to reimbursing the Voting Modernization Fund a portion of the proceeds from the sale of the equipment.

On July 7, 2011, under the direction from the Board Chair, the staff issued CCROV memorandum # 11045. This CCROV instructed that while the counties did not need explicit permission from the Board to sell surplus equipment that was purchased with Voting Modernization Bond funds, they were required to return the proportionate amount of the proceeds of the sale to the Voting Modernization Fund that was used to purchase that equipment. Accordingly, where a county used Voting Modernization Bond funds to purchase voting equipment and now is selling the equipment, 75% of the proceeds must be returned to the Voting Modernization Fund. The remaining 25% of the proceeds can be retained by the county.

The policies set forth in September 2002 did not specify the disposition of the funds that have been returned to the Voting Modernization Fund.

Staff Report

In August 2011, Santa Barbara County returned funds to the Voting Modernization Fund in the amount of $181,700.00 that was generated from the sale of 143 ES&S AutoMARK Voter Assist Terminals. This money was deposited into the Voting Modernization Fund.

The question for the Board is when a county sells surplus voting equipment and funds are returned to the Voting Modernization Fund as required, should those returned funds be deposited into a general fund to be reallocated to all counties or should the returned funds be kept in a separate account to be redistributed to the selling county as part of the VMB formula allocation?

Staff Recommendation

It is the recommendation of the staff that when a county sells surplus voting equipment and returns the funds to the Voting Modernization Fund as required, those returned funds should be set aside for the selling county and be returned to that county at such time when the county submits an application for funding reimbursement and that application is approved.