

# GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

## Legislative Fiscal Note

**BILL NUMBER:** House Bill 589 (Seventh Edition)

**SHORT TITLE:** VIVA/Election Reform.

**SPONSOR(S):** Representatives Warren, Murry, T. Moore, and Samuelson

<b>FISCAL IMPACT</b>					
(\$ in thousands)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
State Impact	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
General Fund Revenues:					
NC Public Campaign Finance Fund	\$3.5 million	-	-	-	-
Political Parties Campaign Fund	553.0	-	-	-	-
General Fund Expenditures:					
SBOE Staffing	516.0	688.0	709.0	365.0	0.0
Voter Registration Sharing	65.0	65.0	65.0	65.0	65.0
HHS Vital Statistics	No estimate available.				
State Positions:	9.00	9.00	9.00	9.00	0.0
Highway Fund Revenues:					
Highway Fund Expenditures:					
DMV - Special Cards	0.0 to 834.23	0.0 to 24.10	0.0 to 24.10	0.0 to 24.1	0.0 to 24.10
DOT - IT	106.73				
<b>Local Impact</b>					
County Boards of Elections					
Additional Primary	0	0	4 million	0	0
Convert to Optical Scan	10.9 million				
County Register of Deeds	No estimate available.				
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>					
State Board of Elections, Department of Transportation, Health and Human Services, County Boards of Elections, County Register of Deeds					
<b>EFFECTIVE DATE:</b>					
When bill becomes law and other specified dates throughout the bill.					
<b>TECHNICAL CONSIDERATIONS:</b> No.					

**BILL SUMMARY:**

See Summary prepared by North Carolina General Assembly’s Research Division.

**ASSUMPTIONS AND METHODOLOGY:**

**Part 1** – This bill constitutes the Voter Information and Verification Act. See below for costs.

**Part 2** – Requires all qualified voters to present a photo-identification in order to cast a ballot. Specifies the acceptable identification allowed for voting. See below for costs.

**Part 3** – The fees are waived for obtaining a special identification card from Division of Motor Vehicles and for obtaining a birth certification or marriage certificate from the State Registrar and register of deeds offices.

#### Division of Motor Vehicles: Special Identification Card

HB 589 allows an eligible voter without one of the accepted forms of photo identification to obtain a non-operator special identification card for non-operators from the Division of Motor Vehicles (DMV) free-of-charge, provided that the voter signs a declaration that he or she does not have an alternate form of identification as required by G.S. 163-166.13.

This analysis assumes that registered voters seeking DMV-issued identification are prompted solely by this photo identification requirement, and therefore will not otherwise seek free identification cards in lieu of the regular ID issuance process. **However, there is no estimate of the proportion of registered voters who may possess or obtain an alternate form of accepted voter identification prior to the effective date of the photo identification requirement.** Accordingly, the scenarios outlined below illustrate the potential range of license production and delivery costs to the Highway Fund, based on the best available estimates of eligible persons.

The following assumptions were made to arrive at these estimates:

1. SBOE determined with a high level of confidence, that as of March 2013, there were 318,643 registered voters which could not be matched with DMV records based on queries of the State Elections Information Management System (SEIMS) and State Automated Driver License System (SADLS) databases.
2. Queries utilized names, driver license numbers, social security numbers, addresses, and other identifying data to match individuals who are both 1) registered to vote and 2) have been issued some form of identification by DMV.
3. Additional queries utilized Soundex technology to match the phonics of names which may have been spelled differently in each database.
  - o Examples of this search methodology include matching of hyphenated and un-hyphenated names and misspellings in which the letters “a” and “e” may be interchanged.
4. Of the 318,643 registered voters which did not match DMV records, 115,291 were found to have not voted in the last five election cycles. Subtracting these voters based on inactivity yields 203,352 active registered voters without confirmed issuance of identification by DMV.

5. Accordingly, a range of 203,352 – 318,643 is assumed for the pool of current registered voters without a match between the SEIMS and SADLS databases. This range does not necessarily represent the number of registered voters without an appropriate form of photo identification; it is not known how many of these individuals may possess another accepted form.
6. It is assumed that there will be a growth of newly registered voters each year without a valid form of identification, in addition to the existing number of registered voters assumed to lack identification. An average of 420,332 individuals registered to vote each year from 2009 to 2012, according to SBOE. It is assumed that this increase will remain constant over the next five fiscal years. Of the newly registered voters, an average of 56% chose to register to vote through DMV. This analysis assumed that the 44% of voters that did not register through DMV mimic the population of existing registered voters without a DMV issued ID, meaning that 3.16% (low estimate) or 4.96% (high estimate) do not have a DMV issued ID and could be eligible for a free ID.
7. This methodology yields the low and high range estimates shown in the table below. For the higher scenario, it is assumed that 4.96% of registered voters do not match to DMV records. For the lower scenario, it is assumed that 3.16% registered voters do not match to DMV records.

Scenario	Existing	Projected New Voters without DMV-issued Identification					Grand Total
		2013-14	2014-15	2015-16	2016-17	2017-18	
High	318,643	9,150	9,150	9,150	9,150	9,150	<b>364,393</b>
Low	203,352	5,830	5,830	5,830	5,830	5,830	<b>232,502</b>

8. Fiscal Research cannot estimate when or if these individuals might apply for a special identification card. It is generally assumed that SBOE outreach efforts and public awareness per the proposed notification processes will lead to issuance of a higher number of special identification card applications within the first two years of enactment, decreasing in subsequent years to mostly reflect new registrations. However, registered voters may wait to obtain their special identification cards until closer to the actual requirement of the photo identification requirement at polling sites.
9. Vendor compensation for license and identification card production is contractually set at \$1.95 per issued card. However, upon completion of the Next Generation Secure Driver License System (NGSDLS) and vendor migration during FY 2013-14, the per card compensation rate is expected to increase to \$2.12. Based on the current project completion target of January 2014, this analysis assumes a blended compensation rate of \$2.035 per card during FY 2013-14, increasing to \$2.12 per card for subsequent years. Estimated postage and delivery costs total \$0.51 per card for central issuance.

Card	Scenario	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Production, Postage, & Delivery	High	0 - 834,233	0 - 24,065	0 - 24,065	0 - 24,065	0 - 24,065
	Low	0 - 532,368	0 - 15,333	0 - 15,333	0 - 15,333	0 - 15,333

10. Fiscal Research also assumes that existing central issuance and driver license field office staff will accommodate the increased application volume and requisite identity and residency document verification. However, longer wait times at DMV field offices and central issuance backlogs may be experienced, depending on the timing of identification card requests.

11. In order to verify voter registration for the issuance of a special identification card, the Department of Transportation must develop a real-time interface between the State Automated Driver License System (SADLS) and State Elections Information Management System (SEIMS) to query registration records. However, the Department of Transportation – Information Technology section could not provide an implementation timeline for development of the required modifications to SADLS and NGSDLS programs. A “code freeze” is currently in effect for all certification-related programs pending completion of the NGSDLS project. Additionally, because the NGSDLS is implementing a graphic user interface version of mainframe programs and viewer screens, corresponding modifications are required of both systems. Although the exact implementation timeframe is unknown, DOT-IT estimates a total of 1,142 hours of contractual labor for SADLS (892 hours) and NGSDLS (250 hours) modifications at a total estimated cost of \$106,730.

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
DMV Special Cards	up to \$834,200	up to \$24,100	up to \$24,100	up to \$24,100	up to \$24,100
DOT IT	106,730				

**Section 3.2 and 3.3:** Department of Health and Human Services Vital Records Unit and County Registers of Deeds

*Department of Health and Human Services (DHHS) Vital Records Unit*

HB 589 amends G.S. 130A-93.1 to require the State Registrar, upon verification of voter registration, to provide a certified copy of a birth certificate or marriage license necessary to obtain photo identification, to a registered voter, at no cost. The Vital Records Units within the NC DHHS Division of Public Health Section is responsible for registering and maintaining records of all births, deaths, marriages, and divorces in North Carolina. The most recent DHHS data indicates that in FY 2011-12, the Unit processed around 63,000 requests for birth certificates and 2,400 marriage certificates. Currently Vital Records charges a fee of \$24 to search for and provide one copy of a birth or marriage certificate. As mandated by G.S. 130A-93.1 (b), \$5.00 of each fee collected is deposited into the Vital Records Automation Account to automate and maintain the vital records system.

Birth Certificates: consistent with national standards to prevent identity theft and fraud, the Vital Records Unit’s policy requires that an individual requesting a copy of their birth certificate must:

1. Provide a legible photocopy of identification with a photograph or, if not available, photocopies of at least two different forms of identification:
  - Temporary driver's license
  - Current utility bill with current address
  - Car registration or title with current address
  - Bank statement with current address
  - Pay stub with current address
  - Income tax return/W-2 form showing current address
  - Letter from government agency dated within the last six months and showing current address
  - State-issued concealed weapon permit showing current address, and
  
2. As required by the North Carolina Administrative Code (10A NCAC 41H), all persons requesting a birth certificate must provide additional identifying information, including the following, on a signed application to identify the record:
  - Registrant's full name
  - Date of birth
  - Place of birth (city or county)
  - Mother's full maiden name
  - Full name of father, if listed on the certificate

The Vital Records Unit receives and processes around 63,000 requests for birth certificates annually, approximately 30% of the unit's total workload. The Vital Records Unit's FY 2012-13 budget is \$4,063,727. For the purposes of this fiscal analysis, it is assumed that the cost to process 63,000 birth certificate requests is 30% of the unit's annual expenditures, \$1,219,118. The cost to process an individual request for a birth certificate is \$19.35.

Marriage Certificates: To obtain a marriage certificate, current VR policy stipulates that an individual requesting a copy of a marriage certificate must:

3. Provide a legible photocopy of identification with a photograph or, if not available, photocopies of at least two different forms of identification:
  - Temporary driver's license
  - Current utility bill with current address
  - Car registration or title with current address
  - Bank statement with current address
  - Pay stub with current address
  - Income tax return/W-2 form showing current address
  - Letter from government agency dated within the last six months and showing current address
  - State-issued concealed weapon permit showing current address, and
  
4. Complete an application which provides additional identifying information including

- Full name of groom
- Full maiden name of bride
- Date of marriage
- Location of marriage (city or county)

The Vital Records Unit receives and processes around 2,400 requests for marriage certificates annually, about one percent of the unit’s total workload. For the purposes of this fiscal analysis, it is assumed that the cost to process 2,400 birth certificate requests is about one percent of the unit’s annual expenditures, \$44,700. The cost to process an individual request for a marriage certificate is \$18.63.

Fiscal Research is unable to project the number of registered voters who would request a free certified copy of their birth or marriage certificate from the Vital Records Unit and the resulting fiscal impact. In FY 2011-12, approximately 65,000 of the 210,000 requests processed by the Vital Records Unit were for birth and marriage certificates. DHHS staff indicates that the Unit is currently operating at full capacity. In 2016, the year of the next presidential election, it is anticipated that due to HB 589, there could be a one-time, extraordinary increase in the number of requests submitted to Vital Records for birth and marriage certificates. The Vital Records Unit would need additional resources (staff, equipment, etc.), perhaps on a temporary basis, to accommodate the increased workload. In addition, the Vital Records Unit would incur one-time contractual costs for change orders for updating the Vital Records automated registration system (for accounting purposes) and changes to the web-based financial payment system (to allow submission and review of the declaration statements online).

There is a cost to Division of Public Health for the provision of free certificates; however, there is no estimate available.

*County Register of Deeds Offices*

The county register of deeds must also waive the fee for providing a copy of the certified birth certificate or certified marriage license to any registered voter who declares they do not have these documents. The fee is \$10 for certified copies of these documents. Fiscal Research is unable to project the number of native-born North Carolinians of voting age who would, citing no appropriate photo identification for voting, request a free copy of their birth certificate from the county registers of deeds offices.

<b>Reimbursement for Issuance of Copies of Birth Certifications and Marriage License</b>		
	Birth Certificates	Marriage Licenses
DHHS Vital Records Unit	\$19.35 per copy	\$18.63 per copy
County Registrars of Deeds	\$10 – current fee	\$ 10 – current fee
Note: there is no estimate available on the number of copies that may be requested or the amount that the Vital Records Unit will bill the counties for its direct costs to provide certified copies of these documents.		

There is a cost associated with provision of free certificates; however, there is no estimate available.

**Part 4** - Outlines the process for voting an absentee ballot. No state fiscal impact identified.

### **Part 5 – Registration and Education**

HB 589 requires the State Board of Elections to assign staff to perform the following duties:

- Provide information about photo identification requirements and how to obtain appropriate photo identification to the public
  - Information may be distributed through various outlets including: public service announcements, print, radio, television, online, and social media;
- Work through various local groups to identify voters without appropriate identification; and,
- Assist any registered voter in securing appropriate photo identification.

#### District Election Educators

1. The Election Boards Association (formally The North Carolina Association of County Boards of Elections Officials) created election districts comprised of 10-15 counties. This was done in response to training and information needs regarding election laws. There are eight districts with membership comprised of the counties' local board of elections. These district boards meet periodically. This district-infrastructure may be utilized to carry out these activities. The State Board of Elections has employed personnel with the title of District Election Technicians (DETs) who were assigned to districts to assist with implementation of election laws, information technology support on Election Day, and training. The State Board of Elections no longer has the DET positions; however, it is assumed that these positions could be reestablished as District Election Educators to perform functions related to implementing photo identification requirements.
2. The outreach and education effort would require communication and contact with local entities; therefore, any new positions would be located within the districts. Having the home-office of staff located within the districts would help reduce the travel costs. The staff would either be based out of their home or SBOE would work to obtain agreements to allow staff to work within a state agency or local government office.
3. With these assumptions in consideration, The State Board of Elections would need additional capacity to assist with these particular activities. It is anticipated the required-work would be temporary (through December 31, 2016) and performed during the education phase of implementing a photo identification requirement in the State. It is assumed there would be staff assigned to each district and more than one FTE to districts identified with a higher number of registered voters without appropriate identification; therefore, there would be a combination of full-time and part-time positions. It is estimated

that there will need to be the equivalent of 8 full time positions providing education and outreach. The SBOE would need to determine the needs for each district.

4. The State Board of Elections would need to continually assess the numbers of possible registered voters without the photo identification and their location of residence, and as those numbers reduce in some districts shift staff as needed to support other districts. Of the total number of registered voters, there are 318,643 voters in which there is no match to the DMV database of individuals with driver licenses and identification cards and may not have an appropriate photo identification (See Section 13 for analysis). The chart below shows the location of these individuals by district and the counties that are assigned to each district.

District	Counties assigned to district	Number of registered voters with no match to DMV database
1	Cherokee, Graham, Clay, Swain, Macon, Jackson, Haywood, Transylvania, Madison, Buncombe, Henderson, Polk	19,526
2	Rutherford, Cleveland, Catawba, Lincoln, Gaston, Alexander, Iredell, Mecklenburg, Rowan, Cabarrus, Stanly, Union	72,275
3	Yancey, Mitchell, McDowell, Avery, Burke, Watauga, Caldwell, Ashe, Wilkes, Alleghany, Surry, Yadkin	14,807
4	Davie, Stokes, Forsyth, Davidson, Rockingham, Guilford, Randolph, Caswell, Alamance, Person, Orange, Chatham	59,598
5	Montgomery, Anson, Richmond, Moore, Scotland, Lee, Harnett, Cumberland, Hoke, Harnett, Robeson, Bladen, Columbus	43,520
6	Durham, Granville, Wake, Vance, Franklin, Johnston, Warren, Nash, Johnston, Wilson, Halifax, Edgecombe	61,831
7	Brunswick, New Hanover, Pender, Duplin, Wayne, Greene, Lenoir, Jones, Onslow, Pitt, Craven, Carteret, Pamlico	35,317
8	North Hampton, Hertford, Bertie, Martin, Beaufort, Gates, Chowan, Washington, Perquimans, Tyrrell, Pasquotank, Dare, Camden, Currituck	11,769
	Total	318,643

5. Additionally, there would need to be one FTE that would supervise this team who could also coordinate state-wide public notice activities.
6. The previous DETs' salary was on average \$50,000 annually and with benefits the total is \$64,172 for one FTE position. The supervisor is estimated at a salary of \$75,000 and with benefits, the total is \$92,172. The calculated total is  $8 * \$64,172 = \$513,376$  for the field staff. The total for salary and fringe benefits is estimated at \$605,548 annualized.
7. There would also be costs for remote office operations, supplies, and travel expenses. The previous DET positions with SBOE had an average annual per-staff cost of \$1,500 and \$8,100 for travel with utilization of the State Motor Fleet Management System. The total would be \$9,600 per FTE working out in the field. The supervisor, located at the SBOE headquarters, would also incur costs for travel, but likely not as much as the field staff; therefore, their travel expense is calculated at 75% of the field staff @ \$6,075. The calculated total is  $8 * 9,600 = \$76,800$  for the field staff expenses and \$6,075 for the



supervisor expenses. The total for these office and travel expenses is estimated to be approximately \$82,875 annualized per year.

8. The estimated total expenses for staff, benefits, remote office operations, and travel is \$688,423 annually. It is anticipated this level of staff support would be needed in FY 2013-14 – December 31, 2016, at which time this is no longer required by HB 589.

Annual Expenses	Salary and Benefits	Travel Expenses and Office	Total	Number of FTEs	Totals
Supervisor	\$92,172	\$6,075	\$98,247	1	\$98,247
District Election Educators	\$64,172	\$9,600	\$73,772	8	\$590,176
It is estimated that during FY 2013-14, the positions would not be filled until October 1, 2013 and would be 75% of this total. Additionally, an inflation factor is used for the additional years.				Annual Total	\$688,423

### Outreach and Information

HB 589 requires SBOE to disseminate information to the public on the voter photo identification requirement and this information may be distributed through public service announcements, print, radio, television, online, and social media. Fiscal Research Division does not have an estimate of the cost to disseminate information to the public as required by HB 589. However, data was available showing the cost of similar state-wide public information campaigns in North Carolina and Georgia. For example:

- The State of Georgia conducted a statewide multi-media campaign to educate its residents on its photo identification requirement. Georgia’s campaign involved direct mail, utility bill inserts, packages of materials provided to local organizations, press releases, video and radio public service announcements, purchase of radio ads, and public transportation ads.
  - The Georgia Secretary of State reported that the statewide campaign cost was \$841,914.44 over 14 months.
- The College Foundation of North Carolina (CFNC) has statewide campaign that includes TV, radio, billboards, high school newspapers, and the internet. A recent survey identified 90% of parents with students in grades 7-12 were aware of the service. The total cost for the campaign is approximately \$1.45 million annually (all funding sources) which is less than in earlier years in which there was greater saturation; in FY 2003 CFNC spent \$3.1 million (all funding sources) on advertising efforts.

- The Department of Health and Human Services has supported public health campaigns that have included public education and information dissemination which cost \$100,000 annually to promote healthy life style activities.

There is no designated level of outreach and education required in this bill; therefore, it is assumed that much of it will be provided through the outreach workers and local boards of elections.

**Part 7** - Requires a study by the Joint Legislative Elections Oversight Committee regarding the method of filling vacancies for the General Assembly. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly’s continuation budget.

**Part 8** – HB 589 requires the Governor to appoint a person affiliated with the same political party if the US Senator had been elected as a nominee of a political party. No state fiscal impact identified.

**Part 9** – This requires a study by the Joint Legislative Elections Oversight Committee and to make a recommendation on the method of filling vacancies in the US House of Representatives by special election. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly’s continuation budget.

<b>Part Number</b>	<b>Description</b>	<b>Fiscal Impact</b>
10	Relates to the timing of special elections.	No
11	Allows local chairs of political parties to designate additional observers at voting sites.	No
12	Eliminates pre-registration for individuals not 18 years old.	No
13	Limits the acceptable electronically captured signatures.	No
14	Creates a class-2 misdemeanor for individuals who are compensated for number of individuals registering to vote and assisting persons in registering to vote.	See incarceration note
16	Prohibits individuals from registering to vote and voting on the same day.	No
17	Requires the State Board of Elections to provide election ballots to military personnel within certain timelines.	No

**Part 18** - List Maintenance/Interstate Agreements to Improve Voter Rolls

Requires SBOE to adopt a uniform program to purge voter lists twice a year and to create data sharing agreements with other states to compare/cross-check voter registration information.

There will be costs associated with data sharing including IT programming and costs to join data-sharing systems. To subscribe to the Electronic Registration Information Center which is one of these service companies, would cost \$65,000 annually in dues.

<b>Part Number</b>	<b>Description</b>	<b>Fiscal Impact</b>
19	Repeals the law that requires the Governor to proclaim Citizens Awareness Month and no longer requires State Board of Elections to initiate state voter registration drives.	No
20	Allows any registered voter of the State to challenge a person's right to register and vote.	No
21	Specifies a timeframe a candidate has to withdraw their name from candidacy for office.	No

### **Section 22 Petitions in Lieu**

Reduces the number of signatures that are required on a petition in order to avoid having to pay the candidate registration filing fee of \$1,600. Currently, there are an insignificant number of candidates who file under this option. It is not anticipated this change would produce a significant decrease in revenues.

<b>Part Number</b>	<b>Description</b>	<b>Fiscal Impact</b>
23	Relates to the timeframe for withdrawal of a candidate and mailed military ballots.	No

**Part 24** – Requires a study by the JLEOC on number of precincts needed to reduce overcrowding and long lines. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly's continuation budget.

### **Part 25 Early Voting Sites Within a County**

This provision eliminates one week of potential early voting; however, requires the same number of early voting hours as in 2012. All operational costs of voting is a local government cost.

<b>Part Number</b>	<b>Description</b>	<b>Fiscal Impact</b>
26	Relates to approving polling sites by County Boards of Elections.	No
27	Relates to repealing the 2000 Census Redistricting Data Program.	No

**Part 28** – Requires JLEOC to study requirements of second primaries. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly’s continuation budget.

**Part 29** – Requires State Board of Elections to ensure uniformity among ballots statewide. No state fiscal impact identified. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly’s continuation budget.

### **Section 30 Simplify Ballot Records**

#### Voting Equipment

The counties that currently use the touch screen voting systems (DREs) will be required to replace this equipment with optical scan machines (DS200). There are 36 counties that utilize this type of voting system. The number of machines vary per county depending upon the number of polling locations and one-stop locations. The total number of polling locations for these 36 counties is 1,574 voting sites. The SBOE estimates that approximately 989 new optical scan machines (DS200s) would be needed. The cost of one DS200 is \$5,995. The calculated cost of the machines is  $989 * \$5,995 = \$5,929,055$ .

Additionally, there will need to be equipment to assist voters who are blind, visually impaired or have a disability which makes it difficult for them to hand-mark a ballot and this equipment is required at each precinct. SBOE currently uses iVotronic ADA machine in those counties with the DREs; the replacement of the DREs with paper ballot machines would also require the replacement of the iVotronic ADA machines. AutoMark is the system used in counties in conjunction with the DS200s. AutoMark is a ballot-marking device to assist visually impaired voters with marking their ballots. It is estimated that 1,449 would need to be purchased (some of these 36 counties have AutoMarks already). The cost per AutoMark device is \$1,995. The calculated cost for the purchase of AutoMark machines is  $1,449 * \$1,995 = \$2,890,755$ .

#### Booths

Counties would be required to purchase private voting booths to allow for ballot marking. The booths average \$150 each. The number of booths needed for each of the 1,574 voting sites depends on the number of registered voters per precinct. For purposes of calculating a fiscal impact, it is assumed that each polling site would need to purchase two booths. Again, the number of voting booths needed per site will vary; however, if every polling site purchases two booths, the cost per site would be  $2 * \$150 = \$300$  per site, and  $\$300 * 1,574 = \$472,200$ .

#### Ballots and Storage – Costs Unknown

An ongoing cost would be the purchase of ballots. Ballots average \$.25 per ballot and counties would need to print their ballots totaling 110% of their registered voters. The total cost would depend upon the number of elections and runoffs, etc., for each county. Assuming each county would have two elections annually (one primary/local and one general, which would not be the requirement every year) the total print cost would be \$1,626,703.10. The calculation is based upon the total number of registered voters in these 36 counties, as of April 2013, there were 2,957,642 registered voters. The policy is to print ballots totaling 110% of registered voters. This would

make the total ballots needed to be printed 10% more than the total number of registered voters for each election. The calculation is  $\$2,927,642 * 1.10\% = \$3,253,406$ .

Ballots average \$.25 each, the cost calculation is  $\$3,253,406 \text{ ballots} * \$.25 \text{ cost} = \$813,352$  for one election \* 2 elections =  $\$1,626,703$ . This calculation assumes two elections annually; however, this number would vary depending upon the number of elections (primaries, main, runoffs, etc.).

Additionally, the counties are required to arrange for storage of ballots for 22 months after an election. Counties may need to purchase storage for these paper ballots. There is not an estimate storage costs.

Total costs for these local governments are estimated at  $\$10,918,713$ . These costs will be incurred by January 2018, which is the effective date for counties to switch to paper ballot voting equipment.

<b>Part Number</b>	<b>Description</b>	<b>Fiscal Impact</b>
31	Relates to the ordering of candidates' names on ballots.	No
32	Disallows straight ticket voting.	No
33	Relates to disallowing County Boards of Elections to keep polling sites open by up to one hour in special circumstances.	No

**Part 34** – The JLEOC shall study ways to improve protections for voters needing assistance in polling places. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly's continuation budget.

**Part 35** - Requires a separate primary for presidential elections. There is a cost associated conducting an election; this will be a cost borne by local governments. The statewide costs to counties may exceed \$4 million.

<b>Part Number</b>	<b>Description</b>	<b>Fiscal Impact</b>
36	Adds the allowance of the State Board of Elections to nominate a presidential primary candidate.	No

**Section 38** Repeal Political Parties financing Fund, Judicial Elections Fund, and Voter-Owned Elections Fund. This will result in increase to the General Funds of approximately \$1.1 million, based upon a July 1, 2013 effective date.

The Political Parties Financing Fund consists of two programs; one is funding for political parties and the other is presidential election funds. The revenues generate from a \$3 check-off on taxpayer forms. The current balance is \$1,102,827 in Political Parties Fund and \$588 in Presidential Election Fund. Political parties may request funding in August and after payout of 1/2 of those funds, the balance will be credited to the General Fund on December 31, 2013.

Voter-Owned Election Fund – The funds within this account are used for candidates for State Auditor, Commissioner of Insurance, and Superintendent of Public Instruction. These funds in the account are appropriated by the General Assembly. There have been no appropriations in recent years and the current balance is \$.13.

The North Carolina Public Campaign Finance Fund is eliminated; the taxpayer check-off and attorney fees are discontinued. The current balance is \$8.5 million. The voter guides will continue to be produced from this account until the funds are depleted. SB402 repeals this Fund also and transfers \$3.5 million to the General Fund; the remaining funds will be used for the production of future voting guides.

**Part 39** – Authorizes county boards of elections to remove voter records of a person identified as deceased after receipt of a signed statement of a near relative or family member. No state fiscal impact identified.

**Part 41** – Requires JLEOC to study requiring electronic campaign reports. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly’s continuation budget.

<b>Part Number</b>	<b>Description</b>	<b>Fiscal Impact</b>
42	Changes contribution limits for candidates.	No
43	Specifies that contributions may be used for political party headquarters.	No
44	Sets forth the disclosure requirements of television advertisements.	No
45	Limits the State Board of Elections members to two consecutive terms.	No
47	Relates to candidates contributions and lobbyists.	No
48	Relates to Scope of Article; severability.	No
49	Requires voters to vote only in their assigned precincts.	No
50	Relates to defining electioneering communications.	No
51	Eliminates the instant runoff voting method.	No
52	Requires an identification mark on provisional ballots cast to identify those as provisional.	No
53	Relates to election cycles and reporting changes.	No

**Part 54** - Requires the JLEOC to study establishing a threshold for the creation of a political committee and make recommendations to the General Assembly. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly’s continuation budget.

**Part 55** – Requires the JLEOC to study the campaign finance reporting schedules. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly’s continuation budget.

**Part 56** – Relates to disclosure requirements during advertisements. No state fiscal impact identified.

**Part 57** – Requires the JLEOC to study the elimination of the 48 hour campaign finance report. This type of study would be within the purview of the Joint Legislative Oversight committee and the budget for the committee is in the North Carolina General Assembly’s continuation budget.

<b>Part Number</b>	<b>Description</b>	<b>Fiscal Impact</b>
59	Allows raffles by candidates and political committees.	No
60	Identifies the effective dates for this bill and addresses severability.	No

**SOURCES OF DATA:**

North Carolina State Board of Elections, North Carolina Department of Transportation, Division of Motor Vehicles, Department of Health and Human Services, Division of Public Health

**TECHNICAL CONSIDERATIONS:** None.

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**DATE:** July 25, 2013



**Signed Copy Located in the NCGA Principal Clerk's Offices**