



NORTH CAROLINA GENERAL ASSEMBLY

Session 2017

Legislative Fiscal Note

Short Title: Implementation of Voter ID Const. Amendment.
Bill Number: Senate Bill 824 (Second Edition)
Sponsor(s): Senators Krawiec, Ford, and Daniel

SUMMARY TABLE

FISCAL IMPACT OF S.B. 824, V.2 (\$ in millions)

	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>
State Impact					
General Fund Revenue	-	-	-	-	-
Less Expenditures					
County Equipment	0.11	-	-	-	-
SBEEE Education	0.40	0.93	0.23	0.23	0.23
SBEEE Positions	0.20	0.20	0.20	0.20	0.10
Photograph Database	0.04	0.04	0.04	0.04	0.04
General Fund Impact	(0.75)	(1.17)	(0.47)	(0.47)	(0.37)
Highway Fund Revenue	(1.50)	(3.00)	(3.00)	(3.00)	(3.00)
Less Expenditures	Likely Budget Cost - Refer to Fiscal Analysis Section				
Highway Fund Impact	(1.50)	(3.00)	(3.00)	(3.00)	(3.00)
NET STATE IMPACT	(\$2.25)	(\$4.17)	(\$3.47)	(\$3.47)	(\$3.37)
Local Impact					
Local Revenue	-	-	-	-	-
Less Local Expenditures	-	-	-	-	-
NET LOCAL IMPACT	Likely Budget Cost - Refer to Fiscal Analysis Section				
STATE POSITIONS	3.00	3.00	3.00	3.00	1.50

TECHNICAL CONSIDERATIONS: See Technical Considerations Section

FISCAL IMPACT SUMMARY

Section 1.1 creates G.S. 163A-869.1 to require county boards of elections to issue free voter photo identification (ID) cards upon request to registered voters. A registered voter seeking a photo ID must provide his or her date of birth and the last four digits of his or her social security number. The ID card must contain a photograph of the voter and the individual's voter registration

number. The card is only valid for voting purposes and expires after ten years. Voters may request duplicate cards in person, by telephone, or by mail, free of charge. Each county board of elections is required to begin making ID cards available to voters no later than May 1, 2019. The State Board of Elections and Ethics Enforcement (SBEEE) must provide printing equipment for the ID cards to each county board of elections, which is then responsible for ongoing operations and maintenance of the printer. ID cards must be made available by a county board of elections at any time, except during the time period between the end of one-stop voting for a primary or general election and election day. Ninety days before the expiration of an ID, a county board of elections must notify the voter that has been issued an ID within its jurisdiction of the impending expiration. Each county board of elections must maintain a secure database of the photographs taken for the ID cards issued within its jurisdiction. SBEEE is directed to adopt rules pursuant to these changes. Temporary rules must be adopted by April 15, 2019.

Section 1.2(a) establishes G.S. 163A-1145.1, which details the acceptable forms of photo ID for voting purposes. This section also directs a precinct official checking voter registration to compare a voter's photograph on his or her ID with the person presenting to vote, details the procedures to follow if a voter does not have a valid photo ID, and explains exceptions to the ID requirement.

Sections 1.2(b) and 1.2(c) detail the approval process by SBEEE for postsecondary student IDs and government employee IDs. SBEEE is directed to approve the use of these IDs for voting purposes and produce a list of eligible entities every four years. The list of eligible entities is to be published on the SBEEE website and distributed to each county board of elections. IDs issued by these entities must meet the requirements detailed in these sections in order to be approved for use for voting purposes.

Section 1.2(d) directs SBEEE to approve qualifying tribal enrollment cards, student ID cards, and government employee ID cards for voting purposes by March 15, 2019, for the use in primaries and general elections in 2019 and 2020, and again by May 15, 2021, for elections held on or after that date. SBEEE is to adopt temporary rules on security measures for the use of student and government employee IDs by February 1, 2019, and must adopt permanent rules on these items by May 15, 2021. The initial list of eligible entities must be produced by April 1, 2019.

Section 1.3 amends G.S. 20-37.7(d) to allow any North Carolina resident age 17 or older to receive a special ID card from the Division of Motor Vehicles (DMV) at no cost to the recipient. Section 1.3 repeals the requirement that DMV issue a free special ID to applicants who are obtaining one for the purpose of voting. It also requires DMV to mail a special ID at no cost to any person whose valid driver's license, permit, or endorsement is seized or surrendered due to cancellation, disqualification, suspension, or revocation. DMV must mail the special ID to the person without application, via first class mail.

Section 1.5(a) requires SBEEE to establish an aggressive voter education program related to the changes in this bill. SBEEE must:

- Post information at the SBEEE office, each county board of elections, and on all respective websites.
- Train precinct officials on how to answer voters' questions about ID requirements.

- Require documentation about the bill to be disseminated by precinct officials at every election held after the bill's effective date.
- Conduct at least two seminars with each county board of elections by September 1, 2019.
- Coordinate with local organizations and service organizations for additional informational seminars.
- Coordinate with media outlets, county boards of commissions, and county boards of elections to inform the public about this bill and provide information in Spanish and other languages as deemed necessary.
- Provide educational materials to underserved and minority communities.
- Notify each registered voter who does not have a North Carolina driver's license or ID card by September 1, 2019 about the ID requirements.
- Mail information about ID requirements to all registered voters twice in 2019 and twice in 2020.
- Place a statement about the process for voting without a photo ID in all voter education materials mailed to citizens and on informational posters at one-stop voting sites and precincts on election day.
- Implement additional education programs at its discretion.

Section 1.5(b) directs SBEEE to create a list of all registered voters who do not have a North Carolina driver's license or other photo ID from the DMV as of September 1, 2019. The list must be made available to any registered voter upon request, and SBEEE may charge a reasonable fee to cover the costs of producing the list. DMV must provide a list of people with a driver's license or other form of DMV-issued ID free of charge to SBEEE.

Section 1.5(c) directs each county board of elections to make voter ID information available to voters in the 2019 and 2020 primaries and elections.

Section 4 allows SBEEE to use the entirety of the Voter Education Fund to implement this bill.

FISCAL ANALYSIS

STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT IMPACT

The main fiscal impacts on SBEEE include the printers for county boards of elections, education efforts (and related positions), and a photograph database. Chart 1 details these impacts.

Chart 1

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Printers	112,500	-	-	-	-
Education	400,000	925,000	225,000	225,000	225,000
Positions	201,087	201,087	201,087	201,087	100,544
Database	40,000	40,000	40,000	40,000	40,000
Total	\$753,587	\$1,166,087	\$466,087	\$466,087	\$365,544

1. Printers

Section 1.1 requires SBEEE to make available printing equipment for county boards of elections. This analysis assumes that SBEEE will provide funding for one ID printer at each county board of elections, resulting in 100 machines (one machine per county in North Carolina). No estimate is available on the number of IDs that will be requested at a county board of elections site, therefore this is a baseline needs assumption. The cost for 100 printers, ink, and ID cards is estimated at \$112,500.

Chart 2, below, shows the cost estimate for the purchase of printers, per data from SBEEE. The chart assumes each printer includes two-sided printing capabilities, a camera, necessary software, and technological support. The ID cards come in bundles of 100, and this calculation includes 5 bundles per printer, for a total of 500 ID cards per printer.

Chart 2

Item	Quantity	Cost per unit	Total
Printer	100	\$1,000	\$100,000
Color Ribbon	100	\$50	\$5,000
ID Cards	500	\$15	\$7,500
Total	700	\$1,065	\$112,500

2. Education

This analysis assumes that SBEEE will spend approximately \$2 million over a period of five fiscal years on education and outreach. In addition, the education efforts will require three new time-limited full time equivalents (FTEs).

From FY 2013-14 to FY 2016-17, SBEEE expended \$2.5 million for outreach activities related to S.L. 2013-381, Voter Information Verification Act (VIVA)/Election Reform. This figure includes costs related to salary and benefits for employees and travel. Section 1.5 of the bill directs SBEEE to establish an aggressive education campaign to inform voters of photo ID requirements. Based on the requirements in the bill and assuming SBEEE conducts similar outreach activities, the FY 2018-19 costs are expected to be higher than subsequent years due to initial outreach requirements, and FY 2019-20 expenditures account for the increase in activity due to the lead-up to the general election. Beginning in 2019, SBEEE efforts will include: a) identifying and contacting individual voters who may lack appropriate ID for voting purposes, b) raising the general awareness of the photo ID requirements, and c) targeting populations such as the elderly, disabled, and economically disadvantaged residents to provide additional information on voter ID options.

SBEEE will require three additional time-limited staff to meet the education requirements in this bill. This estimate is based on the SBEEE staffing levels during the implementation of VIVA. The chart below details the new positions, assumed to be funded at the mid-point of the salary range. These positions are time-limited for a total of four and a half fiscal years, beginning in FY 2018-19. These staff will provide extensive training and outreach from the 2019 through the 2022 elections, with the position funding ending January 1, 2023. It is

assumed that after this time, education efforts will have been successful in increasing public awareness of the photo ID requirements and the additional staff will no longer be needed.

Chart 3

Position Title	Salary Grade	Mid-Point Salary	Benefits	Total Annual Position Cost
Elections Specialist I	68	\$48,319	\$18,710	\$67,029
Elections Specialist I	68	\$48,319	\$18,710	\$67,029
Elections Specialist I	68	\$48,319	\$18,710	\$67,029
TOTAL	-	\$144,957	\$56,130	\$201,087

3. Photograph Database

County boards of elections are required to maintain a secure database containing the photographs of registered voters taken for the purpose of issuing ID cards. This analysis assumes that a statewide database would be established by SBEEE in order to provide increased security, as well as to allow for consistency between counties. According to the North Carolina Department of Information Technology (DIT), a secure, cloud-based database could be set up and maintained by DIT. County boards of elections will therefore be able to integrate photograph data without the need for additional hardware or software. The cost for a DIT-managed solution is approximately \$40,000 annually, per DIT’s estimates. This analysis assumes that SBEEE would either pay DIT to run the solution or develop a similar product in-house.

DIVISION OF MOTOR VEHICLES (DMV) IMPACT

G.S. 20-37.7(d) sets the fee for a special ID equal to the fee for a duplicate driver’s license. That fee is currently \$13. According to data received from the DMV, DMV collects approximately \$3 million per year in revenue from fees paid by adults receiving a special ID. Because the bill allows any resident aged 17 years or older to obtain a special ID without paying the fee, the bill will result in a revenue loss of approximately \$3 million annually.

The requirement that DMV send special IDs via first class mail to all individuals whose credential is cancelled, disqualified, suspended, or revoked (after that credential is seized or surrendered) will increase state expenditures by an unknown amount. The direct cost to produce a special ID is \$2.28. The cost to mail an ID via first class mail is \$.44. Approximately 300,000 individuals have their credentials cancelled, disqualified, suspended, or revoked each year. There is no estimate available for the increase in expenditures, because it is unknown how many cancelled, disqualified, suspended, or revoked credentials are seized or surrendered. In some cases, an individual may acknowledge in court that his or her license has been revoked, invalidating all driving privileges, but may keep the license on his or her person to use as proof of age or identity.

In addition to the direct costs shown above, there will be indirect costs associated with the automatic issuance of special IDs. Currently, there are no processes at DMV for issuing special IDs

automatically upon the change in status of an existing credential. This provision will require DMV to make changes to the State Automated Driver License System (SADLS) in order to fully automate this process. DMV estimates approximately 5,800 hours of programming and testing at a cost of \$524,360 to update SADLS, with estimated ongoing costs of \$52,000 per year for maintenance. In the short term, DMV will require additional personnel to manually process seized or surrendered credentials. No estimate for the increase in FTE is available until DMV determines how to structure this manual process.

LOCAL IMPACT

Although the ID printers will be purchased by the State initially, ongoing maintenance and operations will be funded by county boards of elections. There is no estimate included in this analysis for the ongoing costs to counties for the printers because the total number of ID cards that will be requested are unknown. According to the North Carolina Association of County Commissioners, ongoing costs may include the purchase of supplies for printing, routine maintenance of the printer, whether additional physical space will be needed for housing printing equipment, and related staff time.

County boards of elections are directed to make information available about photo ID to all voters in the 2019 and 2020 primaries and elections. This implementation will likely vary between counties, and expenses will depend on the steps counties take. Therefore, no exact cost estimate is included in this analysis.

County boards of elections are also required to maintain a secure database containing the photographs of registered voters taken for the purpose of issuing ID cards. This analysis assumes that a statewide database would be established and funded by SBEEE and therefore would have no fiscal impact to counties for the purchase of software or hardware related to this requirement. Further detail on this is provided in the SBEEE fiscal impact analysis (item 3). Additional training of county boards of elections staff and precinct officials on how to input information into the database may be necessary.

TECHNICAL CONSIDERATIONS

SBEEE is directed to spend the entirety of the Voter Education Fund for implementing this bill. There is no budget code or fund code by this name within SBEEE.

DATA SOURCES

NC STATE BOARD OF ELECTIONS AND ETHICS ENFORCEMENT, NC DIVISION OF MOTOR VEHICLES, NC DEPARTMENT OF INFORMATION TECHNOLOGY, NC OFFICE OF STATE HUMAN RESOURCES, NC ASSOCIATION OF COUNTY COMMISSIONERS



LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

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December 4, 2018



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