



# NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

## Legislative Fiscal Note

**Short Title:** Online Voter Registration.  
**REVISED**

**Bill Number:** House Bill 691 (First Edition)  
**Sponsor(s):** Representative Alexander

### SUMMARY TABLE

#### FISCAL IMPACT OF H.B. 691 (\$ IN THOUSANDS)

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
<b>State Impact</b>					
General Fund Revenue	-	-	-	-	-
Less Expenditures	72.0	-	-	-	-
<b>General Fund Impact</b>	<b>(72.0)</b>	-	-	-	-
Highway Fund Revenue	-	-	-	-	-
Less Expenditures	1,331.0	110.1	110.1	110.1	110.1
<b>Highway Fund Impact</b>	<b>(1,331.0)</b>	<b>(110.1)</b>	<b>(110.1)</b>	<b>(110.1)</b>	<b>(110.1)</b>
<b>NET STATE IMPACT</b>	<b>(\$1,403.0)</b>	<b>(\$110.1)</b>	<b>(\$110.1)</b>	<b>(\$110.1)</b>	<b>(\$110.1)</b>
<b>Local Impact</b>					
Local Revenue	-	-	-	-	-
Less Local Expenditures	-	-	-	-	-
<b>NET LOCAL IMPACT</b>	<b>Likely Budget Cost - Refer to Fiscal Analysis Section</b>				<b>-</b>

**TECHNICAL CONSIDERATIONS:** See Technical Considerations Section

**Revision Note:** The estimates in this fiscal note have been revised based upon new cost information provided by the Division of Motor Vehicles regarding updated information technology costs.

### FISCAL IMPACT SUMMARY

It is estimated that this bill will result in a one-time cost to the Division of Motor Vehicles (DMV) from the Highway Fund of \$1,330,500. The State Board of Elections (SBOE) will have one-time

costs of \$72,000. Beginning in FY 2020-21, annual maintenance costs for DMV will be \$110,050 and for SBOE will be \$15,000.

## **FISCAL ANALYSIS**

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### **Section 1**

This section directs SBOE to develop an application form for voter registration that can be filled out by hand or electronically and mailed in to a county board of elections. The costs for implementing this section are anticipated to be minimal, per SBOE.

### **Section 2**

This section defines eligibility requirements for online voter registration and the procedures by which an eligible applicant may register to vote online. SBOE is required to create a secure website to facilitate online voter registrations. The one-time estimated costs are \$72,000 to hire a contractor to develop and test the new website. Ongoing costs for cloud storage and egress charges will depend on the volume of transactions, but SBOE estimates that cost to be \$15,000 annually.

When an applicant registers to vote online, DMV is required to compare the information submitted by the applicant with the information maintained in DMV systems. If DMV confirms that the applicant possesses a current and valid form of identification, then DMV is to submit the completed application to the county board of elections where the applicant currently resides. If DMV is unable to confirm that the applicant possesses a valid form of identification, DMV will send the application and conflicting information to the county board of elections. The county board of elections is then required to inform the applicant that the application cannot be processed. There will be costs associated with these notification mailings, but the cost is unknown due to lack of information on how many applications will be unable to be processed.

DMV operates and maintains the State Automated Driver License System (SADLS), a computer system that maintains driver data. This bill will require technical modifications to SADLS to allow electronic communication with all 100 County Boards of Elections. The estimated impact for these modifications is a one-time expense of \$1,330,500 in the first year of implementation and annual maintenance costs of \$110,050 beginning in FY 2020-21.

## **TECHNICAL CONSIDERATIONS**

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Due to the resources allocated for compliance with federal programs and S.L. 2018-144, Implementation of Voter ID Constitutional Amendment, the technical modifications to SADLS required by this bill cannot be implemented prior to June 1, 2020.

The SADLS system is already programmed to work with the State Board of Elections - Statewide Elections and Information Management System (SEIMS), this bill adds a new requirement to interact with all County Boards of Elections systems adding the majority of the costs since this functionality does not already exist among these systems.

## **DATA SOURCES**

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STATE BOARD OF ELECTIONS, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF TRANSPORTATION – INFORMATION TECHNOLOGY

## **LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS**

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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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Questions on this analysis should be directed to the Fiscal Research Division at (919) 733-4910.

## **ESTIMATE PREPARED BY**

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## **ESTIMATE APPROVED BY**

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Mark Trogdon, Director of Fiscal Research  
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April 25, 2019



**Signed copy located in the NCGA Principal Clerk's Offices**