

# GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

## Legislative Fiscal Note

**BILL NUMBER:** House Bill 607 (First Edition)

**SHORT TITLE:** Require Use of Paper Ballots.

**SPONSOR(S):** Representatives Jones

### FISCAL IMPACT

(\$ in millions)

Yes       No       No Estimate Available

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
<b>State Impact</b>					
General Fund Revenues:					
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
<b>NET STATE IMPACT</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Local Impact</b>					
Revenues:					
Expenditures:	10,918,713.1				
<b>NET LOCAL IMPACT</b>	<b>(\$10,918,713.1)</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>					
State Board of Elections and Local Boards of Elections					
<b>EFFECTIVE DATE:</b> Decertification of electronic voting equipment will become effective when bill becomes law. The use of paper ballots by all counties will become effective for elections occurring after January 1, 2014.					
<b>TECHNICAL CONSIDERATIONS:</b>					
None					

**BILL SUMMARY:** Amends GS 163-165.7 to require that State Board of Elections (SBOE) only certify voting systems for counties' use that support a paper ballot. Current law allows paper

ballots or direct record electronic (DRE) voting systems; this bill prohibits DREs from being certified by SBOE for use by local Boards of Elections.

## **ASSUMPTIONS AND METHODOLOGY:**

### 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 per county varies 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.

Help America Vote Act (HAVA) Funds

Lastly, Help America Vote Act (HAVA) federal funds may be used for the purchase of voting equipment for local Boards of Elections. In order to expend the HAVA funds available to North Carolina, there would need to be appropriations of \$390,871 to match the \$4,071,740 remaining in the HAVA account. This note assumes that local governments would pay for the equipment.

**SOURCES OF DATA:**

North Carolina State Board of Elections

National Conference of State Legislatures

*<http://www.ncsl.org/legislatures-elections/elections/hava-funds-fact-sheet.aspx>*

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

**PREPARED BY:** Lisa Hollowell

**APPROVED BY:**

Mark Trogdon, Director  
**Fiscal Research Division**

**DATE:** June 7, 2013



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