

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research  
733-4910

Prepared By: Richard Bostic	Date Prepared: May 8, 1989	Bill No.: HB 547	Edition: As amended in committee
Approved By: Tom Covington TOMC	MAY 8, 1989		Sponsor: Rep. Michaux
Short Title: Voter Registration			

TYPE OF FISCAL IMPACT	COUNTY		FUNDS AFFECTED:			
	State Gov't	Local Gov't	(x) General	(x) Highway	( ) Other: (x) Local	
			State Fiscal Impact	FY89-90	FY90-91	FY
No Fiscal Impact	( )	( )	State Total Req'ments Receipts/Revenues	88,250	26,500	
Increase Expenditure	(x)	(x)	Net State Expend./Rev. No. of Positions	88,250	26,500	
Decrease Expenditure	( )	( )				
			Local Fiscal Impact	FY89-90	FY90-91	FY
Increase Revenue	( )	( )	Local Total Req'ments Receipts/Revenues	1,047,200	2,121,400	
Decrease Revenue	( )	( )	Net Local Expend./Rev. No. of Positions	1,047,200	2,121,400	
No Estimate Avail.	( )	( )		100	100	

Description of Legislation

1. Summary of Legislation

Establishes registration by mail, adds voter registration to drivers license application forms and requires county Departments of Social Services to participate in voter registration.

2. Effective Date: January 1, 1990

3. Fund or Tax Affected: Highway Fund, General Fund

4. Principal Department/Program Affected: County Boards of Elections; Division of Motor Vehicles; County Departments of Social Services; State Board of Elections.

Cost or Revenue Impact on State

	FY 89-90	FY 90-91	FY
1. Non-Recurring Costs/Revenues (General)	75,000		
2. Recurring Costs/Revenues (Highway)	13,250	26,500	
3. Fiscal/Revenue Assumptions			

Cost/Revenue Impact on County or Local Government

	FY 89-90	FY 90-91	FY
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues (County)	1,047,200	2,121,400	
3. Fiscal/Revenue Assumptions			

Sources of Data for Fiscal Note

Division of Motor Vehicles, Department of Human Resources, State Board of Elections

Technical Considerations/Comments

The fiscal impact of House Bill 547 is summarized below:

	1989-9	1990-91
DMV	\$ 13,250 (H)	\$ 26,500 (H)
Mail	50,000 (G)	27,000 (L)
Agency	25,000 (G)	2,094,400 (L)
	1,047,200(L)	

Note: H = Highway Fund; G = General Fund; L = Local (County) Funds

DIVISION OF MOTOR VEHICLES

House Bill 547 requires the Division of Motor Vehicles(DMV) in the Department of

Transportation to change its drivers license application forms to include a detachable voter registration section. Based on the usage of approximately 3 million application cards per year, DMV estimates the additional printing and production costs of this mandate to be \$26,500 each fiscal year. First year cost would be \$13,250 because of a January 1,1990 effective date. This is a Highway Fund expense.

#### REGISTRATION BY MAIL

The State Board of Elections estimates that it will need \$25,000 to \$50,000 to implement the mail registration requirement in HB 547. This start-up costs includes the design, printing and distribution of registration forms. Funds will be needed for increased postage and telephone expenses for correcting incomplete or erroneous registration forms. Also, funds might be expended in advertising the mail registration program and in staff travel to promote the program. It is recommended that a nonreverting \$50,000 reserve be appropriated to the State Board of Elections for the fiscal year 1989-91 biennium for this initiative. A recurring cost for printing of forms will vary each year according to the election cycle.

The mandated cost to locals for registration by mail is primarily for postage. The county board of elections must send a notice of registration to each applicant by nonforwardable first class mail. Mr. Brock at the State Board of Election predicts 60,000 to 100,000 will mail in the form each year. Since the act is not effective until January 1, 1990, it is assumed that local boards will not incur significant costs until fiscal year 1990-91. Assuming 100,000 registrants, postage and printing costs will be approximately \$27,000 in FY 1990-91.

#### AGENCY REGISTRATION

HB 547 requires county Departments of Social Services(DSS) to participate in voter registration. According to Department of Human Resources (DHR) officials, federal funding guidelines will not permit federal participation in the cost of staff performing tasks unrelated to federal program administration (45 CFR 74.170). In practice this means that local departments will be required to implement administrative procedures for workers that document activities which are "not allowable" for federal participation. In order to avoid this additional administrative burden, DHR estimates that one full-time clerk will be needed in each county social services office to register voters. The cost of 100 entry level clerical positions is as follows (does not include overhead costs such as supplies or telephone):

Pay Grade 59, step 3	\$16,968
FICA, Health, Retirement	3,976
	\$20,944
x 100 counties =	\$2,094,400

As a matter of policy, the state has seldom participated in the administrative costs of county departments of social services. Since the state is not obligated to fund the cost of local personnel, this fiscal note assumes the entire \$2,094,400 cost of registration will be borne by the counties. A January 1, 1990 effective date would cut the first year costs in half.

The State Board of Elections estimates the start-up costs of the program will be \$15,000 to \$25,000. This would cover the design, printing and distribution of registration forms. This would also be used to train the clerks in the county Departments of Social Services. It is recommended that a nonreverting \$25,000 reserve be appropriated to the State Board of Elections for the fiscal year 1989-91 biennium for this initiative.



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