

FINANCIAL IMPACT OF THE AUTOMATIC VOTER REGISTRATION INITIATIVE

FINANCIAL IMPACT - YES

The Automatic Voter Registration Initiative (Initiative) proposes to amend various sections of the *Nevada Revised Statutes* to require the Secretary of State, the Department of Motor Vehicles (DMV), and county clerks to cooperatively establish a system by which certain voter registration information that is required to be collected by the DMV pursuant to the Initiative is electronically transmitted to the Secretary of State and the county clerks and registrars of voters.

FINANCIAL IMPACT OF THE INITIATIVE

Pursuant to Article 19, Section 4 of the *Nevada Constitution*, an initiative proposing to amend the *Nevada Revised Statutes* must be approved by the Legislature and Governor within the first 40 days of the next regular session, which began on February 6, 2017. If the Legislature and Governor approve the Initiative, it becomes law effective on January 1, 2018, and may be amended during the next following legislative session.

If the Legislature and Governor do not approve the Initiative, it will be submitted to the voters at the November 2018 General Election. If it is approved by the voters at that election, the Initiative becomes law upon the canvass of the votes, which would occur on the fourth Thursday of November (November 22, 2018) per NRS 293.395, and may not be amended by the Legislature for a period of three years.

The Department of Motor Vehicles (DMV) indicated that the provisions of the Initiative specify that a person is deemed as consenting to the transmission of their voter information to county clerks and registrars unless they decline in writing, or "opt out." The Department has indicated that compliance with these provisions will require approximately 660 hours of computer system programming, which DMV indicated could be absorbed using existing resources, and would result in no impact upon state government.

The DMV additionally indicated that compliance with the opt-out provisions in the Initiative would require the DMV to revise the current applications for these documents in all required languages (English, Spanish, and Tagalog) to allow persons to select an opt-out option. The DMV estimated that the cost would be approximately \$53,000 for a one-year supply of updated forms that comply with these provisions, half of which would be borne by the State Highway Fund, with the other half borne by the State General Fund.

The provisions of the Initiative additionally require that affidavits be filled out by persons who do not have a driver's license, identification card, or Social Security number when registering to vote. The DMV believes that these provisions will be required to be implemented by local governments and will not require any expenditures by the DMV; however, if actions are required to be taken by the DMV to implement these provisions, DMV has indicated that additional expenditures may be required at the state level.

The Secretary of State's Office provided four different scenarios relating to the implementation of the provisions of the Initiative, with specific costs for each scenario, as follows:

1. The DMV would be required to work directly with the county clerks and registrars to develop a system to electronically transfer voter registration information collected by the DMV. No data would pass through any systems operated by the Secretary of State; however, the Secretary of State's Office may be required to provide advice and assistance to the DMV and the county clerks and registrars using existing staff. This scenario assumes that data transfers between the county clerks and registrars and the Secretary of State to update the current Statewide Voter Registration List would continue under the current processes.

The Secretary of State's Office has indicated that this scenario would result in no financial impact upon the Secretary of State's Office.

2. The Secretary of State's office would act as a conduit and pass voter registration information collected by the DMV to the county clerks and registrars using existing applications, connections, software, and systems maintained by both the DMV and the counties. Under this scenario, the bulk of the project responsibilities regarding the secure automated download programs required under the Initiative would lie with the DMV and/or the county clerks and recorders.

The Secretary of State's Office has indicated that the implementation of this scenario would require the services of a contract business process analyst, which is estimated by the Secretary of State's Office to have a cost of approximately \$110,000.

3. The Secretary of State's Office would be required to enhance existing applications, connections, software, and systems to automatically integrate voter registration information collected by the DMV into the local voter registration systems operated by the county clerks and registrars.

The Secretary of State's Office has estimated that the cost for implementing this scenario would be approximately \$221,000, relating to the design, development, and documenting of internal system enhancements, as well as enhancements that would be required to local voter registration systems.

4. The Secretary of State's Office, in concert with the DMV and the county clerks and registrars, would be required to develop a statewide voter registration database compliant with the federal Help America Vote Act of 2002 (HAVA). To maintain compliance with HAVA, the statewide database would be required to be a single, uniform, official, centralized, interactive computerized statewide voter registration list defined, maintained, and administered at the state level. In addition, the statewide database would be required to be coordinated with other agency databases within the state.

The Secretary of State's Office has estimated that the cost to develop a statewide voter registration database compliant with HAVA would likely require the purchasing or licensing of a base system, which would either be maintained by the Secretary of State's Office or be

maintained through a service-level agreement with the vendor. The Office has estimated that the development and implementation of this system would result in expenditures of approximately \$4.8 million.

The Fiscal Analysis Division additionally received information from counties indicating that the implementation of the Initiative will result in additional implementation costs at the county level relating to programming of systems, with estimates ranging from approximately \$3,000 per county in the smaller counties to approximately \$40,000 in Clark County. The responses received from the counties also anticipated ongoing expenses for additional voter machines, voter registration cards, sample ballots, and absentee ballots that may result from a potential increase in the number of registered voters.

Although it is clear that implementing the Initiative will have some financial impact on state agencies and local governments, the costs incurred will depend on the nature of the system that is cooperatively established by the Secretary of State, the DMV and the county clerks as required by the Initiative.

Prepared by the Fiscal Analysis Division of the Legislative Counsel Bureau – February 14, 2017