



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0374 Introduced on January 15, 2019  
**Author:** Alexander  
**Subject:** SC Election Security Council  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Miller  
**Impact Date:** January 30, 2019

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### **Fiscal Impact Summary**

This bill will have a non-recurring expenditure on the General Fund of \$60,000,000 in FY 2019-20, to pay for the voting system and implement a risk-limit audit. The State Election Commission (SEC) has submitted a budget request to cover the \$60,000,000 expenditure. If the budget request is granted, this bill will have no additional fiscal impact to the General Fund.

Also, this bill is not expected to have a local expenditure impact as the bulk of the risk-limit audit will be performed by the SEC.

### **Explanation of Fiscal Impact**

#### **Introduced on January 15, 2019**

##### **State Expenditure**

This bill establishes the South Carolina Election Security Council. The council will consist of the executive director of the SEC, the Attorney General or his designee, the Adjutant General or his designee, two members of the Senate, two members of the House of Representatives, and two members who are county board of voter registration and election directors. The members will serve without compensation, but may be reimbursed for mileage incurred and per diem. The council may call upon the SEC for clerical and administrative assistance as needed. Also, this bill prohibits any state or local entity from purchasing any type of voting system unless it meets certain requirements. One requirement is that the voting system must allow a voter to be able to mark by hand a paper ballot. This paper ballot will be tabulated using an optical scanner. The SEC will require the county boards of voter registration and elections to maintain all paper ballots cast in an election for a period of at least two years. Additionally, county boards of voter registration and elections will compare and reconcile the number of ballots with the number of voters who voted, compare precinct totals with countywide totals, and review and account for all optical scanner member cards. The county boards will then perform a risk-limiting audit in conjunction with the SEC, based on regulations promulgated by the SEC.

**Attorney General.** This bill requires the Attorney General or his designee to serve on the Election Council. The cost to the Attorney General's office is \$35 per diem and mileage of \$0.58 per mile. These expenses are expected to be managed within the existing budget.

**Senate and House of Representatives.** This bill requires two members from the House and two members from the Senate to serve on the Election Security Council. The cost to the legislative bodies for each member per meeting is \$35 per diem and mileage of \$0.58 per mile and

subsistence of \$208.27 per non-session day. These expenses are expected to be managed within the existing budgets of the appointee's respective legislative bodies.

**State Election Commission (SEC).** This bill requires the executive director of the SEC to serve on the Election Security Council. The cost to the SEC is \$35 per diem and mileage of \$0.58 per mile. This cost can be managed within existing appropriations. Additionally, the staffing for this council will be provided by the SEC and will be managed with existing staff and within existing appropriations.

Also, this bill prohibits any state or local entity from purchasing any type of voting system unless it meets certain requirements. One requirement is that the voting system must allow a voter to be able to mark by hand a paper ballot. This paper ballot will be tabulated using an optical scanner. Additionally, the SEC will require the county boards of voter registration and elections to maintain all paper ballots cast in an election for a period of at least two years. Also, the SEC in conjunction with county boards of voter registration and election will then perform a risk-limiting audit, based on regulations promulgated by the SEC. The risk-limiting audits must be conducted for all statewide primary, general and specific elections beginning with the 2020 general election. The SEC anticipates it will manage the bulk of the audit. The SEC anticipates the cost to implement a voting system that meets the requirements of this bill, statewide, and performing the required audits is \$60,000,000.

The current statewide voting system was implemented in 2004/2005 with a life expectancy of 12 to 15 years. Initially, the SEC planned to refresh the system and implement a new system for the 2022 election. However, there were concerns that Congress would require states to replace paperless voting systems before the 2020 election cycle. Therefore, the SEC has submitted a \$60,000,000 budget request to implement a new voting system that would replace the current system. This bill will have a non-recurring impact of \$60,000,000 on General Funds in FY 2019-20 to implement a new voting system. If the budget request is granted, this bill will have no additional impact.

### **State Revenue**

N/A

### **Local Expenditure**

This bill creates the South Carolina Election Security Council. Two directors of county board of voter registration and election will serve on the council. The members will serve without compensation, but may be reimbursed for mileage incurred and per diem. The cost is \$35 per diem and \$0.58 per mile for each member. These expenses are expected to be managed within existing budgets of the counties.

Further, this bill requires county boards of voter registration and election must maintain all paper ballots cast in an election for a period of at least two years. The storage of the paper ballots is not anticipated to have an expenditure impact on the county boards. Also, county boards in conjunction with the SEC will perform risk-limiting audits for certain elections as specified by this bill. The SEC anticipates it will handle the bulk of the work for the audits and will not

require a significant increase in work for the county boards. Therefore, this bill will not have an impact on local expenditure for county boards of voter registration and election.

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director