

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-1044
Prime Sponsor(s): Sen. Lundberg; Woods

Date: April 27, 2015
Bill Status: Senate SVMA
Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: MAIL BALLOT OPT OUT

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
Cash Funds	Potential fee increase.	
State Expenditures	\$118,989	
General Fund	56,789	
Cash Funds	62,200	
TABOR Set Aside	Potential increase.	
FTE Position Change		
Appropriation Required: \$118,989 - Multiple agencies (FY 2015-16).		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Under current law, all registered, active voters receive a mail ballot for elections. The bill permits voters to opt out of receiving mail ballots and vote in person at voter service and polling centers. Voters may indicate their preference for voting at a vote center or by mail ballot either during the initial registration or by modifying their current registration. The bill requires that the online voter registration system and all voter registration forms include a place for the voter to indicate their preferred voting method. Voters may opt out of receiving a mail ballot or change their voting preference at any time, except for during the 60 days preceding an election.

State Revenue

To the extent that the bill increases costs beyond a level that can be accommodated by the Department of State Cash Fund, business filing and other fees charged by the Department of State may need to be increased. The fee schedule for business filings and other services is set at the discretion of the Secretary of State; thus, the specific fees that may be adjusted or the potential amount of any potential fee increases cannot be estimated at this time.

TABOR Impact

This bill may increase state revenue from fees, which may increase the amount required to be refunded under TABOR. TABOR refunds are paid from the General Fund.

State Expenditures

The bill results in one-time costs totaling \$118,989 in the Department of State and the Department of Revenue. These costs are summarized in Table 1 and discussed below.

Table 1. Expenditures Under SB 15-273		
Cost Components	FY 2015-16	FY 2016-17
Department of State	<u>\$62,200</u>	
Computer System Changes	41,200	
Voter Registration Forms	21,000	
Department of Revenue	<u>\$56,789</u>	
Computer System Changes	56,789	
TOTAL	<u>\$118,989</u>	

* Centrally appropriated costs are not included in the bill's appropriation.

Department of State. The Department of State will have costs of \$62,200 to implement the bill. First, the Department of state must make computer system changes to the statewide voter registration database, the online voter registration system, and the voter service and polling center software. About 400 hours of programming time are required at a cost of \$103 per hour, resulting in IT costs of \$41,200. Second, the Department of State will be required to update and re-print voter registration forms at a cost of \$21,000 and distribute these forms to county clerks, libraries, and other locations.

Department of Revenue. The bill increases costs in the Department of Revenue by \$56,789 to modify computer systems used to register voters at Department of Motor Vehicle offices to allow voters to opt out of receiving mail ballots at the time of registration. These costs include \$16,789 for 163 hours of programming time by the Office of Information Technology at a cost of \$103 per hour and an estimated \$40,000 for an outside vendor to make changes to proprietary systems used by the Department.

Local Government Impact

The bill will likely result in a range of potential costs and savings to counties. Potential costs and workload for county clerks include verifying voter requests concerning mail ballot preferences and entering this information in the SCORE system. Depending on the number of persons opting out of mail ballots, county clerks may have savings for mailing, printing, and postage of mail ballots. It is important to note that if a large number of voters opt out of mail ballots, potential savings could be offset by higher costs to operate additional voter service and polling centers, including staffing, supplies, space, and voting equipment.

Technical Note

The bill's August 5 effective date will prevent computer system changes from being in place for the November 2015 coordinated election, even though the bill applies to this election. If the August 5 effective date is retained, the bill should apply to elections on or after January 1, 2016. Alternately, the effective date could be moved to an earlier date, no later than July 1, 2015, in order for the bill to apply to the 2015 election.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State Appropriations

The bill requires the following appropriations for FY 2015-16:

- \$62,200 from the Department of State Cash Fund to the Department of State; and
- \$56,789 General Fund to the Department of Revenue, of which \$16,789 is reappropriated to the Office of Information Technology.

State and Local Government Contacts

State Clerks Counties Municipal