



**Colorado  
Legislative  
Council  
Staff**

**HB16-1282**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 16-0833 **Date:** August 4, 2016  
**Prime Sponsor(s):** Rep. Becker K.; Petterson **Bill Status:** Signed into Law  
 Sen. Todd; Tate **Fiscal Analyst:** Chris Creighton (303-866-5834)

**BILL TOPIC:** ALIGN REGULAR BIENNIAL SCHOOL ELECTIONS & FCPA

| Fiscal Impact Summary  | FY 2016-2017          | FY 2017-2018        |
|--|-----------------------|---------------------|
| <b>State Revenue</b>   | Potential increase.   |                     |
| <b>State Expenditures</b>  | <b><u>\$5,047</u></b> |                     |
| Cash Fund  | 5,047                 |                     |
| <b>TABOR Impact</b>  |                       | Potential increase. |
| <b>Appropriation Required:</b> \$5,047 - Department of State (FY 2016-17).   |                       |                     |
| <b>Future Year Impacts:</b> Ongoing potential revenue and workload increase. |                       |                     |

**Summary of Legislation**

This bill applies the disclosure requirements in the Fair Campaign Practices Act to regular biennial school board elections. This bill also specifies that any political committee, small donor committee, independent expenditure committee, or political organization that is participating in an odd-numbered year election must file expenditure disclosure reports with the Secretary of State's Office (SOS) on a schedule outlined in state law.

**Background**

Under current law, any person who spends \$1,000 or more per calendar year on electioneering communications must disclose the amount spent to the SOS, and the name and address of any person who donated more than \$250 to the person who purchased the electioneering communication. Electioneering communications are a type of campaign advertising that unambiguously refer to a candidate, and are broadcast, printed, mailed, or otherwise delivered to voters within a certain period prior to an election. Electioneering communication does not include opinion pieces or endorsements. Under current law, these disclosure requirements apply to primary and general elections.

**State Revenue**

By expanding the required disclosures to additional elections, this bill potentially increases SOS fine revenue when disclosures are not filed in a timely manner. This analysis assumes a high level of compliance and fine revenue is anticipated to be minimal.

**TABOR Impact**

This bill potentially increases state revenue from fines, which may increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. TABOR refund obligations are not expected for FY 2016-17.

**State Expenditures**

This bill increases cash fund expenditures in the SOS by **\$5,047 in FY 2016-17**. The SOS needs to update its online campaign finance system to accommodate the altered reporting schedule for committees and political organizations participating in odd-numbered year elections. These one-time changes will require 49 hours of computer programming time at a cost of \$103 per hour.

Additional staff time will be required to process disclosures concerning school electioneering communication and odd-numbered year elections and to ensure compliance. If a violation occurs, staff time will increase to process the penalty and notify the offending party. Additionally, violations of disclosure requirements could result in complaints being filed with the SOS and cases being referred to administrative law judges (ALJs) in the Department of Personnel and Administration. Any increase in complaints and ALJ referrals is expected to be minimal and can be handled within existing appropriations.

**Effective Date**

The bill was signed into by the Governor on June 8, 2016, and takes effect August 10, 2016, assuming no referendum petition is filed. The bill applies to any election cycle or portion of an election cycle after the effective date.

**State Appropriations**

Consistent with this fiscal note, for FY 2016-17, this bill appropriates \$5,047 to the Department of State from the Department of State Cash Fund.

**State and Local Government Contacts**

|                        |                    |           |
|------------------------|--------------------|-----------|
| Counties               | County Clerks      | Education |
| Information Technology | Secretary of State |           |