

**STATE
FISCAL IMPACT**

Drafting Number: LLS 11-0089

Date: January 31, 2011

Prime Sponsor(s): Rep. McNulty
Sen. Morse

Bill Status: House SVMA

Fiscal Analyst: Bill Zepernick (303-866-4777)

TITLE: CONCERNING THE RESPONSIBILITIES OF A DESIGNATED REPRESENTATIVE OF THE PROPONENTS OF AN INITIATIVE PETITION.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue Cash Funds Department of State Cash Fund	Potential fine revenue of <\$5,000	
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: None required.		
Local Government Impact: None.		

Summary of Legislation

Under current law, the proponents of each ballot initiative must designate two people to represent the proponents throughout the petition process. The bill sets forth the duties and responsibilities of the designated representatives of the proponents of an initiative petition. Specifically, the designated representatives must:

- appear in person at the title board hearing in order for the initiative title to be set;
- sign a notarized affidavit at the first title board meeting stating that he or she is familiar with the laws governing the initiative process and the duties of a designated representative;
- submit the printer's proof of the petition sections to the Secretary of State for approval; and
- deliver the bound volumes of signed petition sections to the Secretary of State.

In addition, the designated representatives must file a report with the Secretary of State within 10 days after filing a petition that includes:

- the dates the petition was circulated by paid petition circulators;
- the total hours for which each circulator was paid;
- the total amount of wages paid to petition circulators; and
- a list of any other expenditures made in connection with circulating a petition for signatures.

A registered voter may file a complaint with the Secretary of State alleging violations of these reporting requirements within 10 days of a report being filed by the designated representatives. Complaints may be referred to an administrative law judge (ALJ) and if it is determined that a violation occurred, the designated representative is subject to a penalty equal to 3 times the amount of any expenditures omitted from or erroneously included on the required disclosure report. A registered voter who files a complaint may commence a civil action to recover costs and attorney fees from designated representatives found to have violated the reporting requirements.

State Revenue

The bill is expected to result in fine revenue of less than \$5,000 per year to the Department of State Cash Fund. The fiscal note assumes that the significant penalties enacted by the bill would promote compliance by initiative proponents. However, given that the petition circulation process can cost tens of thousands of dollars, a single violation of the reporting requirements by the designated representatives could result in significant fine revenue, if collected.

State Expenditures

The bill increases workload by a minimal amount in several state agencies beginning in FY 2011-12, as described below.

Department of State. A minimal amount of staff time in the Department of State (DOS) is required to provide a notary at title board meetings and to create a summary of the responsibilities of the designated representatives of initiative proponents. The DOS could also receive more complaints about the petition process that need to be evaluated and possibly referred to an ALJ. These tasks can be accomplished by existing staff and no new appropriation is required.

Department of Personnel and Administration. The bill could result in more cases being referred to ALJs in the Department of Personnel and Administration (DPA) from complaints against designated representatives of an initiative petition. However, the number of cases is expected to be minimal. Any impact on ALJ staffing or usage will be addressed through the annual budget process.

Each year the DPA allocates the total annual ALJ appropriation to each department based upon historical usage ratios. The DPA then conducts a mid-year review of actual usage compared to departmental allocations and submits a statewide supplemental to adjust departmental appropriations.

Judicial. The bill creates a new civil cause of action, which could increase caseload in the courts. This impact is expected to be minimal and no new appropriation is required.

Departments Contacted

Legislature
Law

Judicial
State

Personnel and Administration