First Regular Session Sixty-eighth General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction HOUSE BILL 11-1072

LLS NO. 11-0089.01 Ed DeCecco

HOUSE SPONSORSHIP

McNulty, Stephens, Liston

Morse,

SENATE SPONSORSHIP

House Committees State, Veterans, & Military Affairs **Senate Committees**

A BILL FOR AN ACT

101 CONCERNING THE RESPONSIBILITIES OF A DESIGNATED
 102 REPRESENTATIVE OF THE PROPONENTS OF AN INITIATIVE
 103 PETITION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

Currently, proponents of a ballot initiative petition are required to designate 2 persons (designated representatives) to represent the proponents in all matters related to the petition. The bill requires the designated representatives to appear at a title board meeting and to HOUSE 3rd Reading Unam ended February 9, 2011

> ended 2nd Reading February 8, 2011

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certify, by a notarized affidavit signed at the first title board meeting, that they are familiar with the laws related to initiatives and a summary related to the responsibilities of the designated representatives. The secretary of state must prepare this summary and provide a notary public at the title board meeting. If the designated representatives fail to appear at the title board meeting or do not file the affidavit, the title board may not set a ballot title.

In addition, the bill requires the following actions related to the designated representatives:

- The designated representatives must file the first printer's proof of the petition sections with the secretary of state;
- ! The secretary of state must notify the designated representatives whether the printer's proof is approved;
- ! The designated representatives must file with the secretary of state the bound volumes of the petition sections with signatures; and
- ! Within 10 days after filing the petition, the designated representatives must file a report with the secretary of state that includes all expenditures made related to petition circulators and any other expenditures (report).

Within 10 days after the report is filed, a registered elector may file a written complaint alleging a violation of the requirements for the report. The designated representatives have 10 days to cure the alleged violation. If the violation is not cured, an administrative law judge shall conduct a hearing on the complaint. Penalties for a violation are equal to 3 times the amount of any expenditures that were omitted from or erroneously included in the report and, in some instances, attorney fees and costs.

2 SECTION 1. 1-40-102, Colorado Revised Statutes, is amended

4

1-40-102. Definitions. As used in this article, unless the context

- 5 otherwise requires:
- 6 (3.7) "Designated representative of the proponents" or
- 7 "DESIGNATED REPRESENTATIVE" MEANS A PERSON DESIGNATED PURSUANT
- 8 TO SECTION 1-40-104 TO REPRESENT THE PROPONENTS IN ALL MATTERS
- 9 AFFECTING THE PETITION.

10 SECTION 2. 1-40-106 (1) and (3) (b), Colorado Revised

¹ Be it enacted by the General Assembly of the State of Colorado:

³ BY THE ADDITION OF A NEW SUBSECTION to read:

1

Statutes, are amended, and the said 1-40-106 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

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1-40-106. Title board - meetings - titles and submission clause.

4 (1) For ballot issues, beginning with the first submission of a draft after 5 an election, the secretary of state shall convene a title board consisting of 6 the secretary of state, the attorney general, and the director of the office 7 of legislative legal services or the director's designee. The title board, by 8 majority vote, shall proceed to designate and fix a proper fair title for 9 each proposed law or constitutional amendment, together with a 10 submission clause, at public meetings to be held at the hour determined 11 by the title board on the first and third Wednesdays of each month in 12 which a draft or a motion for reconsideration has been submitted to the 13 secretary of state. To be considered at such meeting, a draft shall be 14 submitted to the secretary of state no later than 3 p.m. on the twelfth day 15 before the meeting at which the draft is to be considered by the title board 16 AND THE DESIGNATED REPRESENTATIVES OF THE PROPONENTS MUST 17 COMPLY WITH THE REQUIREMENTS OF SUBSECTION (4) OF THIS SECTION. 18 The first meeting of the title board shall be held no sooner than the first 19 Wednesday in December after an election, and the last meeting shall be 20 held no later than the third Wednesday in April in the year in which the 21 measure is to be voted on.

(3) (b) In setting a title, the title board shall consider the public
confusion that might be caused by misleading titles and shall, whenever
practicable, avoid titles for which the general understanding of the effect
of a "yes" or "no" vote will be unclear. The title for the proposed law or
constitutional amendment, which shall correctly and fairly express the
true intent and meaning thereof, together with the ballot title and

1 submission clause, shall be completed within two weeks after the first 2 meeting of the title board. Immediately upon completion, the secretary 3 of state shall deliver the same with the original to the parties presenting 4 it DESIGNATED REPRESENTATIVES OF THE PROPONENTS, keeping the copy 5 with a record of the action taken thereon. Ballot titles shall be brief, shall 6 not conflict with those selected for any petition previously filed for the 7 same election, and shall be in the form of a question which may be 8 answered "yes" (to vote in favor of the proposed law or constitutional 9 amendment) or "no" (to vote against the proposed law or constitutional 10 amendment) and which shall unambiguously state the principle of the 11 provision sought to be added, amended, or repealed.

12 (4) (a) EACH DESIGNATED REPRESENTATIVE OF THE PROPONENTS
13 SHALL APPEAR AT ANY TITLE BOARD MEETING AT WHICH THE DESIGNATED
14 REPRESENTATIVE'S BALLOT ISSUE IS CONSIDERED.

15 (b) EACH DESIGNATED REPRESENTATIVE OF THE PROPONENTS 16 SHALL CERTIFY BY A NOTARIZED AFFIDAVIT THAT THE DESIGNATED 17 REPRESENTATIVE IS FAMILIAR WITH THE PROVISIONS OF THIS ARTICLE AND 18 THE SUMMARY PREPARED BY THE SECRETARY OF STATE PURSUANT TO 19 PARAGRAPH (c) OF THIS SUBSECTION (4). THE AFFIDAVIT SHALL INCLUDE 20 A PHYSICAL ADDRESS AT WHICH PROCESS MAY BE SERVED ON THE 21 DESIGNATED REPRESENTATIVE. THE DESIGNATED REPRESENTATIVE SHALL 22 SIGN AND FILE THE AFFIDAVIT WITH THE SECRETARY OF STATE AT THE 23 FIRST TITLE BOARD MEETING AT WHICH THE DESIGNATED 24 REPRESENTATIVE'S BALLOT ISSUE IS CONSIDERED.

(c) THE SECRETARY OF STATE SHALL PREPARE A SUMMARY FOR
THE DESIGNATED REPRESENTATIVES OF THE PROPONENTS'
RESPONSIBILITIES THAT ARE SET FORTH IN THIS ARTICLE.

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(d) THE TITLE BOARD SHALL NOT SET A TITLE FOR A BALLOT ISSUE
 IF EITHER DESIGNATED REPRESENTATIVE OF THE PROPONENTS FAILS TO
 APPEAR AT A TITLE BOARD MEETING OR FILE THE AFFIDAVIT AS REQUIRED
 BY PARAGRAPHS (a) AND (b) OF THIS SUBSECTION (4). THE TITLE BOARD
 MAY CONSIDER THE BALLOT ISSUE AT ITS NEXT MEETING, BUT THE
 REQUIREMENTS OF THIS SUBSECTION (4) SHALL CONTINUE TO APPLY.

7 (e) THE SECRETARY OF STATE SHALL PROVIDE A NOTARY PUBLIC
8 FOR THE DESIGNATED REPRESENTATIVES AT THE TITLE BOARD MEETING.
9 SECTION 3. 1-40-113 (1) (a) and (3), Colorado Revised Statutes,
10 are amended to read:

11 **1-40-113.** Form - representatives of signers. (1) (a) Each 12 section of a petition shall be printed on a form as prescribed by the 13 secretary of state. No petition shall be printed, published, or otherwise 14 circulated unless the form and the first printer's proof of the petition have 15 been approved by the secretary of state. THE DESIGNATED 16 REPRESENTATIVES OF THE PROPONENT ARE RESPONSIBLE FOR FILING THE 17 PRINTER'S PROOF WITH THE SECRETARY OF STATE, AND THE SECRETARY OF 18 STATE SHALL NOTIFY THE DESIGNATED REPRESENTATIVES WHETHER THE 19 PRINTER'S PROOF IS APPROVED. Each petition section shall designate by 20 name and mailing address two persons who shall represent the signers 21 thereof in all matters affecting the same. The secretary of state shall 22 assure that the petition contains only the matters required by this article 23 and contains no extraneous material. All sections of any petition shall be 24 prenumbered serially, and the circulation of any petition section described 25 by this article other than personally by a circulator is prohibited. Any 26 petition section circulated in whole or in part by anyone other than the 27 person who signs the affidavit attached to the petition section shall be

invalid. Any petition section that fails to conform to the requirements of
 this article or is circulated in a manner other than that permitted in this
 article shall be invalid.

4 (3) Prior to the time of filing, the persons designated in the 5 petition to represent the signers shall bind the sections of the petition in 6 convenient volumes consisting of one hundred sections of the petition if 7 one hundred or more sections are available or, if less than one hundred 8 sections are available to make a volume, consisting of all sections that are 9 available. Each volume consisting of less than one hundred sections shall 10 be marked on the first page of the volume. However, any volume that 11 contains more or less than one hundred sections, due only to the oversight 12 of the designated representatives of the signers or their staff, shall not 13 result in a finding of insufficiency of signatures therein. Each section of 14 each volume shall include the affidavits required by section 1-40-111 (2), 15 together with the sheets containing the signatures accompanying the 16 same. These bound volumes shall be filed with the secretary of state BY 17 THE DESIGNATED REPRESENTATIVES OF THE PROPONENTS.

18 SECTION 4. 1-40-117 (3) (b), Colorado Revised Statutes, is
19 amended to read:

20 **1-40-117. Statement of sufficiency - statewide issues.** (3) (b) In 21 the event the secretary of state issues a statement declaring that a petition, 22 having first been submitted with the required number of signatures, 23 appears not to have a sufficient number of valid signatures, the 24 representatives designated by the proponents pursuant to section 1-40-104 25 DESIGNATED REPRESENTATIVES OF THE PROPONENTS may cure the 26 insufficiency by filing an addendum to the original petition for the 27 purpose of offering such number of additional signatures as will cure the

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1 insufficiency. No addendum offered as a cure shall be considered unless 2 the addendum conforms to requirements for petitions outlined in sections 3 1-40-110, 1-40-111, and 1-40-113 and unless the addendum is filed with 4 the secretary of state within the fifteen-day period after the insufficiency 5 is declared and unless filed with the secretary of state no later than three 6 months and three weeks before the election at which the initiative petition 7 is to be voted on. All filings under this paragraph (b) shall be made by 3 8 p.m. on the day of filing. Upon submission of a timely filed addendum, 9 the secretary of state shall order the examination and verification of each 10 signature on the addendum. The addendum shall not be available to the 11 public for a period of up to ten calendar days for such examination. After 12 examining the petition, the secretary of state shall, within ten calendar 13 days, issue a statement as to whether the addendum cures the 14 insufficiency found in the original petition.

SECTION 5. 1-40-121, Colorado Revised Statutes, is
 REPEALED AND REENACTED, WITH AMENDMENTS, to read:

17 1-40-121. Designated representatives - expenditures related to
 18 petition circulation - report - penalty - definitions. (1) AS USED IN
 19 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

20 (a) "EXPENDITURE" SHALL HAVE THE SAME MEANING AS SET
21 FORTH IN SECTION 2 (8) OF ARTICLE XXVIII OF THE STATE CONSTITUTION
22 AND INCLUDES A PAYMENT TO A CIRCULATOR.

23 (b) "REPORT" MEANS THE REPORT REQUIRED TO BE FILED
24 PURSUANT TO SUBSECTION (2) OF THIS SECTION.

(2) NO LATER THAN TEN DAYS AFTER THE DATE THAT THE
petition is filed with the secretary of state, the designated
REPRESENTATIVES OF THE PROPONENTS MUST SUBMIT TO THE SECRETARY

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1 OF STATE A REPORT THAT:

2 (a) STATES THE DATES OF CIRCULATION BY ALL CIRCULATORS WHO 3 WERE PAID TO CIRCULATE A SECTION OF THE PETITION, THE TOTAL HOURS 4 FOR WHICH EACH CIRCULATOR WAS PAID TO CIRCULATE A SECTION OF THE 5 PETITION, AND THE GROSS AMOUNT OF WAGES PAID FOR SUCH HOURS; AND 6 (b) INCLUDES ANY OTHER EXPENDITURES MADE BY ANY PERSON OR 7 ISSUE COMMITTEE RELATED TO THE CIRCULATION OF PETITIONS FOR 8 SIGNATURES. SUCH INFORMATION SHALL INCLUDE THE NAME OF THE 9 PERSON OR ISSUE COMMITTEE AND THE AMOUNT OF THE EXPENDITURE.

10 (3) (a) WITHIN TEN DAYS AFTER THE DATE THE REPORT IS FILED. 11 A REGISTERED ELECTOR MAY FILE A COMPLAINT ALLEGING A VIOLATION 12 OF THE REQUIREMENTS FOR THE REPORT SET FORTH IN SUBSECTION (2) OF 13 THIS SECTION. THE DESIGNATED REPRESENTATIVES OF THE PROPONENTS 14 MAY CURE THE ALLEGED VIOLATION BY FILING A REPORT OR AN 15 ADDENDUM TO THE ORIGINAL REPORT WITHIN TEN DAYS AFTER THE DATE 16 THE COMPLAINT IS FILED. IF THE VIOLATION IS NOT CURED, AN 17 ADMINISTRATIVE LAW JUDGE SHALL CONDUCT A HEARING ON THE 18 COMPLAINT WITHIN FOURTEEN DAYS AFTER THE DATE OF THE ADDITIONAL 19 FILING OR THE DEADLINE FOR THE ADDITIONAL FILING, WHICHEVER IS 20 SOONER.

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(b) (I) AFTER A HEARING IS HELD, IF THE ADMINISTRATIVE LAW
JUDGE DETERMINES THAT A VIOLATION OCCURRED, THE DESIGNATED
REPRESENTATIVES OF THE PROPONENTS SHALL BE SUBJECT TO A PENALTY
THAT IS EQUAL TO THREE TIMES THE AMOUNT OF ANY EXPENDITURES THAT
WERE OMITTED FROM OR ERRONEOUSLY INCLUDED IN THE REPORT.

27 (II) IF THE ADMINISTRATIVE LAW JUDGE DETERMINES THAT THE

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DESIGNATED REPRESENTATIVES KNOWINGLY MISSTATED A MATERIAL FACT
 IN THE REPORT OR OMITTED A MATERIAL FACT FROM THE REPORT, OR IF
 THE DESIGNATED REPRESENTATIVES NEVER FILED A REPORT, THE
 REGISTERED ELECTOR WHO INSTITUTED THE PROCEEDINGS MAY
 COMMENCE A CIVIL ACTION TO RECOVER REASONABLE ATTORNEY FEES
 AND COSTS FROM THE DESIGNATED REPRESENTATIVES OF THE
 PROPONENTS.

8 (c) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, ANY 9 PROCEDURES RELATED TO A COMPLAINT SHALL BE GOVERNED BY THE 10 "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, 11 C.R.S.

SECTION 6. 1-40-135 (3) (a), Colorado Revised Statutes, is
amended to read:

14 1-40-135. Petition entities - requirements - definitions. 15 (3) (a) Any procedures by which alleged violations involving petition 16 entities are heard and adjudicated shall be governed by the "State 17 Administrative Procedure Act", article 4 of title 24, C.R.S. If a complaint 18 is filed with the secretary of state pursuant to section 1-40-132 (1) 19 alleging that a petition entity was not licensed when it compensated any 20 circulator, the secretary may use information that the entity is required to 21 produce pursuant to section 1-40-121 (1) SECTION 1-40-121 and any other 22 information to which the secretary may reasonably gain access, including 23 documentation produced pursuant to paragraph (b) of subsection (2) of 24 this section, at a hearing. After a hearing is held, if a violation is 25 determined to have occurred, such petition entity shall be fined by the 26 secretary in an amount not to exceed one hundred dollars per circulator for each day that the named individual or individuals circulated petition 27

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1 sections on behalf of the unlicensed petition entity. If the secretary finds 2 that a petition entity violated a provision of paragraph (c) of subsection 3 (2) of this section, the secretary shall revoke the entity's license for not 4 less than ninety days or more than one hundred eighty days. Upon finding 5 any subsequent violation of a provision of paragraph (c) of subsection (2) 6 of this section, the secretary shall revoke the petition entity's license for 7 not less than one hundred eighty days or more than one year. The 8 secretary shall consider all circumstances surrounding the violations in 9 fixing the length of the revocations.

10 **SECTION 7.** Act subject to petition - effective date. This act 11 shall take effect at 12:01 a.m. on the day following the expiration of the 12 ninety-day period after final adjournment of the general assembly (August 13 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a 14 referendum petition is filed pursuant to section 1 (3) of article V of the 15 state constitution against this act or an item, section, or part of this act 16 within such period, then the act, item, section, or part shall not take effect 17 unless approved by the people at the general election to be held in November 2012 and shall take effect on the date of the official 18 19 declaration of the vote thereon by the governor.