

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated January 28, 2015)

Drafting Number: LLS 15-0005 **Date:** April 28, 2015
Prime Sponsor(s): Rep. Court; DelGrosso **Bill Status:** House Appropriations
 Sen. Sonnenberg; Hodge **Fiscal Analyst:** Lauren Schreier (303-866-3523)

BILL TOPIC: THE STATEWIDE INITIATIVE PROCESS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	\$22,255	\$22,404
General Fund	18,414	18,414
Centrally Appropriated Costs**	3,841	3,990
FTE Position Change	0.3 FTE	0.3 FTE
Appropriation Required: \$18,414 - Legislative Department (FY 2015-16).		

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

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

Under current law, the Legislative Council Staff (LCS) prepares fiscal impact statements for all citizen-initiated measures that are certified for the statewide ballot. This bill, **as amended by the House Legislative Council Committee**, requires that the LCS prepare initial fiscal impact statements for all measures submitted to the title board.

The initial fiscal impact statement must include an abstract describing the measure's effect on state and local government revenues, expenditures, taxes, and fiscal liabilities, as well as a two-sentence fiscal impact summary. The LCS must submit the statement to the proponents and the title board prior to the meeting at which the measure's ballot title will be set, and post it on the LCS website. Both the abstract and the summary must appear on initiative petitions circulated for signature collection. The bill permits the LCS to later update the fiscal impact summary, if necessary, when preparing a fiscal impact statement for the Blue Book, the official voter guide for statewide ballot measures.

The bill also requires both designated representatives of the initiative proponents to appear at all review and comment meetings. If either of the two representatives fails to appear, the initiative will be considered withdrawn, although proponents may resubmit their initiative. If one of the two designated representatives fails to attend the review and comment meeting, the petition is automatically resubmitted to the directors of the Legislative Council and the Office of Legislative Legal Services (directors) for review and comment. Within five days of resubmission, the directors must conduct a review and comment meeting. Further, the bill encourages proponents or other interested persons to submit their own estimate of the measure's fiscal impact to the LCS, and it allows them to submit an estimate to the title board along with the measure.

By the Friday before the scheduled Title Board meeting the director of LCS must conduct a public meeting about the draft of the initial fiscal impact statement for the measure to provide information on the draft and allow members of the public to comment. At least 48 hours prior to the Title Board meeting, the director of the LCS must make a draft of the initial fiscal impact statement public. The LCS must post the statement on the LCS website on the same day that it is provided to the proponents.

The bill requires the LCS to consider any fiscal impact estimate submitted by the initiative proponents. The LCS and the Office of Legislative Legal Services (OLLS) may provide comments about the fiscal impact submitted by proponents at the review and comment meeting. The Secretary of State must immediately provide the LCS and OLLS with a copy of each measure properly submitted to the title board and the proponents' fiscal impact estimate, if the estimate was amended.

The bill permits proponents or any registered elector who is not satisfied with the fiscal impact statement abstract may file a motion for a rehearing with the Secretary of State within seven days of the titles and submission clause being set. If the motion claims that an estimate in the abstract is incorrect, the motion must include documentation supporting a different estimate. If the motion specifies that particular language in the abstract is misleading or prejudicial, the motion must specifically identify the wording that is being challenged.

Background

Current law requires the LCS to prepare fiscal impact statements for ballot measures as part of its Blue Book analysis. The Blue Book is the official voter guide for statewide ballot measures and includes a summary and analysis of each ballot measure, an estimate of its fiscal impact and a description of the arguments for and against a measure. It is distributed to all registered voter households about one month prior to election day. Under current law, ballot initiative proponents generally do not submit a fiscal impact estimate of their measure.

State Expenditures

The bill increase expenditures in some state agencies. For the LCS by \$22,255 in FY 2015-16 and \$22,404 in FY 2016-17. Table 1 summarizes expenditures under the bill.

Table 1. Expenditures Under HB 15-1057		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$18,414	\$18,414
FTE	0.3 FTE	0.3 FTE
Centrally Appropriated Costs*	\$3,841	\$3,990
TOTAL	\$22,255	\$22,404

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

Assumptions. This fiscal note assumes that the title board will consider about 40 ballot initiatives per year, or roughly the same number that it considered over the past seven years. The fiscal note also assumes that each new ballot initiative fiscal impact statement will require about 14 hours of staff time, including research, drafting, editing, presenting the abstract to interested parties, and final review.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Table 2. Centrally Appropriated Costs Under HB 15-1057*		
Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$2,414	\$2,414
Supplemental Employee Retirement Payments	\$1,427	\$1,576
TOTAL	\$3,841	\$3,990

*More information is available at: <http://colorado.gov/fiscalnotes>

Department of Law. The bill increases workload in the Department of Law by a minimal amount. The Department of Law may be required to consider any motions filed against the initial fiscal impact statement prepared by the LCS. However, this fiscal note assumes that the potential number of motions filed is small and can be addressed within existing resources and any necessary increase in appropriations will be addressed through the annual budget process.

Secretary of State. The bill increases workload for the Secretary of State by a minimal amount. The Secretary of State may be required to consider any motions filed against the initial fiscal impact statement prepared by the LCS. However, this fiscal note assumes that the potential number of motions filed is small and can be addressed within existing resources.

Effective Date

The bill takes effect March 26, 2016, if no referendum petition is filed.

State Appropriations

The bill requires an appropriation of \$18,414 in FY 2015-16 to the Legislative Department for allocation to the LCS.

State and Local Government Contacts

State
Office of Legislative Legal Services
Law
Local Affairs

Legislative Council Staff
Judicial
Office of State Planning and Budgeting