

Colorado Legislative Council Staff Fiscal Note

**FINAL
FISCAL NOTE**

Drafting Number: LLS 15-1116	Date: July 20, 2015
Prime Sponsor(s): Sen. Ulibarri; Crowder Rep. Moreno; Dore	Bill Status: Postponed Indefinitely
	Fiscal Analyst: Bill Zepernick (303-866-4777)

BILL TOPIC: RESTORE PRESIDENTIAL PRIMARY ELECTION

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	<u>Up to \$1,677,689</u>	
Cash Funds	Up to 1,677,689	
State Expenditures	<u>\$1,677,689</u>	
General Fund and/or Cash Funds	1,677,689	
TABOR Set Aside	Up to \$1,677,689	
FTE Position Change		
Appropriation Required: \$1,677,689 - Department of State (FY 2015-16).		

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

Summary of Legislation

The bill creates a presidential primary in Colorado for all major political parties. The Governor must set the date of the presidential primary by September 1 in the year preceding a presidential election. The presidential primary must be held no later than the third Tuesday in March, but no earlier than the date set in the major party rules before which states are penalized delegates to the national party convention. The presidential primary is the only issue to be put to voters at the election. Candidates for each political party are to be listed on separate ballots.

Unaffiliated voters may affiliate with a party up to and on the day of the presidential primary election to participate in the election. Voters affiliated with one political party cannot participate in another party primary unless they withdraw or change their affiliation at least 29 days before the presidential primary election. The bill specifies other details about the conduct of the election, including the order of candidates on the ballot and procedures for write-in candidates.

The state must reimburse counties for the costs of the presidential primary election in the same manner as for elections with statewide ballot measures based on the number of active electors affiliated with the parties participating in the primary.

State Revenue

The bill will increase costs in the Department of State by up to \$1,677,689 in FY 2015-16 and in future presidential election years, some or all of which may be paid from the Department of State Cash Fund. To the extent this occurs, business filing and other fees paid to the Department of State Cash Fund may need to be increased if sufficient funds are not available to cover the costs

of the bill. 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.

In addition, the bill may result in revenue to the Department of State Cash Fund from candidates who seek a place on a party's presidential primary ballot. Under the bill, candidates may pay a fee of \$10,000 in lieu of submitting a petition signed by 10,000 registered electors in order to be placed on the placement on the ballot. The number of primary candidates choosing to pay a fee cannot be estimated at this time.

TABOR Impact

This bill may increase state revenue from fees by up to \$1,677,689 in FY 2015-16, which will increase the amount required to be refunded under TABOR by a corresponding amount. TABOR refunds are paid from the General Fund. To the extent General Fund, rather than the fee-funded Department of State Cash Fund, is used to cover the costs of the bill, the impact on the TABOR set aside is reduced or eliminated.

State Expenditures

The bill increases costs in the Department of State by **\$1,677,689 in FY 2015-16** and in future presidential election years. Based on current law, these costs may be paid from either the Department of State Cash Fund of the General Fund. These costs are summarized in Table 1 and discussed below.

Cost Components	FY 2015-16	FY 2016-17
County Election Reimbursement	\$1,620,000	\$0
Computer System Modifications	47,689	0
Travel Expenses	10,000	0
TOTAL	\$1,677,689	\$0

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

County election reimbursement. Based on current voter registration statistics, the Department of State will reimburse counties \$1,620,000 for their expenses conducting the presidential primary election. This reimbursement amount is based on the following assumptions:

- both major political parties conduct a primary election;
- counties with 10,000 or fewer active registered electors are reimbursed \$0.90 per affiliated elector and counties with more than 10,000 active registered electors are reimbursed \$0.80 per affiliated elector;
- approximately 900,000 registered Democratic electors and 1,020,000 registered Republican voters statewide will participate in the presidential primary election, based on the voter registration statistics as of April 1, 2015; and
- 10 percent of unaffiliated electors (about 100,000 electors) will affiliate with a party in order to participate in a presidential primary election.

Computer system modifications. The Department of State will have costs of \$47,689 to make modifications to the ballot access system. This costs is estimated based on 463 hours of programming time at a cost of \$103 per hour.

Travel expenses. Election Division staff at the Department of State will have travel expenses of \$10,000 in presidential election years to travel to counties and provide assistance and oversight of the presidential primary elections. This costs is based on similar costs for the existing June primary election.

Other workload. In addition, the Department of State will have additional workload to promulgate rules, assist and supervise county clerks, determine county reimbursement amounts, and perform other duties necessary to conduct the presidential primary election. It is assumed that this duties can be accomplished by existing staff and no additional appropriations for this purpose are required.

Local Government Impact

Statewide, county clerks will have costs of approximately \$4.0 to \$5.0 million to conduct an additional election during presidential election years, based on the costs counties currently incur to conduct the existing June primary election, a mail ballot election of similar size and scope. Costs to counties will include the printing and postage for mail ballots, the operation and staffing of voter service and polling centers, and other administrative and operational costs. Of this cost to counties, \$1.6 million will be reimbursed by the Department of State.

Effective Date

The bill was postponed indefinitely by the Senate Appropriations Committee on May 4, 2015.

State Appropriations

For FY 2015-16, the bill requires an appropriation of \$1,675,000 to the Department of State from either the Department of State Cash Fund, the General Fund, or some combination thereof. **Based on current obligations to the Department of State Cash Fund, the fiscal note assumes that General Fund is the most appropriate fund source for the bill.** If the appropriation is made from the Department of State Cash Fund, the Secretary of State will likely be required to raise fees to generate sufficient revenue to pay for the costs of the bill. This will increase the amount the TABOR set-aside, which will also result in General Fund being spent as a result of the bill.

State and Local Government Contacts

State

Counties

County Clerks