

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0565
Prime Sponsor(s): Rep. Neville P.
 Sen. Neville T.

Date: January 29, 2015
Bill Status: House SVMA
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BILL TOPIC: ADMINISTRATION LOCAL GOV ELECTIONS

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue	Potential increase. See State Revenues section.	
Cash Funds		
State Expenditures	\$152,042	\$143,040
Cash Funds	126,786	116,910
Centrally Appropriated Costs**	25,256	26,130
FTE Position Change	2.1 FTE	2.1 FTE
Appropriation Required: \$126,786 - Department of State (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

The bill expands the authority of the Department of State (DOS) to oversee all election codes incorporated into state statute, including the election codes governing municipal and special district elections (local elections). The bill also changes procedures for signature verification in non-coordinated local elections conducted by mail ballot. Specifically, the DOS is required to provide local election officials with the three most recent signatures of voters on file in the statewide voter registration system (SCORE), and two election judges are required to compare voters' signatures on mail ballots with those provided by the DOS. If the two judges agree, the ballot is either counted or the existing cure process under the state election code for signature discrepancies is followed. If the two judges disagree, the designated election official must review the signature to determine if there is a match or a discrepancy that must be resolved.

By June 30, 2015, the DOS is required to establish a formal complaint process through which individuals may report violations of the relevant local election codes. This process is required to specify procedures for the receipt and investigation of complaints, the conduct of hearings, and the resolutions of complaints.

Background

Colorado has three election codes in state statute:

- the State Election Code governing primary, general, odd-year, and coordinated elections;
- the Municipal Election Code governing municipal elections; and
- the Local Government Election Code governing special district elections.

Generally, special districts and municipalities choose to either conduct their elections as part of a coordinated election or as a non-coordinated election under the relevant local government election code. Local governments may also choose to adopt the use of the state election code by ordinance or resolution. Currently, the DOS only directly supervises general and coordinated elections conducted by county clerks.

State Revenue

The bill is not expected to have a direct impact on cash fund revenue to the DOS. However, to the extent that the bill increases costs in the DOS, fee revenue from business filings and other sources may need to be raised to cover total costs in the department. Fees are set at the discretion of the Secretary of State, so the fiscal note cannot estimate whether or not specific fees will increase or by how much.

TABOR Impact

To the extent additional revenue is required in the DOS to cover the estimated costs in this fiscal note, the bill may increase state revenue from fees, which will increase the amount required to be refunded under TABOR. TABOR refunds are paid from the General Fund.

State Expenditures

The bill increases cash fund expenditures in the DOS by **\$152,045 and 2.1 FTE in FY 2015-16** and by **\$143,040 and 2.1 FTE in FY 2016-17** and future years. These costs, discussed below, are summarized in Table 1.

Table 1. Expenditures Under HB 15-1051		
Cost Components	FY 2015-16	FY 2016-17
Personal Services	\$108,315	\$108,315
FTE	2.1 FTE	2.1 FTE
Operating Expenses and Capital Outlay Costs	11,871	1,995
Travel	6,600	6,600
Centrally Appropriated Costs*	25,259	26,130
TOTAL	\$152,045	\$143,040

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

Election supervision and complaint resolution. The bill significantly increases the number of jurisdictions for which the DOS must supervise elections. Over the previous two years, more than 260 municipalities and 370 special districts conducted elections under the municipal and local government election codes. To supervise these elections and establish the complaint procedures required by the bill, the fiscal note assumes that 2.0 FTE is required, with one staff person focused on election supervision and the other on complaint investigation and resolution.

Information technology costs. The bill requires some changes to SCORE functions and ongoing work each election cycle to provide signature data to local election officials. It is estimated that 0.1 FTE per year is necessary for this work.

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.

Cost Components	FY 2015-16	FY 2016-17
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$16,861	\$16,861
Supplemental Employee Retirement Payments	8,395	9,269
TOTAL	\$25,256	\$26,130

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

Local Government Impact

The bill increase costs to municipalities and special districts by requiring two judges to review each mail ballot. There may also be additional costs to provide information and interact with the DOS in its oversight capacity for these elections. The impact of the bill to local governments may differ based on the size of the jurisdiction and other factors.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to elections conducted on or after this date.

State Appropriations

For FY 2015-16, the DOS requires an appropriation of \$126,786 from the Department of State Cash Fund and an allocation 2.1 FTE.

State and Local Government Contacts

State

County Clerks

Municipalities

Special Districts