



**Colorado
Legislative
Council
Staff**

HB16-1454

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1216
Prime Sponsor(s): Rep. Moreno; Dore
Sen. Guzman

Date: June 2, 2016
Bill Status: Postponed Indefinitely
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: RESTORE PRESIDENTIAL PRIMARY AND TEMPORARY AFFILIATION

Fiscal Impact Summary	FY 2016-2017	FY 2017-18	FY 2020-2021 <i>(presidential primary year)</i>
State Revenue			
State Expenditures	<u>\$122,499</u>		<u>up to \$5,136,587</u>
General Fund	0		up to 5,129,141
Cash Funds	121,306		0
Centrally Appropriated Costs	1,193		7,446
FTE Position Change	0.1 FTE		0.6 FTE
Appropriation Required: \$121,306 - Secretary of State (FY 2016-17).			
Future Year Impacts: State expenditure increase in years with a state or presidential primary.			

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill recreates a presidential primary election and allows persons not permanently affiliated with a political party to participate in a presidential primary and a state primary.

For the presidential primary, the Governor must set the date of the presidential primary election by September 1 in the year preceding a presidential election. The presidential primary election 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. The bill specifies other details about the conduct of the election, including required notices to be given to voters, the required procedures for candidates and write-in candidates to appear on the ballot, and the order of candidates on the ballot.

Unaffiliated voters may temporarily affiliate with a party up to and on the day of the primary to participate in a presidential primary or state primary election. The period of temporary affiliation begins 45 days before the presidential primary or state primary and terminates 30 days after. Voters may temporarily affiliate with a political party using the state online voter registration system or by declaring their intention to affiliate with a political party to an election judge at a voter service and polling center. Voters temporarily affiliated with one political party cannot participate in another party primary unless they withdraw or change their affiliation at least 29 days before the primary election.

The state must reimburse counties for the actual direct costs incurred to conduct a presidential primary election and the bill authorizes a General Fund appropriation for this reimbursement. The Secretary of State (SOS) will determine the type of direct costs for which counties will be entitled to reimbursement.

Sections 12 through 14 of the bill contain statutory conforming amendments related to the recreation of a presidential primary and allowing unaffiliated voters to participate if a ballot measure on the topic is enacted.

Background

From 1992 until 2000, the state held a presidential primary election. The state repealed its presidential primary election in 2003. The next Colorado state primary election will be held in 2018 and the next presidential primary election will be held in 2020.

State Expenditures

The bill increases state expenditures by \$122,499 in FY 2016-17 and \$5,136,587 in FY 2020-21 as shown in Table 1. State expenditures and workload are also increased in the Department of Revenue (DOR). These impacts a costs are discussed below.

Table 1. Expenditures Under HB 16-1454		
Cost Components	FY 2016-17	FY 2020-21 (presidential primary year)
Personal Services	\$4,577	\$29,458
FTE	0.1 FTE	0.6 FTE
Operating Expenses and Capital Outlay Costs	0	2,827
Reprinting Voter Registration Forms	28,355	0
Computer Programming	88,374	0
Travel	0	10,000
Candidate Petition Verifications	0	86,856
County Reimbursement	0	5,000,000
Centrally Appropriated Costs*	1,193	7,446
TOTAL	\$122,499	\$5,136,587

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

Secretary of State — implementation costs. For FY 2016-17, SOS costs increase by \$122,499 to perform programming changes, to implement rules changes, to update primary election policies and procedures, and to reprint all voter registration forms.

Updates are needed to the state's voter registration system and the online voter registration website. These system changes are expected to cost \$88,374 for 858 hours of programming which will allow unaffiliated voters to temporarily affiliate with a political party as well as for the county clerks to generate required notices concerning the presidential primary.

In addition, 0.1 FTE is needed for a temporary position to implement rules changes, redesign election forms, update county training materials, and make changes to presidential primary policies and procedures. This position is expected to cost \$4,577 and the reprinting of all elections forms will cost \$28,355. It is assumed that these costs will be paid from the Department of State Cash Fund.

Secretary of State — presidential primary election costs. For FY 2020-21, this bill requires the General Assembly to appropriate General Funds to reimburse actual direct county presidential primary costs. Preliminarily, this reimbursement is expected to be up to \$5.0 million, subject to the SOS determination of actual direct reimbursable costs.

Additionally, the SOS will need 0.6 FTE in presidential primary years. To review challenges related to candidates appearing on the presidential primary ballot, \$6,571 and 0.1 FTE is needed assuming one challenge per presidential primary. To approve the petition format, certify candidates for the ballot, certify county reimbursements, report primary election results, and provide additional customer support \$22,887 and 0.5 FTE is needed.

To be on the ballot, a candidate must submit a petition containing 1,500 signatures from each congressional district. These signatures are verified by the SOS through the Integrated Document Solutions System and the verification of the signatures for the presidential primary is expected to cost \$86,856.

Election Division staff at the SOS 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.

It is assumed that a General Fund appropriation will be made through the annual budget process in presidential primary election years to cover these costs.

Department of Revenue. Costs and workload increases in the DOR, Division of Motor Vehicles to perform programming changes, to revise forms used for renew-by-mail applications, to update voter registration forms, and to modify the online renewal application. These changes will allow voters to elect to temporarily affiliate during the 45 days before a primary through the motor-voter process. This increase in workload can be accomplished within existing appropriations. Additionally, the DOR is currently in the process of implementing the Driver, License, Record, Identification, and Vehicle Enterprise Solution system (DRIVES) and it is anticipated that the necessary programming changes can be accomplished within existing appropriations as part of the DRIVES implementation. Should additional funds be needed, they will be requested through the annual budget process.

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 HB16-1454.		
Cost Components	FY 2016-17	FY 2020-21 <i>(presidential primary year)</i>
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$801	\$4,806
Supplemental Employee Retirement Payments	392	2,640
TOTAL	\$1,193	\$7,446

Local Government Impact

Statewide, county clerks will have costs of approximately \$5.0 million to conduct an additional election during presidential election years, based on the costs counties currently incur to conduct the existing June state 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. Counties will be reimbursed by the Secretary of State for the actual direct costs incurred to conduct a presidential primary as determined by the Secretary of State.

In addition, county clerk costs will also increase to mail ballots to temporarily affiliated voters in regular state primary years. Currently there are 1,016,175 active unaffiliated voters in Colorado. Assuming up to 20 percent will temporarily affiliate with a party and a ballot mailing cost of \$1.00, county costs are increased by up to \$203,235 in state primary election years.

Effective Date

The bill was postponed indefinitely by the Senate State, Military, and Veteran Affairs Committee on May 10, 2016.

State Appropriations

Consistent with this fiscal note, For FY 2016-17, this bill appropriates of \$121,306 from the Department of State Cash Fund to the Department of State.

State and Local Government Contacts

Clerks
Department of Revenue

Counties
Secretary of State

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: www.colorado.gov/fiscalnotes.