

*Colorado Legislative Council Staff*  
**STATE and LOCAL  
 FISCAL IMPACT**

**Drafting Number:** LLS 05-0221  
**Prime Sponsor(s):** Sen. Gordon  
 Rep. Madden

**Date:** April 14, 2005  
**Bill Status:** Senate 2<sup>nd</sup> Reading  
**Fiscal Analyst:** Chris Ward (303-866-5834)

**TITLE:** CONCERNING THE CONDUCT OF ELECTIONS.

<b>Fiscal Impact Summary</b>	<b>FY 2005/2006</b>	<b>FY 2006/2007</b>
<b>State Revenues</b> General Fund		
<b>State Expenditures</b> General Fund Cash Fund - Department of State Cash Fund		future expenditures
<b>FTE Position Change</b>	0.0 FTE	0.0 FTE
<b>Other State Impact:</b> None		
<b>Effective Date:</b> August 10, 2005, unless a referendum petition is filed.		
<b>Appropriation Summary for FY 2005/2006:</b> None required		
<b>Local Government Impact:</b> Increased election costs		

**Summary of Legislation**

**This fiscal note reflects the adoption of amendment SB198\_L.001, which struck everything below the enacting clause of the introduced bill.** As amended in the Senate Local Government Committee, the bill requires that a paper record be made of all votes cast in elections held on or after January 1, 2008. The bill allows each voter to independently verify and correct the paper record before casting his or her vote and requires that the paper records be preserved as the official record of the election for audit or recount purposes. Counties that show a sufficient economic hardship in meeting the requirement may apply for an extension to January 1, 2010.

The bill requires the Secretary of State to initiate a manual random audit following each primary and general election. The audit must cover at least one vote system in each county and five randomly-selected contests, including at least two statewide races. Audits are required both prior to and after the implementation of paper records. After paper records are implemented, the audit must compare vote machine totals with a hand count of the paper records. County canvass boards are required to investigate and take remedial action for any discrepancy found in the audit. Audit results must be posted on the Department of State's website within 24 hours and notice of the posting must be published in a newspaper of general circulation.

The bill also modifies laws affecting voter identification, early voting, and provisional ballots.

### **State Expenditures**

The bill requires an audit of primary and general election results and the posting of the audit results on the Department of State's website. The bill also requires that the department publish in a newspaper of general circulation a notice that the audit results are posted on the website. The audit results can be posted within existing resources, but the newspaper publishing costs are expected to total **\$5,000 per year**. It is assumed that these costs would not begin until FY 2008-09, following the 2008 primary election. These costs would be paid from the Department of State Cash Fund.

The bill also has a conditional fiscal impact of \$202,839 per year if there is a recount of a state elected office. This impact is attributable to the additional cost of conducting a recount by hand, compared to current law, which does not require a hand recount.

### **Local Government Impact**

The bill will increase election costs for local governments, especially counties. In some cases, local governments may be required to replace all or a large portion of their voting systems. In other cases, printers would have to be purchased for existing voting machines. A new voting machine costs between \$1,000 and \$4,000; adding a printer to an existing machine costs between \$300 and \$800. In addition, local governments will incur costs for auditing election results, conducting recounts, and extending early voting hours. The actual increase in local election costs for this provision is estimated to be up to \$5 million statewide.

### **State Appropriations**

This fiscal note implies that no new state appropriations for FY 2005-06 are required to implement the bill.

### **Departments Contacted**

State