



**Colorado
Legislative
Council
Staff**

HB16-1434

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-0832	Date: June 7, 2016
Prime Sponsor(s): Rep. Becker K.; Kagan Sen. Carroll	Bill Status: Postponed Indefinitely
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BILL TOPIC: EXPANDED DISCLOSURE COMMUNICATION POLITICAL PARTY

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
Cash Fund	Potential increase.	
State Expenditures	\$9,991	
Cash Fund	9,991	
TABOR Impact		Potential increase.
Appropriation Required: \$9,991 - Department of State (FY 2016-17).		
Future Year Impacts: Ongoing revenue and workload increase.		

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

Summary of Legislation

This bill expands the disclosure requirements related to political party communication activity under the Fair Campaign Practices Act to include spending and communication advocating for the election or defeat of a political party. The disclosures must be submitted to the Secretary of State's Office (SOS).

Background

Under current law, any person who spends \$1,000 or more per calendar year on electioneering communications must disclose the amount spent to the Secretary of State (SOS), and the name and address of any person who donated more than \$250 to the person who purchased the electioneering communication. Electioneering communications are a type of campaign advertising that unambiguously refer to a candidate, and are broadcast, printed, mailed, or otherwise delivered to voters within a certain period prior to an election. Electioneering communication does not include opinion pieces or endorsements. This bill makes political party communication activities subject to the same disclosure requirements as electioneering communications.

State Revenue

By expanding the number of required disclosures, this bill potentially increases fine revenue collected by the SOS when disclosures are not filed in a timely manner. This revenue is deposited into the Department of State Cash fund. This analysis assumes a high level of compliance and fine revenue is anticipated to be minimal.

TABOR Impact

This bill potentially increases state revenue from fines, which may increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. TABOR refund obligations are not expected for FY 2016-17.

State Expenditures

This bill increases state cash fund expenditures in the SOS by \$9,991 in FY 2016-17. The SOS will need to update its online campaign finance system to create new reports that track political party communication activity. These one-time changes will require 97 hours of computer programming at a rate of \$103 per hour.

Staff time will also increase to process disclosures related to political communication activities and to ensure compliance. If a violation occurs, staff time will increase to process the penalty and notify the offending party. Additionally, violations of disclosure requirements could result in complaints being filed with the SOS and cases being referred to administrative law judges (ALJs) in the Department of Personnel and Administration. Any increase in complaints and ALJ referrals is expected to be minimal and can be handled within existing appropriations.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 2, 2016.

State Appropriations

Consistent with the fiscal note, for FY 2016-17, this bill appropriates \$9,991 to the Department of State from the Department of State Cash Fund.

State and Local Government Contacts

Counties
Information Technology

County Clerks
Secretary of State