



**Colorado
Legislative
Council
Staff**

SB16-089

FISCAL NOTE

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

Drafting Number: LLS 16-0925
Prime Sponsor(s): Sen. Lambert
 Rep. Hamner

Date: February 4, 2016
Bill Status: Senate Appropriations
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: DEPT OF STATE CASH FUND ALTERNATIVE MAX RESERVE

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: None.		

Summary of Legislation

Currently, the required reserve for the Department of State Cash Fund is 16.5 percent of total expenditures (approximately \$3.2 million per year). This bill, **recommended by the Joint Budget Committee**, establishes an alternative maximum reserve of 16.5 percent of total expenditures plus an amount equal to any unexpended moneys from the annual appropriation for local election reimbursements made to counties.

Background

Under current law, the Department of State is required to reimburse counties for elections-related expenses in years where there is a statewide question on the ballot. Reimbursements are made at a per-voter rate based on the number of active registered voters in each county. In order to meet this statutory requirement, the department must plan to have sufficient revenue on hand (currently about \$2.5 million per year) and includes a corresponding appropriation for local election reimbursements in each annual budget request. However, if there is not a statewide ballot question, the department does not make reimbursements and the amount that would have been paid out to counties remains in the Department of State (DOS) Cash Fund which is counted as part of the uncommitted reserve. This fund balance fluctuation can cause the cash fund to be over the statutory reserve limit.

State Revenue

Department of State Cash Fund fee revenue will be adjusted to account for the modified reserve established in this bill. This could include the elimination of excess uncommitted reserves and fee holidays.

State Expenditures

To implement this bill, minimal workload increases are needed in the Department of State to adjust cash fund accounting practices and the Office of the State Controller to change cash fund reports to include the new reserve limit. No appropriations are required as this workload can be absorbed within existing appropriations for both departments.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Personnel Secretary of State