



**Colorado  
Legislative  
Council  
Staff**

**HB17-1259**

**FISCAL NOTE**

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

**Drafting Number:** LLS 17-0769  
**Prime Sponsor(s):** Rep. Weissman

**Date:** March 16, 2017  
**Bill Status:** House SVMA  
**Fiscal Analyst:** Chris Creighton (303-866-5834)

**BILL TOPIC:** INDEPENDENT EXPENDITURE COMMITTEES & CANDIDATES

<b>Fiscal Impact Summary</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
<b>State Revenue</b>		
Cash Funds	Minimal increase.	
<b>State Expenditures</b>	<b>\$10,000</b>	Minimal workload increase.
Cash Funds	\$10,000	
<b>TABOR Impact</b>	Minimal increase.	
<b>Appropriation Required:</b> \$10,000 - Department of State (FY 2017-18)		
<b>Future Year Impacts:</b> Ongoing minimal revenue increase and workload increase.		

**Summary of Legislation**

This bill makes an independent expenditure committee established, financed, or maintained by a candidate or candidate committee subject to the contribution limits and restrictions that are imposed on candidate committees.

**Background**

An independent expenditure is an expenditure that is not controlled by or coordinated with any candidate or agent of a candidate. An independent expenditure committee is one or more persons that collect in excess of \$1,000 for the purpose of making an independent expenditure, or make an independent expenditure in excess of \$1,000. Currently, independent expenditure committees are not subject to contribution limits.

In 2016, the Colorado Court of Appeals in the case of *Colorado Republican Party vs. Williams*, ruled that the Colorado Republican Party may establish an independent expenditure committee that is not subject to the constitutionally established contribution limits for political parties or other committees.

## State Revenue

This bill potentially increases fine revenue from independent expenditure committees by making them subject to candidate committee contribution limits. Failure to properly file disclosure reports with the Department of State in a timely manner will result in the assessment of a fine. Fine revenue is deposited in the Department of State Cash Fund. This analysis assumes a high level of compliance, therefore any fine revenue collected will be minimal.

## TABOR Impact

This bill increases state cash revenue from fines by a minimal amount, which will increase the amount of money required to be refunded under TABOR for FY 2017-18 and FY 2018-19. TABOR refunds are paid out of the General Fund. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

## State Expenditures

For FY 2017-18 only, this bill increases Department of State Cash Fund expenditures by \$10,000. These funds are needed for programming changes to the online campaign finance system, TRACER, to allow for independent expenditure committee reporting and to ensure compliance with campaign contribution limits. This work will be performed by a vendor contracted by the Department of State to maintain the TRACER system.

Workload also increases in the Department of State to provide notification of any independent expenditure committee campaign finance violation. To the extent complaints of campaign finance violations are received, workload will increase in the Office of Administrative Courts for an Administrative Law Judge hearing. A high level of compliance is assumed, therefore any increase in workload is expected to be minimal and can be accomplished within existing appropriations.

## Effective Date

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

## State Appropriations

For FY 2017-18, this bill requires an appropriation of \$10,000 to the Department of State from the Department of State Cash Fund

## State and Local Government Contacts

Law

Personnel

Secretary of State