



Colorado
Legislative
Council
Staff

SB17-305

REVISED
FISCAL NOTE

(replaces fiscal note dated May 5, 2017)

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

Drafting Number: LLS 17-1198 **Date:** May 8, 2017
Prime Sponsor(s): Sen. Lundberg; Fenberg **Bill Status:** House Second Reading
 Rep. Foote; Neville P. **Fiscal Analyst:** Chris Creighton (303-866-5834)

BILL TOPIC: PRIMARY ELECTION CLEAN-UP

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019	FY 2019-2020
State Revenue			
State Expenditures	<u>\$157,796</u>	<u>\$243,230</u>	<u>\$3,053,255</u>
General Fund			3,000,000
Cash Funds	157,796	236,992	47,017
Centrally Appropriated Costs		6,238	6,238
FTE Position Change:		0.5 FTE	0.5 FTE
Appropriation Required: \$157,796 - Department of State (FY 2017-18).			
Future Year Impacts: Ongoing state expenditure increase.			

Summary of Legislation

This *reengrossed* bill makes statutory modifications to concerning the implementation of Propositions 107 and 108 which were approved by voters at the 2016 general election. Proposition 107 restored the presidential primary and authorized unaffiliated voter participation and Proposition 108 created a semi-open primary that allows unaffiliated voters to participate in non-presidential primaries. This bill makes the following statutory changes:

Unaffiliated voters. This bill requires that the voter registration form include a question asking which political party's mail ballot an unaffiliated voter would like to receive. For unaffiliated voters who have not indicated the party ballot they would like to receive, county clerks are required to send a ballot packet containing the ballots of all major political parties and written instructions for casting the ballot. County clerks are required to record in SCORE in which political party's primary election the unaffiliated voter cast a ballot. This bill eliminates the use of a single combined ballot for regular primary elections for unaffiliated voters.

Presidential primary ballot access. Under current law, candidates wishing to appear on a presidential primary ballot must submit a notarized statement of intent by the second day of January in the year of the presidential primary election. This bill changes this requirement to no later than 85 days before the presidential primary. In addition, this bill requires that challenges be made with the district court, rather than the Secretary of State.

Presidential primary election cost. Under current law, the General Assembly is required to appropriate money from the General Fund to cover the cost incurred by counties in the preparation and conduct of a presidential primary based on a statutory formula. This bill requires the state to reimburse counties for direct costs incurred as determined by the Secretary of State.

Background

Presidential candidate nomination. Presidential nominees for major political parties are chosen by state delegates at each party's national convention. Delegates to the national convention are selected by each state based on the results of either a caucus or presidential primary election. Proposition 107 established a presidential primary election open to all registered voters in Colorado starting with the 2020 election. Presidential primary elections were conducted in the state in 1992, 1996, and 2000. In other years, Colorado's political parties have selected delegates for nominating presidential candidates using a caucus system. Caucus participation is limited to voters who have affiliated with that political party at least two months prior to the caucus.

Unaffiliated voter primary participation. Prior to the passage of Proposition 108, a voter had to be affiliated with a political party in order to vote in that party's primary election. Unaffiliated voters, sometimes referred to as independent voters, are not registered members of any political party. In Colorado, primary elections to select party nominees for state, county, and federal offices, other than president, are held on the last Tuesday in June in even-numbered years.

State Expenditures

This bill increases costs in the Department of State by \$157,796 in FY 2017-18, \$243,230 in FY 2018-19, and \$3,053,255 and 0.5 FTE in FY 2019-20 and future presidential primary years. These costs are shown in Table 1 and discussed below.

Table 1. Expenditures Under SB17-305			
Cost Components	FY 2017-18	FY 2018-19	FY 2019-20
Personal Services	\$0	\$23,342	\$23,342
FTE		0.5 FTE	0.5 FTE
Operating Expenses and Capital Outlay Costs	0	5,178	475
Signature Verification	0	0	13,200
Travel	0	0	10,000
Computer Programming	157,796	208,472	0
County Reimbursement (SB17-305)	0	0	5,700,000
County Reimbursement (Current law)	0	0	(2,700,000)
Centrally Appropriated Costs*	0	6,238	6,238
TOTAL	\$157,796	\$243,230	\$3,053,255

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

Information technology. The Department of State will have one-time costs to make modifications to SCORE and the internal ballot system. This includes \$157,796 for 1,532 hours of computer programming at a rate of \$103 per hour in FY 2017-18 to prepare for the 2018 regular primary election; and \$208,472 for 2,024 hours of computer programming in FY 2018-19 to make changes for the 2020 presidential election. FY 2017-18 programming costs are based on the language in this bill and replace costs identified in the Blue Book fiscal impact statement for Proposition 108.

Personal services. Beginning in FY 2018-19, 0.5 FTE are needed for rule making, updating forms, conducting training, approving candidate petition formats, and providing support to county clerks. Standard operating and capital outlay expenses are included; as well as \$10,000 for travel expenses to provide technical support to counties starting in FY 2019-20.

Signature verification. The Department of State will have costs of \$13,200 in presidential primary years to review candidate petitions. These petitions are verified by the Integrated Document Solutions group in the Department of Personnel and Administration using reappropriated Department of State Cash Funds.

County reimbursement. For FY 2019-20, this bill requires the General Assembly to appropriate General Fund moneys to reimburse actual direct county presidential primary costs. Preliminarily, this reimbursement is expected to be up to \$5.7 million. This will replace the reimbursement provided under current law created by Proposition 107 that is estimated to be \$2.7 million, resulting in a net General Fund increase of \$3.0 million in each presidential primary year.

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 SB17-305		
Cost Components	FY 2018-19	FY 2019-20
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$4,146	\$4,146
Supplemental Employee Retirement Payments	2,092	2,092
TOTAL	\$6,238	\$6,238

Local Government Impact

This bill impacts counties as follows.

Presidential primary reimbursement. Under this bill all direct county presidential primary election costs as defined by the Secretary of State will be reimbursed which increases the county reimbursement by \$3.0 million. Statewide, county clerks will have costs of approximately \$5.7 million in FY 2019-20 to conduct the 2020 presidential primary election. These costs are based on the costs counties currently incur to conduct the existing June state primary election, a mail ballot election of similar size and scope, adjusted for inflation by 2020. 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. Estimated election costs are increased \$400,000 for the printing and mailing of ballots of all major parties for unaffiliated voters.

Mail ballot costs. Every two years, counties are expected to have at least \$1,400,000 in additional election-related costs to print and mail both major party ballots, rather than one combined ballot, to unaffiliated voters in primary election years. There are approximately 1.0 million unaffiliated voters in the state and the average cost to print and mail a ballot is assumed to be \$1.40 per ballot. Costs will be reduced to the extent that unaffiliated voters select a single party ballot that they would like to receive. Additionally, counties will also have increased workload to update unaffiliated voter primary ballot submissions in SCORE.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed. It applies to primary elections conducted on or after the effective date.

State Appropriations

This bill requires and includes an appropriation of \$157,796 to the Department of State from the Department of State Cash Fund.

State and Local Government Contacts

County Clerks
Personnel and Administration

Information Technology
Secretary of State

Judicial