

Summary of Legislation

The bill modifies the Fair Campaign Practices Act to define "small-scale issue committee" as an issue committee that has accepted or made contributions or expenditures less than \$5,000 for the purpose of supporting or opposing any ballot issue or question. All small-scale issue committees that support or oppose a common ballot measure are to be treated as a single small-scale issue committee if those committees are established, financed, and controlled by a single corporation or its subsidiaries; by a single labor organization or affiliated local units; or by the same person, group of persons, or other organizations.

The bill prohibits an issue committee or a small-scale issue committee from knowingly accepting contributions from any person who is not a citizen of the United States, from a foreign government, or from any foreign corporation that does not have authority to transact business in Colorado. The bill also prohibits these foreign entities from establishing a political committee, small donor committee, political party, issue committee, or small-scale issue committee, or engaging in any electioneering communication.

If within six months of becoming a candidate for public office, a person actively solicits funds for an independent expenditure committee, any expenditure made by that committee in the candidate's race is presumed to be controlled by or coordinated with the candidate, and deemed both a contribution by the maker of the expenditure and by the candidate committee. A complaint for violations of these provisions must state sufficient facts to support the allegations. The respondent to such a complaint may seek an award of costs from district court if the court determines the complaint was frivolous, vexatious, or made for the purpose of harassment.

In addition to the current law restriction on campaign contributions from a foreign corporation, the bill restricts a natural person who is not a citizen of the United States and foreign governments from making an election expenditure or contributing to an independent expenditure committee. The bill also expands requirements for disclaimers in election communications to be included in online and other electronic media.

Each separate contribution of \$10,000 or more made by an organization either directly to an expenditure committee or transferred to an individual for the purposes of making such a contribution to an expenditure committee, must include an affirmation in writing that includes the amount of the donation, and specific details about the organization, its principal place of business, and with some exceptions, the name of the person receiving the contribution or transfer. This provision is applicable to corporations, non-profits, labor organizations, and independent expenditure committees.

The bill repeals and reenacts statute related to small-scale issue committees and specifies requirements for disclosure and reporting of contributions and expenditures. Finally, the bill places disclaimer and reporting requirements on additional entities that contribute more than \$1,000 in a year in support or opposition of ballot measures.

State Revenue

The bill potentially increases fine revenue to the Department of State Cash Fund from candidates and expenditure committees that fail to meet the bill's modified requirements. This analysis assumes a high level of compliance and a low rate of fines levied and collected.

State Expenditures

The bill increases cash fund expenditures for the Secretary of State and may increase workload and expenditures for the Department of Personnel and Administration as described below.

Secretary of State. The bill increases cash fund expenditures in the Department of State by \$42,650 in FY 2019-20 only for system upgrades to the TRACER system, which tracks campaign finance contributions for all candidates and committees required to report to the state.

Department of Personnel and Administration. Violations of contribution limits or disclosure requirements could result in complaints being filed with the Department of State and cases being referred to administrative law judges (ALJs) in the Department of Personnel and Administration. This analysis assumes that any increase in complaints and ALJ referrals will be minimal and can be handled within existing appropriations.

Effective Date

The bill was signed into law by the Governor and took effect on May 29, 2019.

State Appropriations

Consistent with this final fiscal note, for FY 2019-20, the bill includes an appropriation of \$42,650 from the Department of State Cash Fund to the Department of State.

State and Local Government Contacts

Counties	County Clerks	Information Technology
Municipalities	Personnel	Secretary Of State