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Final Fiscal Note

Drafting Number: LLS 23-0172 Date: June 28, 2023
Prime Sponsors: Sen. Bridges Bill Status: Postponed Indefinitely
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Bill Topic: VOTING IN PRESIDENTIAL PRIMARY ELECTIONS

- Summary of Fiscal Impact:
[X] State Revenue [] TABOR Refund
[X] State Expenditure [] Local Government
[] State Transfer [] Statutory Public Entity

The bill would have established a ranked choice voting system for presidential primary elections and made additional changes. The bill would have increased state expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill would have required an appropriation of \$40,000 to the Department of State.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was postponed indefinitely by the Senate State, Veterans, & Military Affairs Committee on April 27, 2023; therefore, the impacts identified in this analysis do not take effect.

Table 1
State Fiscal Impacts Under SB 23-301

Table with 5 columns: Category, Sub-category, Budget Year FY 2023-24, Out Year FY 2026-27, Out Year FY 2027-28. Rows include Revenue, Expenditures, Transfers, and Other Budget Impacts.

Summary of Legislation

The bill establishes a ranked choice voting system for presidential primary elections beginning in 2028. The Department of State (DOS) will adopt rules to release results for each round of ballot counts and certify and publicize the results.

The bill makes additional changes to presidential primary elections including:

- requiring state committees to indicate to the Secretary of State if they intend to allocate delegates by congressional districts or by another geographical basis,
- repealing obsolete language allowing for the Secretary of State to adopt additional rules, and
- making changes to ballot name order process as it concerns noncommitted delegates.

The bill also requires that for the 2024 presidential primary election, oversee and military absentee voters be allowed to cast rank order voting for up to 5 candidates, including a write-in candidate, and provides for votes to transfer to another candidate if higher ranked candidates withdrawal or die before election day.

Background

Rank choice voting, or instant runoff voting (IRV), is a system that allows voters to rank candidates by preference instead of choosing one candidate. Colorado counties currently use two voting systems; 62 counties use Dominion's Democracy Suite and 2 counties use Clear Ballot's ClearVote system. Dominion's system currently has the capability to add IRV to its software, while Clear Ballot's currently does not but may be obtained for an additional fee.

HB 21-1071 allowed municipal elections using instant runoff voting (IRV) to be conducted as a part of a coordinated election. DOS established the rules, requirements, and specifications for a voting system allowing IRV in non-presidential elections.

State Revenue

The bill increases fee revenue in the Department of State by \$40,000 in FY 2023-24, and by \$1.1 million in both FY 2026-27, and FY 2027-28, to the Department of State Cash Fund, assuming the Department of State adjusts their fees 6 months in advance to cover the estimated costs

Fee impact on businesses and professions. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Under current law, the Department of State (DOS) is authorized to adjust fees so that the revenue generated approximates its direct and indirect costs. The DOS is primarily funded through business filing fees. To cover the costs described in the State Expenditures section below, fees will need to be raised to cover all or some of the costs of this bill. The fees affected and the actual amount of fee charges will be set administratively by the DOS based on cash fund balance, total program costs, and the estimated number of business activities subject to fees. This revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures in the DOS by \$40,000 in FY 2023-24, and \$2,150,000 in FY 2027-28, paid from the Department of State Cash Fund. Additional costs will also be incurred every four years when presidential primaries occur. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under SB 23-301

	FY 2023-24	FY 2024-25	FY 2027-28
Department of State			
Presidential Primary Communications	\$40,000	-	\$2,000,000
Centralized Ranked-Choice Voting	-	-	\$80,000
Statewide Software License	-	-	\$70,000
Total	\$40,000	-	\$2,150,000

Oversees and military absentee voters. DOS requires funds in FY 2023-24 to communicate voting instructions to oversee and military absentee voters. Based on recent mail communications with electors and allowing for international postage, the DOS will require an estimated \$40,000 to send proper communications to affected voters. Given the limited number of oversee and military absentee voters subject to the change, primary voting results for these voters will be tabulated manually for the 2024 primary election, and no information technology system changes are required.

Presidential primary communications. In FY 2027-28, DOS will require funds to update all voter communications, websites, mailings, etc., to communicate the specifics of ranked order voting with voters. The department must also create a centralized ranked voting aggregation and reporting system prior to the 2028 presidential primary.

System Changes. In FY 2027-28, DOS will have expenditures for system changes to tabulate results based on the ranked-choice voting system, and for securing statewide software licensing from voting system vendors.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above for FY 2023-24. This estimate assumes the March 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2024-25. For this reason, any TABOR impact as a result of new revenue in FY 2026-27 or FY 2027-28 has not been estimated. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature; requirements related to oversees and absentee voters apply as of the bill's effective date. All other provisions apply to presidential primaries on or after January 1, 2028.

State Appropriations

For FY 2023-24, the bill requires an appropriation of \$40,000 to the Department of State from the Department of State Cash Fund.

State and Local Government Contacts

Counties	County Clerks	Law
State		