



**Colorado
Legislative
Council
Staff**

HB16-1454

FISCAL NOTE

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

Drafting Number: LLS 16-1216 **Date:** April 25, 2016
Prime Sponsor(s): Rep. Moreno; Dore **Bill Status:** House SVMA
 Sen. Guzman **Fiscal Analyst:** Chris Creighton (303-866-5834)

BILL TOPIC: RESTORE PRESIDENTIAL PRIMARY AND TEMPORARY AFFILIATION

Fiscal Impact Summary	FY 2016-2017	FY 2017-18	FY 2020-2021 (presidential primary year)
State Revenue			
Cash Funds			Potential Increase
State Expenditures	<u>\$122,499</u>		<u>up to \$5,062,051</u>
General Fund	0		up to 5,054,605
Cash Funds	121,306		
Central Appropriations	1,193		7,446
FTE Position Change	0.1 FTE		0.6 FTE
TABOR Impact			Not estimated.
Appropriation Required: \$121,306 - Secretary of State (FY 2016-17).			
Future Year Impacts: State expenditure increase in years with a state and presidential primary.			

Note: While all agencies were canvassed for this fiscal note, not all agencies responded with complete information. Therefore, this fiscal note should be considered preliminary. It will be updated if new information becomes available.

Summary of Legislation

This bill recreates a presidential primary election and allows persons not permanently affiliated with a political party to participate in a presidential primary or a state primary.

For the presidential primary, the Governor must set the date of the presidential primary election by September 1 in the year preceding a presidential election. The presidential primary election must be held no later than the third Tuesday in March, but no earlier than the date set in the major party rules before which states are penalized delegates to the national party convention. The presidential primary is the only issue to be put to voters at the election. Candidates for each political party are to be listed on separate ballots. The bill specifies other details about the conduct of the election, including required notices to be given to voters, the order of candidates on the ballot, and procedures for write-in candidates.

Unaffiliated voters may temporarily affiliate with a party up to and on the day of the primary to participate in a presidential primary or state primary election. The period of temporary affiliation begins 45 days before the presidential primary or state primary and terminates 30 days after. Voters may temporarily affiliate with a political party using the state online voter registration system or by declaring their intention to affiliate with a political party to an election judge at a voter service and polling center. Voters temporarily affiliated with one political party cannot participate in another party primary unless they withdraw or change their affiliation at least 29 days before the primary election.

The state must reimburse counties for actual direct costs incurred to conduct a presidential primary election and the bill authorizes a General Fund appropriation for this reimbursement. The Secretary of State (SOS) will determine the type of direct costs that counties will be entitled to reimbursement on.

Sections 12 through 14 of the bill contain statutory conforming amendments related to the recreation of a presidential primary and allowing unaffiliated voters to participate.

Background

From 1992 until 2000, the state held a presidential primary election. The state repealed its presidential primary election in 2003. The next Colorado state primary election will be held in 2018 and the next presidential primary election will be held in 2020.

State Revenue

The bill potentially increases revenue to the Department of State Cash Fund during presidential primary years. Under the bill, to appear on the ballot write-in candidates must submit a notarized statement of intent to seek office with a non-refundable filing fee of \$1,000. The number of write-in candidates for future presidential primaries is unknown at this time.

TABOR Impact

This bill increases state revenue from fees, which will increase the amount of money required to be refunded under TABOR, if the state collects a TABOR surplus in a presidential primary fiscal year. TABOR refunds are paid out of the General Fund.

State Expenditures

The bill increases state expenditures by \$122,499 in FY 2016-17 and \$5,062,051 in FY 2020-21. These costs are shown in Table 1 and discussed below.

Table 1. Expenditures Under HB 16-1454		
Cost Components	FY 2016-17	FY 2020-21 (presidential primary year)
Personal Services	\$4,577	\$29,458
FTE	0.1 FTE	0.6 FTE
Operating Expenses and Capital Outlay Costs	0	2,827
Reprinting Election Forms	28,355	0
Computer Programming	88,374	0
Travel	0	10,000
Petition Verifications	0	12,320
County Reimbursement	0	5,000,000
Centrally Appropriated Costs*	1,193	7,446
TOTAL	\$122,499	\$5,062,051

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

Secretary of State. For FY 2016-17, SOS costs increase \$122,499 to perform programming changes, to implement rules changes and update primary election policies and procedures, and to reprint all elections forms.

Updates are needed to the state's voter registration system database and the online voter registration website. These system changes are expected to cost \$88,374 for 858 hours of programming which will allow unaffiliated voters to temporarily affiliate with a political party as well as for the county clerks to generate required notices concerning the presidential primary.

In addition, 0.1 FTE is needed for a temporary position to implement rules changes, redesign election forms, and make changes to presidential primary policies and procedures. This position is expected to cost \$4,577 and the reprinting of all elections forms will cost \$28,355. It is assumed that these costs will be paid from the Department of State Cash Fund.

Secretary of State presidential primary election costs. For FY 2020-21, this bill requires the General Assembly to appropriate General Funds to reimburse actual direct county presidential primary costs. Preliminarily, this reimbursement is expected to be up to \$5.0 million, subject to the SOS determination of actual direct reimbursable costs.

Additionally, the SOS will need 0.6 FTE. To review challenges related to candidates appearing on the presidential primary ballot, \$6,571 and 0.1 FTE is needed assuming one challenge per presidential primary. To approve the petition format, verify candidates for the ballot, certify county reimbursements and provide additional customer support \$22,887 and 0.5 FTE is needed.

SOS costs also increase \$12,320 to review petitions and review the signatures of each candidate that is to be placed on the presidential primary ballot. This is done through a the Integrated Document Solutions System.

Election Division staff at the SOS will have travel expenses of \$10,000 in presidential election years to travel to counties and provide assistance and oversight of the presidential primary elections. This costs is based on similar costs for the existing June primary election.

It is assumed that a General Fund appropriation will be made through the annual budget process to cover these costs.

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 HB16-1454.		
Cost Components	FY 2016-17	FY 2020-21 (presidential primary year)
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$801	\$4,806
Supplemental Employee Retirement Payments	392	2,640
TOTAL	\$1,193	\$7,446

Local Government Impact

Statewide, county clerks will have costs of approximately \$5.0 million to conduct an additional election during presidential election years, based on the costs counties currently incur to conduct the existing June state primary election, a mail ballot election of similar size and scope. 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. Counties will be reimbursed by the Secretary of State for the actual direct costs incurred to conduct a presidential primary as determined by the Secretary of State.

In addition, county clerk costs will also increase to mail ballots to temporarily affiliated voters in regular state primary years. Currently there are 1,016,175 active unaffiliated voters in Colorado. Assuming up to 20 percent will temporarily affiliate with a party and a ballot mailing cost of \$1.00, county costs are increased by up to \$203,235 in state primary election years.

Effective Date

The bill takes effect on April 1, 2017, and applies to any presidential primary or state primary conducted after the effective date.

Sections 12, 13, and 14 of the bill take effect if an initiative is approved by the voters at the November 2016 general election.

State Appropriations

For FY 2016-17, this bill requires an appropriation of \$121,306 from the Department of State Cash Fund to the Department of State.

State and Local Government Contacts

Clerks

Counties

Department of Revenue

Secretary of State