



**Colorado
Legislative
Council
Staff**

SB16-186

**FINAL
FISCAL NOTE**

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

Drafting Number: LLS 16-1243
Prime Sponsor(s): Sen. Tate
Rep. Lontine

Date: July 28, 2016
Bill Status: Signed into Law
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: SMALL-SCALE ISSUE COMMITTEES

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
Cash Funds	Potential minimal decrease.	
State Expenditures	<u>\$20,130</u>	
Cash Fund	20,130	
Tabor Impact		Potential minimal decrease.
Appropriation Required: \$20,130 - Secretary of State (FY 2016-17).		
Future Year Impacts: None.		

Summary of Legislation

This bill defines a small-scale issue committee as an issue committee that has accepted or made contributions or expenditures in an amount that does not exceed \$5,000 during an applicable election cycle for the purpose of supporting or opposing any ballot issue or question. This bill amends the disclosure, reporting, and registration requirements for small-scale issue committees under the Fair Campaign Practices Act. Requirements are established for small-scale issue committees that accept of make contributions in an aggregate amount during any applicable election cycle of less than \$250, between \$250 and \$5,000 and over \$5,000. This bill is repealed on June 30, 2019.

Background

Currently, under the state Fair Campaign Practices Act, a person or a group of persons must register as an issue committee within 10 days of accepting contributions or making expenditures in excess of \$200 to support or oppose a ballot issue. Candidate committees, political committees, issue committees, small donor committees, and political parties must disclose contributions received including the name and address of each person who has contributed more than \$20, expenditures made, and obligations entered into by the committee or party. The disclosure required for contributions of more than \$100 made to a candidate committee, political committee, issue committee, and political party must include the occupation and employer of the person making the contribution. Disclosures are filed with the Secretary of State's Office (SOS) according to statute and rules established by the SOS.

In March of 2016, the U.S. Court of Appeals in the case of Coalition for *Secular Government v. Williams* ruled that disclosure requirements under current law are burdensome for small-scale issue committees.

State Revenue

This bill decreases the number of issue committees required to disclose information to the SOS which potentially decreases fine revenue collected by the SOS when disclosures are not filed in a timely manner. This revenue is deposited into the Department of State Cash Fund. This analysis assumes any decrease will be minimal.

TABOR Impact

This bill potentially reduces state revenue from fines, which may reduce the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. Since the bill potentially reduces the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget may increase by an identical amount. TABOR refund obligations are not expected for FY 2016-17.

State Expenditures

For FY 2016-17 only, this bill increases Secretary of State (SOS) cash fund expenditures by \$20,130. To implement the bill, changes are needed to the online campaign finance reporting system. These changes require 165 hours of computer programming and will allow small-scale issue committee registrations to be accepted on a temporary basis and for the SOS to assign disclosure reports and schedules to small-scale issue committees that exceed \$5,000 in contributions or expenditures.

Effective Date

This bill was signed into law by the Governor and took effect on June 10, 2016. It applies to the portion on any election cycle or for the portion of the calendar year remaining and any election or calendar year after the effective date.

State Appropriations

Consistent with this fiscal note, for FY 2016-17, this bill appropriates \$20,130 to the Department of State from the Department of State Cash Fund.

State and Local Government Contacts

Information Technology Secretary of State