



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 21-0515
Prime Sponsors: Sen. Lundeen

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Bill Status: Senate SVMA
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Bill Topic: IMPROVE PUBLIC CONFIDENCE ELECTION VALIDITY

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

This bill requires that voting in general elections be done in-person unless a voter requests a mail ballot. This bill increases state revenue and expenditures. The bill also increases local government expenditures.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$752,800 to the Secretary of State.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB21-007

Table with 4 columns: Category, Sub-category, Budget Year FY 2021-22, and Out Year FY 2022-23. Rows include Revenue (Cash Funds, Total Revenue), Expenditures (Cash Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and TABOR Refund.

Summary of Legislation

Beginning with the 2022 general election, this bill requires that all voting for general elections be conducted in-person, unless a voter requests a mail ballot following procedures developed by county clerks. It allows each county clerk to determine the number and locations of polling places within each county. Under the bill, all ballots must be received by the close of polls on Election Day and be counted by the end of Election Day.

Background

Under current law, Colorado elections are conducted by mail ballot and all voters automatically are sent a ballot in the mail. A voter may return the mailed ballot or choose to vote in person at a county polling location. The number of polling locations in each county is determined by the number of active voters in the county. Military and overseas voters have until 8 days following the election to return their ballot to their county clerk, and clerks may continue counting ballots after Election Day as needed to tabulate all votes.

Assumptions

The bill requires in-person voting for all general elections. This fiscal note assumes that all other statewide elections (primary, coordinated, and presidential primary elections) will be held in accordance with the Uniform Election Code and conducted primarily as mail-in ballot elections.

State Revenue

The bill will increase cash fund revenue to the Secretary of State's Office (SOS) by up to \$752,800 in FY 2021-22 and \$1,011,541 in FY 2022-23. This revenue is from business filing fees, which are deposited into the Department of State Cash Fund. This additional fee revenue is subject to TABOR.

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 SOS is authorized to adjust fees so that the revenue generated approximates its direct and indirect costs. The SOS 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 changes will be set administratively by the SOS based on cash fund balance, total program costs, and the estimated number of professional activities subject to fees.

State Expenditures

This bill will increase state expenditures in the SOS by \$752,800 in FY 2021-22 and \$1,011,541 and 1.5 FTE in FY 2022-23. These costs, paid from the Department of State Cash Fund, are displayed in Table 2 and described below.

**Table 2
Expenditures Under SB 21-007**

	FY 2021-22	FY 2022-23
Secretary of State's Office		
Personal Services	-	\$86,674
Operating Expenses	-	\$2,025
Computer Programming	\$174,800	-
Risk Limiting Audit Development	\$550,000	
Update Forms	\$28,000	
Voter Education Outreach	-	\$900,000
Centrally Appropriated Costs ¹	-	\$22,842
FTE – Personal Services	-	1.5 FTE
Total Cost	\$752,800	\$1,011,541
Total FTE	-	1.5 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Computer programming. The software applications in the statewide voter registration database (SCORE) must be updated to allow county clerks to track information about which voters request a mail ballot. This work is estimated to require 1,520 hours of contractor time at a rate of \$115/hour.

Risk Limiting Audit Software. The bill requires that all ballots be counted by the end of the day on Election Day. Counties currently tabulate ballots at a central location; however, to meet the bill's deadline counties will need to tabulate ballots on site at polling locations. For FY 2021-22, this modification requires a redevelopment of the risk limiting audit software. Beginning FY 2022-23, 1.5 FTE additional staff is required to develop and run the new risk-limiting audit.

Outreach campaign. The changes to voting in general elections in Colorado will require a public outreach and voter education campaign prior to the 2022 general election. Based on similar campaigns conducted by the SOS, this one-time cost is estimated at \$900,000.

Updating forms. The current voter registration forms include information on the election process in Colorado, and those descriptions must be changed and forms reprinted at a one-time cost of \$28,000.

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. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$22,842 in FY 2022-23.

TABOR refunds. Under the December 2020 Legislative Council Staff Economic and Revenue Forecast, the state is not expected to collect revenue above the TABOR limit in either FY 2021-22 or FY 2022-23, and refund obligations are not anticipated for these years. This bill does not change these expectations concerning refunds to taxpayers.

Local Government

The bill will increase costs and workload for counties to inform voters about new in-person voter requirements, operate polling places, and count ballots. An estimated range of costs to an individual county of different sizes is shown in Table 3 and discussed below.

Table 3
Local Expenditures Under SB 21-007

	Small County	Medium County	Large County
Voter Information	\$3,000 - \$7,000	\$28,000 - \$84,000	\$115,000 - \$200,000
Increased Polling Places	\$3,000 - \$28,000	\$145,000 - \$170,000	\$265,000 - \$425,000
Ballots Counting	\$25,000 - \$40,000	\$34,000 - \$48,000	\$200,000 - \$600,000
Mail Ballot Requests	\$6,000 - \$11,000	\$30,000 - \$65,000	\$73,000 - \$270,000
Total	\$37,000 - \$86,000	\$237,000 - \$367,000	\$653,000 - \$1,495,000

Voter information. The county will need to mail notices and provide information to all voters on the new processes. Costs will vary depending on the number of voters in a county.

Increased polling places. Due to the bill's requirement that voting be in-person and that clerks are responsible for determining the number and locations of polling places, there will be an increased need for in-person voting locations for voters who did not request to have a ballot mailed to them. Operating additional polling places will result in increased costs for leased space, voting machines, and election staff. Exact costs to a county will depend on a county's decision on number of polling places, which will be affected by a number of factors including county geographic size, population, and anticipated voluntary mail ballot participation.

Ballot counting. Under current practice, counting votes may take several days to a week to finish. In order to meet the requirement that all votes be counted by the end of Election Day, counties may need to invest in additional staff and equipment such as computers for signature verification and tabulation machines.

Mail ballot requests. For each voter who requests a mail ballot, counties must perform data entry into the statewide voter database. Additional equipment and staffing may be needed to administer and track these requests. Based on statistics prior to the implementation of all-mail ballots in 2014, approximately 70 percent of voters may opt in to receiving mail ballots. These costs may decrease over time once the initial wave of requests are processed and a large percentage of voters have opted in to receiving mail ballots.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2021-22, this bill requires an appropriation of \$752,800 from the Department of State Cash Fund to the Secretary of State's Office.

State and Local Government Contacts

County Clerks

Information Technology

Secretary of State