



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Initiative # 305

INITIAL FISCAL IMPACT STATEMENT

Date: April 13, 2020

Fiscal Analyst: Jeff Stupak (303-866-5834)

LCS TITLE: FILINGS WITH INDEPENDENT ETHICS COMMISSION

Fiscal Impact Summary		FY 2020-21	FY 2021-22
Revenue	General Fund	Indeterminate	Indeterminate
Expenditures	General Fund	\$25,400	\$43,567

Disclaimer. This initial fiscal impact statement has been prepared for the Title Board. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.

Summary of Measure

Under current law, a person may file a written complaint with the Independent Ethics Commission (IEC) for alleged violations of standards of conduct by government employees and officials that occurred in the preceding 12 months. The measure amends the Colorado Constitution to extend the filing deadline to include violations that occurred within the preceding eight years.

Background

The constitutionally created IEC hears complaints, conducts investigations, and issues findings and advisory opinions on ethics issues arising under the article XXIX of the Colorado Constitution. The IEC may also assess penalties and sanctions for violations. The IEC processes an average of 35 complaints per year.

Assumptions

This analysis assumes that the additional seven years provided under the measure to file a complaint will increase the annual number of complaints submitted to the IEC, require additional meetings to process the complaints, and will increase the amount of fines assessed for ethics violations. For FY 2020-21, the analysis assumes an increase of 40 complaints and 4 meetings. For FY 2021-22 and thereafter, the analysis assumes 70 additional complaints and 7 meetings per year.

State Revenue

The measure will increase state revenue beginning in FY 2020-21, from fines collected on ethics violations. Some fine revenue is credited to the General Fund and some is credited to local governments. The number and amount of fines will be fact-specific and therefore cannot be determined.

State Expenditures

The measure will increase General Fund expenditures in the IEC by \$25,400 in FY 2020-21, and by \$43,567 and 0.1 FTE in FY 2021-22. Expenditures are prorated in FY 2020-21 to reflect a December effective date. Expenditures are shown in Table 2 and explained below.

Table 2
Expenditures Under Initiative #305

	FY 2020-21	FY 2021-22
Independent Ethics Commission		
Independent Contractor Investigator	\$8,200	\$14,000
Meeting and Travel Expenses	\$2,276	\$3,983
Legal Services	\$14,924	\$25,584
Total Cost	\$25,400	\$43,567
FTE- Legal Services	-	0.1 FTE

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

Complaint investigation. The measure will increase the need for complaint investigations by 41 hours in FY 2020-21 and by 70 hours in FY 2021-22. The IEC will hire an independent contractor to conduct the additional investigations at a cost of \$200 per hour.

Meetings and travel. As noted above, the measure is expected to increase the number of complaints filed with the IEC. This will increase the costs for IEC meetings and travel by \$569 per meeting.

Legal services. The measure will increase the amount of legal support that the Department of Law will provide to the IEC to accommodate their increased complaint workload. Legal services hours will increase by 140 hours in FY 2020-21 and by 240 hours in FY 2021-22 and thereafter.

Local Government Impact

The measure will increase revenue to local governments from fines assessed collected on ethics violations. A portion of fine revenue resulting from complaints to the IEC is remitted to local governments. The number and amount of fines will be fact-specific and therefore the total revenue increase cannot be determined.

Effective Date

If approved by voters at the 2020 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Department of Law

Independent Ethics Commission

Judicial Department

Abstract of Initiative 305: FILINGS WITH INDEPENDENT ETHICS COMMISSION

The abstract includes estimates of the fiscal impact of the proposed initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of April, 2020, identifies the following impacts:

State revenue. The measure will increase state General Fund revenue from fines collected for ethics violations by the Independent Ethics Commission. The amount of revenue increase is based on a variety of factors and cannot be determined.

State expenditures. The measure will increase General Fund expenditures in the Independent Ethics Commission by \$25,400 in FY 2020-21, and by \$43,567 in FY 2021-22.

Local government impact. The measure will increase revenue to local governments from fines collected for ethics violations by the Independent Ethics Commission. The amount of revenue increase is based on a variety of factors and cannot be determined.