

Legislative Council Staff *Nonpartisan Services for Colorado's Legislature*

Fiscal Note

| Dratting Number: Prime Sponsors: | Sen. Fenberg Rep. Sirota | Bate: Bill Status: Fiscal Analyst: | April 24, 2024 Senate State Affairs Hamza Syed 303-866-4976 hamza.syed@coleg.gov | | | |
|-------------------------------------|---|--|---|--|--|--|
| Bill Topic: | MODIFICATIONS TO LAWS REGARDING ELECTIONS | | | | | |
| Summary of Fiscal Impact: | ☑ State Revenue☑ State Expenditure | ☐ State Transfer ☐ TABOR Refund | □ Local Government□ Statutory Public Entity | | | |
| | The bill makes several modifications to campaign and election laws. The bill increases state expenditures and may increase state revenue beginning in FY 2024-25. | | | | | |
| Appropriation Summary: | For FY 2024-25, the bill requires appropriations totaling \$14,098 to the Department of Revenue and the Department of State. | | | | | |
| Fiscal Note Status: | The fiscal note reflects the introduced bill. | | | | | |

Table 1 **State Fiscal Impacts Under SB 24-210**

| | | Budget Year FY 2024-25 | Out Year FY 2025-26 |
|----------------------|------------|---------------------------|------------------------|
| Revenue | | - | - |
| Expenditures | Cash Funds | \$14,098 | \$10,764 |
| Transfers | | - | - |
| Other Budget Impacts | | - | - |

Summary of Legislation

The bill makes several modifications to the election laws in Colorado. Notable among its many changes, the bill:

- lowers the age an individual may preregister to vote from 16 to 15;
- creates new expenditure reporting requirements for any candidate, recall, or minor party
 petition filed with the Secretary of State, allows any registered voter to file a complaint
 alleging violations, authorizes administrative fines, and allows for civil action in the
 courts;
- requires that the Department of State (DOS) create a pilot program for elections conducted between July 1, 2024 and January 1, 2027 allowing a county clerk to request a waiver to lower the minimum number of required election-day voter centers from three to two, if certain conditions are met;
- allows a person who does not meet the 22-day residency requirement to register to vote and to cast a provisional ballot for president and vice president only;
- makes a variety of deadline changes and other modifications to filing, curing, and submitting campaign finance reports to DOS;
- repeals, reenacts, and expands the procedures for requesting a replacement ballot and provisional ballot; and
- requires updates to financial disclosures by specified public officials.

State Revenue

The bill may increase state revenue from fines paid to the Department of State Cash Fund related to campaign finance violations. As these fines vary in amount depending on the number and severity of the violations, no estimate is available. Fine revenue is subject to TABOR.

State Expenditures

This bill will increase state Cash Fund expenditures in the Department of Revenue by about \$10,000 in FY 2024-25 and about \$11,000 in FY 2025-26. Cash Fund expenditures in the Department of State will increase by about \$3,700 in FY 2024-25 only. Expenditures are displayed in Table 2 and described below.

Table 2
Expenditures Under SB 24-210

| | | FY 2024-25 | FY 2025-26 |
|---------------------------------------|-------------------|------------|------------|
| Department of Revenue | | | |
| Systems Support Office | | \$840 | \$840 |
| User Acceptance Testing | | \$576 | \$576 |
| Form Change Cost | | \$7,840 | \$8,160 |
| IT Programming | | \$1,188 | \$1,188 |
| Department of Revenue Subtotal | | \$10,444 | \$10,764 |
| Department of State | | | |
| Voter Registration Update | | \$3,654 | - |
| Department of State Subtotal | | \$3,654 | \$0 |
| | Total Cost | \$14,098 | \$10,764 |

Department of Revenue. The bill will require testing and programing updates for the Driver License, Record, Identification and Vehicle Enterprise Solution (DRIVES) system to allow 15 year olds to preregister to vote. Costs for programming will come from the DRIVES Cash Fund. The DRIVES system requires an extensive 18-month upgrade which is scheduled to take place from July 1, 2024, through March 31, 2026. As a result, the Department of Revenue has requested that any new legislation requiring DRIVES programming have roll-forward spending authority through FY 2026-27, noting that each programming requirement during the system upgrade period may increase the overall project timeline. Based on the current effective date in the bill, the fiscal note includes costs for the DRIVES programming to take place twice—in the existing and new system.

Department of State. DOS will incur a one-time expense to create and print new voter registration forms to comply with the change to allow 15 year olds to preregister.

Local Government

The bill results in both increased costs and savings for counties. Clerks in certain counties will be able to apply for a waiver with DOS to lower the total number of voting service and polling centers they run. Clerks will also be able to apply for a waiver to lower the number of times they are required to collect ballots from a drop box. However, additional university campuses will be required to have ballot boxes installed by the county and more ballots will need to be printed and managed for new emergency replacement ballots and provisional ballots, which will increase costs in some counties. The exact costs and savings vary by each county and are not estimated in this fiscal note. A portion of any costs to counties may be reimbursed by the state under the current law reimbursement formula.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2024-25, the bill requires the following cash fund appropriations:

- \$10,444 from the DRIVES Cash Fund to the Department of Revenue, and;
- \$3,654 from the Department of State Cash Fund to the Department of State.

State and Local Government Contacts

Counties County Clerks Judicial

Secretary of State Department of Revenue

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the <u>General Assembly website</u>.