



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Initiative 310

## Fiscal Impact Statement

**Date:** June 4, 2024

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### LCS TITLE: CONCERNING THE CONDUCT OF ELECTIONS

Fiscal Impact Summary		Fiscal Year 1*	Fiscal Year 2*	Fiscal Year 3*
Revenue	Cash Funds	-	up to \$3.6 million	up to \$3.7 million
	<b>Total Revenue</b>	-	<b>up to \$3.6 million</b>	<b>up to \$3.7 million</b>
Expenditures	General Fund	-	\$2,354,625	\$1,761,300
	Cash Funds	\$97,000	\$3,571,244	\$3,693,769
	<b>Total Expenditures</b>	<b>\$97,000</b>	<b>\$5,925,869</b>	<b>\$5,455,069</b>
<b>Total FTE</b>		-	<b>4.0 FTE</b>	<b>8.0 FTE</b>

\* The year in which fiscal impacts will occur is not known and will depend on various prerequisites under current law being met (see Background and Assumptions section for more detail). If the prerequisites are not met, these impacts will not occur.

**Disclaimer.** This initial fiscal impact statement has been prepared for an initiative approved for petition circulation by the Secretary of State. 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

The measure creates an all-candidate open primary system and ranked choice voting in general elections for certain state offices. Covered elected officials include members of the U.S Senate and the U.S House of Representatives, the Governor, Secretary of State, Treasurer and Attorney General, members of the State Board of Education and the University of Colorado Board of Regents, and Senators and Representatives of the state legislature.

For the open primary, candidates may access the all-candidate primary ballot either through petition or through a political party's nomination process. The primary ballot lists all qualified candidates regardless of party affiliation, and voters may vote for any one candidate for each covered office. The four candidates with the most votes from each covered office advance to the general election.

For the general election, voters may rank candidates from covered offices in order of preference. The candidate with the highest number of votes at the end of the ranked voting tally is elected.

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This is also referred to as instant-runoff voting. In instant runoff voting, the candidate winning a majority of first-preference ranked votes is declared the winner. If there are more than two candidates and no single candidate wins a majority of first-preference ranked votes, the candidate with the fewest first-preference votes is eliminated, and those votes are counted for the next-ranked active candidate until a single candidate wins the majority of votes.

## Background and Assumptions

Under current law, a number of prerequisite criteria must be met before the state may implement ranked choice voting or an all-candidate primary. Specifically, [Senate Bill 24-210](#) requires that a certain number of municipalities and counties meeting various population qualifications implement ranked choice voting and that the Department of State perform a risk-limiting audit on ranked choice elections, with the audit findings reported to the state legislature, before ranked choice voting can occur for state and federal offices. Because these conditions must be met before Initiative 310 can be implemented, the specific budget years when fiscal impacts under the measure will occur, if ever, cannot be identified. Therefore, this analysis estimates the potential costs, but does not specify when they will be incurred.

## State Revenue

If the measure is approved by voters and the prerequisites for implementing ranked voting under current law are met, the initiative will increase fee revenue in the Department of State (DOS) by up to \$3.6 million in second budget year of implementation and up to \$3.7 million in the third budget year of implementation. This is assuming DOS adjusts its fees to cover the estimated costs paid from the Department of State Cash Fund.

**Fee impact on businesses and professions.** Under current law, the DOS authorized to adjust fees so that the revenue generated approximates its direct and indirect costs. The DOS is primarily funded through business filing fees. To cover the costs described in the State Expenditures section below, fees will likely need to be raised to cover all or some of the costs of this bill. The fees affected and the actual amount of fee charges will be set administratively by the DOS based on cash fund balance, total program costs, and the estimated number of business activities subject to fees. This revenue is subject to TABOR.

## State Expenditures

If the measure is approved by voters and the current law prerequisites for implementing ranked voting under current law are met, state expenditures in the Department of State will increase by about \$97,000 in the first budget year of implementation, about \$5.5 million in second budget year, and about \$5.9 million in the third budget year. Because current law may delay implementation of the measure, the specific budget years when these impacts occur cannot be identified. Impacts will not occur if the prerequisites for implementing ranked choice voting are not met. Potential state expenditures are displayed in Table 1 and discussed below.

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**Table 1**  
**Potential Expenditures Under Initiative 310**

	Fiscal Year 1	Fiscal Year 2	Fiscal Year 3
<b>Department of State</b>			
Personal Services	-	\$247,262	\$494,524
Operating Expenses	-	\$5,120	\$10,240
Capital Outlay Costs	-	\$53,360	-
Computer Programming	\$97,280	-	-
Ballot Redesign	-	\$10,000	-
Ranked Choice Software Updates	-	\$136,000	-
Ranked Choice Software Training	-	\$50,000	\$50,000
Voter Outreach	-	\$3,000,000	\$3,000,000
County Reimbursement	-	\$2,354,625	\$1,761,300
Centrally Appropriated Costs <sup>1</sup>	-	\$69,502	\$139,004
<b>Total Cost</b>	<b>\$97,280</b>	<b>\$5,925,869</b>	<b>\$5,455,069</b>
<b>Total FTE</b>	<b>-</b>	<b>4.0 FTE</b>	<b>8.0 FTE</b>

**Personal services.** The DOS will require 8 Election Specialist FTE to assist in outreach, education, and training for both voters and county clerks. Staff will begin midway through the second budget year, and staff is thus prorated for a half-year impact in that year.

**Computer programming.** The risk-limiting audit performed by the DOS and the statewide voter registration database require updates to implement the new voting and vote tally systems. This is estimated to cost \$97,280 and must be completed prior to the primary election.

**Ballot redesign.** Changes in how voters select candidates will require a redesign for the ballot. This is estimated to be a one-time cost of \$10,000.

**Ranked choice software updates.** The DOS will need to update its software to perform tabulations for ranked choice voting results. This is estimated to cost \$136,000 in contractor hours.

**Ranked choice software training.** State and local elections staff will need to be trained on how to use and tabulate new ranked choice software. This is estimated to cost \$100,000 split evenly between the second and third budget years.

**Voter outreach.** The DOS will engage in a public voter education campaign to inform voters about election changes. Based on similar education campaigns conducted in 2018 and 2020, the DOS will require \$6.0 million, split evenly between the primary and general election budget years.

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**County reimbursement.** Under current law, the state is required to reimburse 45 percent of eligible county election costs. Counties will need to print and mail out new ballots, give new instructions to voters, perform additional day tabulations, and give additional training to staff and voters. Based on this, the state's reimbursement to counties will increase by about \$2.4 million for the primary election, and about \$1.8 million for the general election. Reimbursement for county expenses are assumed to be paid from the General Fund. Costs are described in more detail in the local government section below.

## Local Government

Counties will have increased costs for primary and general elections. Costs are primarily related to county clerks creating new voter packets, including printing and postage of ballots and new instructions. Additional expenses include staff training, printing materials at voting centers, and voter outreach and education.

There are 3.8 million current active voters in Colorado. The average cost per voter for clerks to implement the initiative is estimated at \$3.62 for the primary election. As some of the printed material and training from the primary election can be reused for the general election, the average cost for the general election is lower, estimated at \$1.03 per voter. Therefore, the total cost for counties to conduct primary elections is about \$5.2 million, and the total cost to conduct general elections is about \$3.9 million.

## Effective Date

If approved by voters at the 2024 general election, this measure takes effect on January 1, 2026.

## State and Local Government Contacts

County Clerks   Secretary of State