



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

INITIAL FISCAL IMPACT STATEMENT

Date: March 16, 2020

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LCS TITLE: ECONOMIC IMPACT STATEMENTS FOR INITIATED MEASURES

Fiscal Impact Summary		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures	General Fund	up to \$200,000	up to \$200,000

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, every ballot measure, either initiated by citizens or referred to the ballot by the legislature, is analyzed for state fiscal impacts by the Colorado Legislative Council Staff, the state legislature's nonpartisan research staff (Legislative Council). This proposed measure changes the process by which ballot questions are analyzed for state fiscal impacts, and how that information is communicated to voters.

Ballot information booklet. For all measures appearing on the statewide ballot, Legislative Council prepares a voter information guide, commonly referred to as the "blue book." The blue book process includes preparing a fiscal impact statement, which is an estimate of the effect the measure will have on government expenses, revenue, taxes, and fiscal liabilities. A summary of the fiscal impact statement appears in the printed booklet mailed to voters in October prior to an election, and the full fiscal impact statement is posted online at the same time.

This measure retains this process for preparing the fiscal impact statement for ballot questions referred by the legislature, but modifies the way impacts are assessed for citizen-initiated measures. In place of Legislative Council, this measure requires that elected officials in the Colorado Senate annually select an outside contractor to prepare economic impact statements for citizen-initiated measures. The economic impact statement must use dynamic scoring and, at a minimum, include the effect the initiated measure will have on statewide employment, state gross domestic product, and state revenues.

Within 30 days after the Secretary of State (SOS) determines that a sufficient number of signatures has been collected to place a citizen initiative on the statewide ballot, the contractor must complete the economic impact statement and prepare a summary, and Legislative Council must certify the content of the summary to the Secretary of State.

Title board and ballot abstract. Under current law, the Title Board in the Secretary of State's Office sets the title for all citizen-initiated ballot questions, which is included on the printed petition proponents use to collect the signatures necessary to place the question on the ballot. Legislative Council prepares an initial fiscal impact statement and an abstract, which must include a statement of the economic benefit the measure has on all Coloradans. The abstract is included with the ballot language in the printed petition approved by the Title Board. This measure repeals these requirements.

This measure requires that the summary of the economic impact statement prepared by the contractor for inclusion in the Blue Book (described above) be included with the ballot language in the printed petition approved for circulation.

Technical Issues

This measure requires the contractor to prepare the economic impact statement following the SOS's certification that a citizen ballot petition has collected sufficient signatures to appear at the statewide election. Signatures can only be collected after the ballot title has been set by the Title Board and a petition approved for circulation by the SOS. This measure requires that Legislative Council certify a summary of the economic impact statement prepared by the contractor to be included on the printed ballot petition. Since the contractor will only prepare the economic impact statement following certification of the initiative for the election, it is unclear how a summary of the economic impact can also appear on the printed ballot petition circulated by proponents.

State Expenditures

The measure increases state expenditures in the Legislative Department by up to \$200,000 per year beginning in FY 2020-21. The exact costs will depend on the number of citizen-initiated ballot measure each year. Legislative Council staff will also have an increased workload to request information and proposals, and to administer the contract.

The cost for the contract assumes that a minimum of \$30,000 per year is required to retain a qualified contractor. In addition, for each ballot measure, there will be an additional cost of approximately \$20,000 for the contractor to analyze the measure, assuming that each analysis will require an average of 24 hours of work at a rate of \$225 per hour. Assuming about 8 measures per year, on average, total costs will approach \$200,000 per year. However, these costs will vary—in years with multiple citizen initiated ballot measures, the contractor will prepare multiple economic impact statements; in other election years when there are fewer citizen initiated measures, the expense of the contract is reduced.

Local Government

This measure is likely to increase the size of printed ballots for elections to include a summary of the economic impact prepared by the contractor and certified by Legislative Council. Larger ballots increase the expenditures of county clerks for printing and postage.

Economic Impact

This measure is not anticipated to have an economic impact.

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

County Clerks

Legislative Council

Secretary of State

Abstract of Initiative 286: ECONOMIC IMPACT STATEMENTS FOR INITIATED MEASURES

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 March 16, 2020, identifies the following impacts:

State expenditures. This measure increases state expenses for the legislature by up to \$200,000 per year starting in FY 2020-21.

Local government impact. The bill may increase printing and postage expenses for county clerks.

Economic impacts. The measure is not anticipated to have an economic impact.