



**Colorado
Legislative
Council
Staff**

HB17-1155

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0288
Prime Sponsor(s): Rep. Thurlow
Sen. Gardner

Date: September 11, 2017
Bill Status: Signed into Law
Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: CURE CAMPAIGN FINANCE REPORTING DEFICIENCIES

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds	Minimal decrease.	
State Expenditures Cash Funds	Minimal workload increase.	
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal revenue decrease and workload increase.		

Summary of Legislation

Upon receipt of a complaint alleging that a campaign finance disclosure report contains errors or omissions, this bill requires the Department of State to provide notice of the alleged deficiencies to the committee or party treasurer that submitted the report. The committee or party treasurer, upon receipt of this notice, may request the postponement of the hearing on the complaint and has 15 business days to file an addendum to the report to correct the deficiencies. No penalty is assessed if the addendum to correct the deficiencies is submitted within 15 days. Upon receipt of this addendum, a hearing by an administrative law judge must be set within 30 days to determine if all issues in the complaint have been resolved. The ability to postpone the hearing and to submit an addendum to fix errors or omissions applies only in cases of a good faith effort by a committee or party treasurer to make timely campaign finance disclosures or for disclosures that are in substantial compliance with statutory disclosure requirements. An administrative law judge must impose a civil fine on any committee that fails to demonstrate good faith or substantial compliance at this hearing as specified in the bill.

Background

Under current law, any person who believes a violation of campaign finance law has occurred may file a complaint with the Department of State within 180 days of the suspected violation. After the Department of State verifies that the complaint contains all required information, the complaint is referred to an administrative law judge at the Office of Administrative Courts (OAC) in the Department of Personnel and Administration for a hearing. Complainants must gather and present evidence in support of the complaint at the hearing. If an administrative law judge finds

that a violation has occurred, the judge can impose civil penalties of at least double and up to five times the amount contributed, received, or spent in violation of contribution or voluntary spending limits.

Current law allows campaign finance reports that are deemed to be incomplete to be accepted on a conditional basis. For reports accepted conditionally, the committee or party treasurer is notified and has 15 days to file an addendum to correct the deficiencies found. The Department of State receives campaign finance disclosures for candidates for statewide offices, the General Assembly, district attorney, district judge, special districts, and all other non-municipal election issue and candidate committees. Disclosure reports for municipal elections are received by the municipal clerk.

State Revenue

Beginning in FY 2017-18, this bill potentially decreases fine revenue to the Department of State Cash Fund resulting from complaints that identify errors or omissions in campaign disclosures. Because campaign finance reports with errors or omissions can already be accepted conditionally, this analysis assumes that only a small number of complaints alleging errors or omissions are currently received. Therefore any decrease in revenue is expected to be minimal.

State Expenditures

Beginning in FY 2017-18, this bill increases Department of State workload to update policies and procedures as they relate to the receipt of campaign finance disclosure complaints alleging errors or omissions. To the extent that such complaints are received, workload will increase to provide notification of the alleged deficiencies to the committee or party treasurer. Few, if any, complaints alleging errors or omissions in campaign finance disclosure reports are expected, therefore, this workload increase will be minimal and no change in appropriations is needed. No change to OAC workload or costs is expected because, under current law, hearings are already held on complaints received.

Effective Date

This bill was signed into law by the Governor on May 24, 2017, and became effective on August 9, 2017.

State and Local Government Contacts

Clerks
Municipalities

Counties
Personnel and Administration

Information Technology
Secretary of State