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Fiscal Note

Drafting Number: LLS 21-0603
Prime Sponsors: Rep. Pico

Date: February 18, 2021
Bill Status: House SCVMA
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Bill Topic: ANNUAL AUDIT STATEWIDE VOTER REGISTRATION SYSTEM

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

This bill requires the State Auditor to conduct an annual audit of the statewide voter registration system and verify the voter records against other official records. The bill increases state expenditures annually beginning FY 2021-22.

Appropriation Summary: For FY 2021-22, this bill requires appropriations totaling \$84,060 to the State Auditor and the Department of Revenue.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 21-1088

Table with 3 columns: Category, Budget Year FY 2021-22, and Out Year FY 2022-23. Rows include Revenue, Expenditures (General Fund, Cash Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and TABOR Refund.

Summary of Legislation

This bill requires the State Auditor to conduct an annual audit of the statewide voter registration system and prepare an annual report for the Legislative Audit Committee. The audit must examine at least 20 percent of the active registered voters in each county and validate the data against other official records such as death, property, or tax records. County assessors and the Department of Revenue must supply the State Auditor with the taxpayer data necessary to validate the vote records. The Secretary of State must reimburse the auditor for the full cost of the annual audit from the Department of State Cash Fund.

State Expenditures

This bill increases state expenditures for the Office of the State Auditor and the Department of Revenue by \$97,760 FY 2021-22, and by \$77,785 in FY 2022-23 and future years. New state costs are displayed in Table 2 and described below.

Table 2
Expenditures Under HB 21-1088

Cost Components	FY 2021-22	FY 2022-23
State Auditor		
Personal Services	\$63,005	\$63,005
Operating Expenses	\$1,080	\$1,080
Capital Outlay Costs	\$6,200	-
Centrally Appropriated Costs ¹	\$13,700	\$13,700
FTE – Personal Services	0.8 FTE	0.8 FTE
State Auditor Subtotal	\$83,985	\$77,785
Department of Revenue		
GenTax Programming	\$12,375	-
System Testing	\$1,400	-
Dept. of Revenue Subtotal	\$13,775	-
Total	\$97,760	\$77,785
Total FTE	0.8 FTE	0.8 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

State Auditor. Beginning in FY 2021-22, this bill increases state expenditures for the State Auditor by 0.8 FTE annually to conduct the voter registration audit. Costs, which are paid from the Department of State Cash Fund and shown in Table 2 above, include staffing costs and associated capital outlay and operating expenses.

Department of Revenue. For FY 2021-22 only, the Department of Revenue will have one-time costs of \$12,375 for computer programming expenditures in the Taxation Business Group for software updates, maintenance, and support of the GenTax system. Costs of \$1,400 will be incurred for systems testing. Costs for the Department of Revenue are paid from the General Fund.

Secretary of State. This bill will minimally increase workload in the Elections Division in the Secretary of State's Office to assist the State Auditor with the analysis of data in the statewide voter registration system. This workload does not require additional appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are estimated to be \$13,700 per year starting in FY 2021-22.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2021-22, this bill requires the following appropriations:

- \$83,985 from the Department of State Cash Fund to the Department of State;
- a reappropriation of \$83,985 from the Department of State to the Office of the State Auditor in the Legislative Department and 0.8 FTE; and
- \$13,775 General Fund to the Department of Revenue.

State and Local Government Contacts

Counties	County Clerks	Information Technology
Revenue	Secretary of State	State Auditor
Treasury		