Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Summary

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LCS TITLE: CONCERNING THE CONDUCT OF ELECTIONS

Fiscal Summary of Initiative 118

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at **leg.colorado.gov/bluebook**. This fiscal summary identifies the following impact.

State expenditures. Preliminarily, the measure is estimated to increase state expenditures in the Department of State (DOS) by approximately $4.5 million in FY 2025-26 to implement several changes to elections systems and processes and to begin operating under the new procedures for the 2026 election cycle. Ongoing costs are expected to be at least $1.5 million to $2 million per year in FY 2026-27 and future years. Costs are described in more detail below and may vary year to year based on the number and type of elections held at different points in the election cycle (primary elections, general elections, races held on two-year and four-year cycles, etc.) and how they align with the state fiscal year. Costs are assumed to be paid from the General Fund, but could also be paid in full or in part from the Department of State Cash Fund.

If the measure is enacted, the DOS must update election rules, modify election software and information technology systems, and conduct public awareness campaigns to inform voters about the changes to voting in Colorado. This initial work is estimated to cost around $2.8 million in FY 2025-26. The DOS must also update public information resources and documents, expand technical assistance to county clerks and candidate campaigns, and verify signatures on a large volume of petitions to determine which candidates qualify for the ballot, including the cost of legal challenges and appeals. Increased costs for petition signature verification from requiring all candidates to access the ballot via petition are estimated at about $1.7 million per year, on average. Additionally, because the measure is expected to increase county costs to conduct elections (see local government impacts below), cost reimbursement to counties provided by the state, which are equal to 45 percent of county costs under current law, will increase. This potential increase will depend on eligible local costs and has not been estimated.

State revenue. If costs under the measure are paid from the Department of State Cash Fund, state revenue from business filing fees paid to the DOS must be increased. The actual amount of new revenue and fee charges will be set administratively by DOS in order to cover any costs to implement the initiative paid from the DOS Cash Fund.

Local government impact. The measure increases costs for county clerks and other local election officials in several ways. Conducting an all-candidate primary election increases the size and complexity of printed ballots, which will require that clerks educate voters, and revise processes for the operation of polling places and ballot counting. For some counties, this will require new election system software and equipment. Other counties will have costs to modify existing voting systems. Finally, the elimination of vacancy committee appointments will increase the number of special elections conducted to fill future vacancies in the state legislature and increase costs for affected counties where vacancies occur. A portion of local costs under the bill will be reimbursed by the state under current law.

Economic impacts. The measure has no direct impact on the state economy. Changes to elections may result in different leadership and different policies, which could have an economic effect. However, these effects depend on voter choices and future decision making.