

Ballot Proposition I-16-2022
Arizona Fair Elections Act
Fiscal Analysis

Estimated Impact

A.R.S. § 19-123(E) requires the Joint Legislative Budget Committee Staff to prepare a summary of 300 words or less on the fiscal impact of voter-initiated ballot measures. Proposition I-16-2022 implements changes to state laws regarding taxes, elections and campaign finance.

The measure is projected to decrease annual General Fund revenues by \$(15.9) million, with most of this impact due to the proposed \$5 optional tax checkoff box. For the checkoff box, a taxpayer may opt to reduce their own taxes by \$5 plus transfer \$5 of their taxes to the Citizens Clean Elections Fund (CCEF), resulting in a \$10 revenue loss to the General Fund. The measure also reallocates \$100 of annual corporate income taxes of companies with more than 50 full-time employees from the General Fund to the CCEF.

The measure's revenue changes are projected to increase annual CCEF revenues by \$9.1 million, as the fund would collect \$5 from each checkoff box and receive \$100 from each corporation with more than 50 full-time employees. The measure also imposes an additional \$25 lobbyist registration fee that would be deposited into the CCEF.

The measure is expected to increase state spending by \$425,000 due to requiring an automatic voter registration system and a separate direct online voter registration system. The proposition would also increase the public funding amounts available to candidates, which is projected to increase state spending by at least \$700,000 for each 2-year election cycle. These increased state costs would be paid from the CCEF.

The act would increase local government spending due to requirements for the automatic voter registration system, hiring clerks for election-day voter registration at polling places and other election requirements. These local government costs cannot be determined. The measure allows state reimbursement of these costs from the CCEF.