

Fiscal Note

BILL # HCR 2058

TITLE: legislative districts; population; census; citizenship

SPONSOR: Heap

STATUS: As Amended by Senate APPROP

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Description

The resolution would amend the Arizona Constitution to require the Independent Redistricting Commission (IRC) or another entity designated by the Legislature to conduct a decennial census to create legislative districts of equal citizen population. The resolution also establishes the State Census Fund and transfers \$5.0 million each year from the Citizens Clean Elections Fund (CCEF) to the State Census Fund to conduct the census.

Estimated Impact

We estimate that the resolution's fiscal impact will depend on how the state census is designed. There are at least 2 possible funding scenarios:

- A cost of \$25 million for the 2030 census and a cost of up to \$50 million in each subsequent decennial census based on the annual transfer of CCEF revenues.
- An ongoing decennial cost of up to \$158 million. This estimate is based on extrapolating the cost of prior special censuses conducted in this state for individual cities by the U.S. Census Bureau. Of the \$158 million, the cost would be defrayed by the \$25 million of CCEF revenues for the 2030 census and \$50 million of CCEF revenues for each subsequent census.

Analysis

There are at least 2 scenarios under which this resolution could be implemented; the state could contract with the U.S. Census Bureau to conduct a modified special census, or the state could hold its own census entirely independent of the Census Bureau.

The last special census occurred in 2015 and included 7 Arizona municipalities with a total population of 858,141. These municipalities contracted with the U.S. Census Bureau at an overall cost of \$16.3 million, with an average cost per person of \$18.97. The Office of Economic Opportunity (OEO) projects that the state's population will increase to 8.3 million by 2030. Given the special census cost and the OEO population projection, we estimate the total cost in 2030 would be approximately \$158 million if the state contracted with the U.S. Census at the \$18.97 per person rate. As noted above, the CCEF transfers would cover \$25 million of this cost for the 2030 census and \$50 million for the 2040 census.

The state could also conduct the 2030 census using only the \$25.0 million available from FY 2025 to FY 2029 CCEF transfers. The cost for future censuses would be \$50.0 million if the full \$5.0 million is transferred from the CCEF to the State Census Fund each year. This option would likely require modification of the procedures normally used by the U.S. Census Bureau.

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The CCEF currently has a balance of \$27 million and generates \$6.3 million annually from court assessments and fines. Citizens Clean Elections Commission (CCEC) expenditures vary each year due to the cyclical nature of elections and candidate spending. In an average election year, the CCEC spends approximately \$8.6 million from the CCEF. During the average off-year, the CCEC spends approximately \$4.6 million. Total spending across all years averages \$6.5 million, which slightly exceeds average revenues. With an additional annual transfer of \$5 million for census expenses, we expect the CCEF balance would be depleted by FY 2030 unless CCEC modifies its current spending levels. Under the provisions of the Citizens Clean Elections Act, the Commission is required to reduce candidate election funding if the CCEF does not contain sufficient monies. Any change in candidate funding would ultimately depend on annual revenues (after the \$5 million transfer) and the level of remaining monies after the Commission's spending decisions on other operating activities (such as staff and advertising).

Local Government Impact

None

4/10/24