



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0405

Title: Revising laws pertaining to candidate reporting and disclosure

Primary Sponsor: Hamilton, Jim

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$5,000	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$2,000	\$2,000	\$2,000	\$2,000
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$3,000)</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>

Description of fiscal impact: The legislation requires candidates for public office to electronically submit a business disclosure statement within one day of filing for office. The fiscal impact of this legislation would be the cost of software upgrades to the Campaign Electronic Reporting System (CERS) so that business disclosures could be filed electronically. The Commissioner of Political Practices (COPP) expects this to be a one-time cost. COPP also expects to collect financial penalties from candidates who do not timely file post-primary election finance reports, which will be deposited in the general fund.

FISCAL ANALYSIS

Assumptions:

Commissioner of Political Practices



1. The Campaign Electronic Reporting Service (CERS) would need to be upgraded so that candidates could use it to file business disclosures. COPP expects this to be a one-time cost approximating \$5,000.
2. COPP expects it would be required to collect financial penalties from candidates who fail to timely file the required August, September, October, and November C-5 campaign finance reports. Based on experience, COPP estimates an average of ten (10) candidates fail to timely file finance reports those months, for forty

(40) total late reports. COPP also estimates the average report being filed one (1) day late, for an average penalty amount of \$50. COPP expects this pattern to hold steady across each year in a biennium.

Secretary of State

3. The Office of the Secretary of State does not receive state general fund for office operations but has agreed to absorb the costs associated with implementing this bill within its existing operating budget.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.00	0.00	0.00	0.00
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$5,000	\$0	\$0	\$0
TOTAL Expenditures	<u>\$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$2,000	\$2,000	\$2,000	\$2,000
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$2,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$2,000	\$2,000	\$2,000	\$2,000
State Special Revenue (02)	\$0	\$0	\$0	\$0

 _____ Sponsor's Initials	<u>2/24/21</u> _____ Date	 _____ Budget Director's Initials	<u>2/23/21</u> _____ Date
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