



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

<b>Bill information:</b>	
HB0378 - Generally revise laws on candidate reporting and disclosure (Hamilton, Jim )	
<b>Status:</b>	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 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
<b>Expenditures:</b>				
General Fund	\$5,000	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$2,000	\$0	\$2,000	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$3,000)</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$0</u>

**Description of fiscal impact:** HB 378 requires software upgrades to the Commissioner of Political Practices (COPP) Campaign Electronic Reporting System (CERS) to allow electronic submission of business disclosures as stated under 2-2-106(1)(a) and (b), MCA.

### FISCAL ANALYSIS

#### Assumptions:

1. The Campaign Electronic Reporting Service (CERS) needs to be upgraded to allow required entities to electronically transmit business disclosure statements. COPP expects this to be a one-time software update cost approximating \$5,000.
2. In general election (even) years, COPP would be required to collect financial penalties from candidates who fail to timely file the required August, September, October, and November monthly campaign finance reports required under 13-37-226(1)(b).
3. COPP estimates an average of ten (10) candidates fail to timely file each of those months, for 40 late reports. COPP also estimates the average report being filed one day late, for an average penalty amount of \$50. This would bring total penalties collected by COPP to \$2,000 per general election (even) year.


- In non-general election (odd) years, COPP assumes it would not collect any financial penalties, as this provision as stated in HB 378 does not apply to municipal (city) candidates filing in accordance with 13-37-226(4), MCA.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$5,000	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$5,000	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$2,000	\$0	\$2,000	\$0
<b>TOTAL Revenues</b>	<u>\$2,000</u>	<u>\$0</u>	<u>\$2,000</u>	<u>\$0</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$3,000)	\$0	\$2,000	\$0

**Technical Notes:**

- COPP assumes it must grant an informal contested case hearing to any individual who requests one after receiving notice of imposition of a civil fine for late filing an August, September, October, or November monthly report, and that the appointed hearings officer cannot be the Commissioner or another COPP's staffer. As this process would be new, COPP is unable to estimate the number of contested case hearings that would be requested and held.
- COPP assumes that it would be responsible for handling any costs associated with the holding of such a contested case hearing. COPP has held contested case hearings previously regarding ethics complaints lodged with COPP. In COPP's experience contested case hearings can be costly, as there may be costs in securing a hearings officer, space in which to hold the hearing/s, and other logistical costs. COPP may require additional budgetary resources to handle all costs associated with contested case hearings it would be required to hold should HB 378 pass.

**NOT SIGNED BY SPONSOR**

Sponsor's Initials	Date	Budget Director's Initials	Date
			2-8-23