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## FISCAL IMPACT REPORT

SPONSOR: Feldman DATE TYPED: 2/28/03 HB \_\_\_\_\_  
 SHORT TITLE: Amend Campaign Reporting SB 22/aSRC/aSFC  
 ANALYST: Collard

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$40.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Responses Received From  
 Attorney General's Office  
 Secretary of State

### SUMMARY

#### Synopsis of SFC Amendment

The Senate Finance Committee amends Senate Bill 22 by striking SRC amendment three. This amendment lowers the threshold for requiring political committee reporting from \$2,000 to \$500 in expenditures.

#### Synopsis of SRC Amendment

The Senate Rules Committee amends Senate Bill 22 by deleting the appropriation of \$80,000 and the appropriation language. The committee also amends the bill by changing the dollar limit of a person or organization expending funds in a calendar year to conduct an advertising campaign or for a political purpose from \$500 to \$2,000. Finally, the committee amends the bill by making the effective date January 1, 2006.

#### Synopsis of Original Bill

Senate Bill 22 appropriates \$80.0 from the general fund to the Secretary of State for the purpose of designing and developing an electronic campaign reporting system. This bill also amends the Campaign Reporting Act to require the mandatory filing by electronic means of reports of cam-

paign contributions and expenditures with the Secretary of State, including county reports.

### Significant Issues

The Attorney General's office indicates the bill lowers the threshold for requiring political committee reporting from \$2,000 to \$500 in expenditures.

### **FISCAL IMPLICATIONS**

The appropriation of \$80.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY04 shall revert to the general fund.

If county campaign reports are required to be filed with the Secretary of State, the department indicates a need for one additional FTE at \$40.0.

### **ADMINISTRATIVE IMPLICATIONS**

The Secretary of State indicates that policies and procedures will have to be drafted for use of the new system. Currently, the Secretary of State does not handle campaign reports from elected county officials, and the office has never received a request for a county campaign report, since this is handled by the county clerks. If county reports will be filed with the Secretary of State, it will mean an increased workload, and the department indicates a need for one additional FTE.

### **TECHNICAL ISSUES**

The Attorney General's office comments that because the bill makes the Secretary of State the proper filing officer for all campaign reports by all public officials, the definition of "proper filing officer" in Section 1-19-26(O) seems inconsistent with the proposed amendments in Section 1-19-27(C). The bill should be amended to include a definition of "electronic filing or reporting."

### **OTHER SUBSTANTIVE ISSUES**

The Secretary of State reports the bill should mandate electronic filing because less than 10 percent of reports are filed electronically now. Mandating electronic filing will increase efficiency in the Secretary of State staff.

The Secretary of State also would like to exempt county campaign reporting from this bill and continue to file elective county campaign reports with the county clerks and not with the Secretary of State's office.

### **POSSIBLE QUESTIONS**

1. If electronic filing is mandated to decrease staff workload, and county campaign reports are required which will increase the staff workload, will the overall workload remain stable?