

Department of Planning and Budget

2002 Fiscal Impact Statement

1. Bill Number HB557

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Kilgore

3. Committee Privileges and Elections

4. Title Campaign Finance Disclosure Act; record retention requirements, etc.

5. Summary/Purpose:

Provides that (i) the State Board of Elections shall review the campaign finance reports of candidates for Governor, Lieutenant Governor, Attorney General and 10 percent of the candidates for the General Assembly selected at random; (ii) the review shall be for the purposes of (a) reconciling the balance in the campaign depository with the amounts reported in the candidate's reports of receipts and expenditures and (b) reviewing the reports for mathematical accuracy and factual completeness including the reporting of specific information required by law; (iii) the Board shall meet publicly to select on a random basis by drawing the General Assembly candidate campaign store review; (iv) a campaign committee shall be exempt from review if it has received less than \$25,000 in contributions; and (v) the campaign treasurer shall retain, and provide on request by the Board, the bank statements and copies of checks issued on campaign depositories and receipts for campaign fund expenditures greater than \$500. The bill will take effect January 1, 2004. This proposal is a recommendation of the Joint Subcommittee Studying Campaign Finance Reform pursuant to SJR393(2001).

6. Fiscal Impact Estimates are: Final

7. Budget amendment necessary: No

8. Fiscal implications: The bill gives the State Board of Elections (SBE) the flexibility to use outside expert time to meet the 60 day time limit for each of the reviews. The election cycles are such that between 40 and 50 reviews would need to be completed for each election cycle. The election cycles vary, every four years all of the statewide offices and the House of Delegates are up for election. The SBE estimates that as many as 20 campaign committees for statewide offices would need to be reviewed and ten percent of the estimated 270 house campaign committees 27 reviews. Followed in two years by the next cycle, where all 140 members of the General Assembly are up for election. SBE estimates that as many as 380 campaign committees could be subject to the ten percent review requirement or 38 reviews.

Assuming a cost of \$5,000 to review each of the estimated 20 campaign committees for statewide office, about \$100,000 would be needed every four years to complete the statewide review cycle. Assuming a cost of \$2,500 for each House of Delegates campaign committee for the approximately 27 committees selected for review, about \$67,500 would be needed to complete the reviews. The total needed for this election cycle would be about \$167,500.

Thesecsecondcycle,forallmembersoftheGeneralAssembly,usesthesame\$2,500perreview withthenumberofreviewsassumedtobetenpercentof380or38.The totalcostforthis cyclewouldbeabout\$95,000.

Fundingwouldbenecessaryinthesecondyearofeachbienniumstartingwiththe2004-06 biennium.Thefirstelectionsubjecttothisprovisionwouldbethe nextelectionforall StatewideofficersandtheHouseofDelegatesinNovemberof2005.

9. Specific agency or political subdivisions affected: State Board of Elections, local boards of electionandgeneralregistrars
10. Technicalamendmentnecessary:No
11. Othercomments:None

Date: 1/15/2002mtb

Document: G:\Sbe\Bills\Fis\2002session\Hb557.Doc Barton)

cc:SecretaryofAdministration