
Detailed Fiscal Analysis

Bill's provisions

The bill requires candidates for statewide office that receive or expend more than \$10,000 in a reporting period to file campaign finance reports electronically beginning in calendar year 2000. The bill defines "statewide office" as the offices of Governor, Lieutenant Governor, Secretary of State, Auditor of State, Treasurer of State, Attorney General, Chief Justice of the Supreme Court, Justice of the Supreme Court, and member of the State Board of Education (ORC .3517.106(A)).

In calendar year 2002, in addition to campaign committees of statewide candidates, the following entities and candidates will be required to file campaign finance information electronically if they receive or expend more than \$10,000 in a reporting period:

- Political action committees and political contributing entities that make contributions to the campaign committees of statewide candidates or in connection with statewide ballot issues, legislative campaign funds, and state political parties
- State political parties
- Any individual, partnership, or other entity that makes independent expenditures in support of or opposition to a statewide candidate or a statewide ballot issue or question

SOS estimates that there are between 1,200 and 1,400 active political action committees and numerous other political contributing entities and individuals that might be required to file each year. This is in addition to six statewide offices, seven Supreme Court judges, and eleven State Board of Education officials that run in a given year.

Fiscal impact

The Secretary of State (SOS) could incur additional costs of \$350,000 or more to develop and implement procedures for electronic filing and to purchase any equipment or software necessary. The main cost would be the purchase of software. SOS currently has the capability to accept electronic filings and does post such information on the Internet as required by the bill. However, costs would need to be incurred to accommodate and/or expedite a greater number of electronic filings.

The Secretary of State (SOS) could have minimal costs to provide software disks for campaign committees of any candidates for two Ohio Supreme Court positions and candidates for up to six State Board of Education positions open in 2000. These candidates would be required to file electronically under the bill if they exceeded the \$10,000 threshold. SOS could receive offsetting revenue because it is permitted to charge a nominal fee for the cost of such disks, although it currently does not choose to charge such a fee.

In future years, as a large number of entities and candidates are required to file electronically and more choose to do so voluntarily, SOS could have reduced costs for processing and auditing

campaign finance filings. For example, SOS would be able to reduce or eliminate a \$150,000 data entry contract.

Currently, paper copies of campaign finance reports must be scanned and/or manually entered into SOS's computer system. Electronic filing eliminates this processing step. Also electronic filing could permit computer software to perform basic auditing functions automatically, such as ensuring all required information is entered on a form, therefore requiring less staff time to audit campaign finance reports for minor errors.

SOS has requested moneys in its FY 2000 – 2001 biennial budget request to improve its current elections computer systems. This new system would electronically enable on-line campaign finance filing, connect SOS with the 88 county boards of elections, provide access to elections data it collects on the internet, and permit SOS to more efficiently post elections and campaign finance data. This new system is already planned for completion by the end of the upcoming biennium and would further improve SOS's ability to implement the bill's provisions.

Training costs. SOS could also incur costs to provide training for individuals and entities required to file electronically under the bill. The bill requires SOS to provide training, if SOS determines such training is necessary. Presumably, SOS could charge a nominal fee for such training. Therefore, fee revenue could cover most or all of the costs of providing such training.

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