

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 7707
BILL NUMBER: HB 1643

NOTE PREPARED: Feb 6, 2025
BILL AMENDED: Feb 4, 2025

SUBJECT: Campaign Finance.

FIRST AUTHOR: Rep. Pierce K
FIRST SPONSOR: Sen. Gaskill

BILL STATUS: As Passed House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Definitions*— The bill modifies the definition of "auxiliary party organization". The bill specifies that the definition of "contribution" includes certain donations of property through a payment platform that acts as a conduit.

Repeal and Nullification— The bill repeals a provision that allows the Indiana Election Commission (Commission) to issue advisory opinions. The bill provides that an advisory opinion issued by the Commission before July 1, 2025, is void.

Paid Political Advertising— The bill provides that certain paid political advertising or campaign material does not falsely represent that the candidate is or has been an officeholder.

Storage of Campaign Finance Reports— The bill provides that, after December 31, 2026, the computer system developed and used by the Election Division (Division) to store campaign finance reports must enable the Division to provide for electronic submission, retrieval, storage, and disclosure of campaign finance reports of candidates for local office and school board office.

Filing of Campaign Finance Reports— The bill requires, after December 31, 2026, that a: (1) committee for a candidate seeking election to a local office or school board office; and (2) political action committee; must file specified reports and statements electronically using a standardized software program or another approved format.

Access to Electronic System to Manage Candidate Filings— The bill requires, after December 31, 2026, that each county election board and board of elections and registration have access to a particular computer system and software program for the purpose of managing filings by candidates seeking election to a local office or school board office.

Election Division— The bill specifies requirements that apply to the purchase of a software program by the Division after June 30, 2025. The bill allows the Division to send certain notices by electronic mail, if a workable electronic mail address is provided by the committee.

Mailing of Notice– The bill requires, after December 31, 2026, each county election board to mail: (1) to each candidate required to file a campaign finance report with the county election board; and (2) 21 days before the campaign finance reports are due; a notice that states the date the campaign finance reports are due.

County Election Boards– The bill allows a county election board to adopt a resolution allowing certain reports to be submitted to the county election board by hand, mail, or electronic mail. The bill provides that a county election board that adopts a resolution is responsible for entering the submitted reports into the computer system and software program. The bill requires the reporting of certain information if a contribution is made through a payment platform that acts as a conduit.

Effective Date: July 1, 2025.

Explanation of State Expenditures: *Filing of Campaign Finance Reports*– Requiring local or school board office candidates to file campaign finance reports electronically would likely have a negligible if any impact on state expenditures. Currently, the Division provides the software free of charge to state and legislative office candidates and political action committees receiving more than \$50,000.

Definitions– The Division may need to revise campaign finance materials and forms to accommodate the changes within this section of the bill. It is likely the Division would be able to make the appropriate revisions and updates within their existing staff and resource levels.

Storage of Campaign Finance Reports– This provision would have an indeterminable impact on state election expenditures. Any impact to state expenditures would depend on the agreed amount between the Election Division and their software development vendor.

Access to Electronic System to Manage Candidate Filings– Similarly, it is likely the Election Division would be able to contract with a vendor to expand the electronic submission, retrieval, storage, and disclosure of campaign finance reports of candidates for local and school board offices. It is likely these modifications would not greatly increase state expenditures to complete.

Election Division– The Division would be able to issue RFP's and award contracts under the requirements of current law and hold the required public meetings as routine functions of business. Additionally, Division staff would be able to send the required emails under the bill, which may save the Division some first class postage expenditures.

Explanation of State Revenues:

Explanation of Local Expenditures: *Mailing of Notice*– County election boards would see an increase in expenditures for postage and paper card notices. It is likely the expenditure increase would be minor, depending on county size and number of candidates needing notification.

Access to Electronic System to Manage Candidate Filings– Counties may need to upgrade their campaign finance data retrieval and storage systems and links to accommodate local and school board offices.

County Election Boards– County election boards would likely be able to adopt the necessary resolutions to carry out this provision. Counties electing to enter candidate reports by hand may see an increase in workload around the times that the reports are due.

Explanation of Local Revenues:

State Agencies Affected: Indiana Election Division.

Local Agencies Affected: County election boards.

Information Sources: Indiana Election Division.

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