



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 815

PRINTER'S NO. 772

PRIME SPONSOR: Briggs

COST / (SAVINGS)

FUND	FY 2022/23	FY 2023/24
General Fund	\$0	See Fiscal Impact

SUMMARY:

House Bill 815, Printer's Number 772 requires campaign finance reports filed with the Department of State to be filed electronically.

ANALYSIS:

The bill chiefly requires that all campaign finance reports and statements that are required to be filed with the Secretary of the Commonwealth must be filed electronically. A "technological hardship" exemption is available if a candidate or committee demonstrates a lack of computer or internet access, or a disability that prevents electronic filing.

Other provisions of the bill include:

- Changing the violation for willfully false, fraudulent or misleading statements by candidates or treasurers of a political committee from perjury to unsworn falsification to authorities;
- Permitting candidates or political committees to dispose of unspent residual funds by donating to a nonprofit;
- Procedures for when the electronic filing system is unavailable because of the Department of State's technical environment;
- Increases to the late fees for filers who miss the deadline;
- Creation of a duty of the secretary to maintain a searchable computer database and electronic reporting system for campaign contributions and expenses, with information to be available no later than four business days after receipt by the secretary.

The bill has a triggered effective date, whereby the requirements go into effect 120 days after the secretary has transmitted notice to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin that the electronic filing system is available for use.

FISCAL IMPACT:

The overall fiscal impact of the bill is expected to be minimal, and its costs can be absorbed within existing resources.

The Department of State estimates that the bill would require \$96,000 in one-time costs to make changes to the current electronic filing and reporting system. After the updated system is implemented and the electronic filing mandate is in place, the department would experience lower ongoing costs by avoiding outsourced data entry expenses. These recurring savings are expected to be approximately \$15,000 per fiscal year.

The bill increases some fees for late filings for reports or statements that are filed with the department. Current law provides for a \$10/day base late fee excluding weekends and holidays, plus an additional \$10/day for days 1-6 for a total of \$20. The bill would maintain this total cost, but change the schedule to a flat \$20/day. For reports that are 7 days or more late, the bill would increase late fees more significantly, up to \$100/day from the current \$10/day. The maximum fee that could be assessed for a late report is doubled from \$250 to \$500. These changes only apply to reports or statements required to be filed with the department; the current schedule would still apply to reports and statements filed with county boards of election.

The department collected a total of \$76,360 in late filing fees on an annual basis for 2022. Although fees assessed on late reports or statements increase under the bill, it is difficult to determine how the changes of this bill will impact timely compliance, so the net effect is indeterminate. Given the size of current late fee collections, the overall impact is likely to be relatively small.

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House Appropriations Committee (D)

DATE: June 6, 2023

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.