

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB492

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

2. Patron: Bulova

3. Committee: Passed Both Houses

4. Title: Campaign finance; record retention requirements and reviews of campaign finance disclosure reports.

5. Summary: Requires campaign committee treasurers to retain certain records that may be used in reviews of campaign committee accounts. The bill gives the Department of Elections the authority and duty to conduct reviews of a percentage of campaign committees and to report the results of such reviews annually to the State Board of Elections, the Governor, the and General Assembly and make such report available on the Department's website. This bill has a delayed effective date of January 1, 2024.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: See Item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2023	\$0	-
2024	\$0	-
2025	\$33,495	General Fund
2026	\$33,495	General Fund
2027	\$33,495	General Fund
2028	\$33,495	General Fund
2029	\$33,495	General Fund

8. Fiscal Implications: This bill would require the Department of Elections (ELECT) to review a specified portion of reports and records of campaign committees within 180 days following the general election. Reviews would include all of the campaign committees for candidates, including losing primary candidates, for statewide office; 10 percent of the campaign committees for candidates, including losing primary candidates, for the Senate and House of Delegates; and one percent of candidates, including losing primary candidates, for all other offices in any year in which such offices are elected. No review would be required for a campaign committee for any office that has received less than \$25,000 in contributions during the campaign, including the transfer of surplus funds from a prior campaign. Based on analysis from ELECT, the agency estimates around 30 campaigns would need to be reviewed each election year.

With the Department of Elections' current workload and staff level, it does not expect to be able to complete the required reviews within the 180 days of the election without additional assistance. Therefore, ELECT would plan to use outside contractors. Using an estimate of \$165 an hour for 203 hours, ELECT estimates the cost of assistance that would be needed to review the specified portion of reports and records of campaign committees within 180 days following the general election would be \$33,495 for 30 reviews. The number of reviews needed may be less in years when no elections for statewide office or the General Assembly occur. However, the actual number of reviews needed and associated impact would be dependent on the number of campaign committees qualifying for review in a given year. Due to the bill's delayed effective date, funding is not needed for the 2022-2024 biennium. Expenses are expected to incur beginning in fiscal year 2025.

9. Specific Agency or Political Subdivisions Affected: Virginia Department of Elections and State Board of Elections.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 3/21/2022