

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	255,000		53,000	
CASH FUNDS		See Below		
FEDERAL FUNDS				
OTHER FUNDS		See Below		
TOTAL FUNDS	255,000	See Below	53,000	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1112 changes provisions of law related to the Nebraska Political Accountability and Disclosure Act and the Campaign Finance Limitation Act.

Sections 6 through 9 provide definitions for “election period”, “general election period”, “national political party committee”, and “primary election period”.

Section 10 places limits on campaign contributions.

Section 11 requires all contributions to be reported to the committee’s treasurer on the next business day beginning January 1, 2012.

Section 14 requires campaign statements to include the full name of each individual contributing more than fifty dollars during a reporting period. Currently, that limitation is for contributions totaling more than two hundred fifty dollars. A similar change in threshold for reporting expenditures is included in this section. Section 17 changes the threshold for late contribution reporting to fifty dollars. The current limit is one thousand dollars.

Sections 18, 19, 23, 24, 26, 28 and 29 allow for campaign statements to be filed according to the current methods or electronically the next business day after receipt of a contribution or making an expenditure beginning January 1, 2010. Beginning January 1, 2012, campaign statements shall be filed electronically the next business day after receipt of a contribution or making an expenditure. These provisions are applied to campaigns, committees, individuals, and intermediaries.

Section 25 requires the Accountability and Disclosure Commission to make campaign statements available on its website on or before the next business day after receipt by the commission. This requirement takes effect January 1, 2012.

Section 39 requires (on January 9, 2009) the State Treasurer to transfer any money in the Campaign Finance Limitation Cash Fund attributable to late filing fees, civil penalties, and interest for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska. Any remaining funds shall be transferred to the Nebraska Accountability and Disclosure Commission Cash Fund. The net effect of the transfer between funds within the Accountability and Disclosure Commission will be \$0. It is estimated that \$171,878 will be transferred from the Campaign Finance Limitation Act Cash Fund to the Accountability and Disclosure Commission Cash Fund, but one fund will receive the same amount of credit as the other fund is debited. The estimated amount transferred for distribution under Constitutional provisions (to the Permanent School Fund) is \$456,963. Due to possible claims on the funds in the Campaign Finance Limitation Act Cash Fund, that amount cannot be considered accurate, but it is the best possible estimate at this time.

Section 40 requires the Commission to adopt and promulgate rules and regulations to establish procedures to electronically receive reports and statements under the bill’s provisions by January 1, 2010.

Through a series of outright repealed sections, the Campaign Finance Limitation Act is effectively repealed.

The Accountability and Disclosure Commission estimates the cost to implement the provisions of LB 1112 to be \$255,000 in fiscal year 2008-09 and \$53,000 in fiscal year 2009-10. The estimated annual cost is \$53,000 per year thereafter. This estimate appears to be reasonable. The breakdown of costs is as follows:

- \$200,000 to develop a comprehensive software package
- \$50,000 for IT support (an ongoing cost)
- \$3,000 for training of filers
- \$2,000 to change forms and publications

The Commission attributed these costs to General Funds. While it appears that the transfer of \$171,878 from the Campaign Finance Limitation Act Cash Fund could be used to pay for much of those costs, it is unclear that the funds will be received in time to meet the financial obligations that will be incurred. Any infusion of Cash Funds to the Accountability and Disclosure Commission Cash Fund can be utilized in future years to reduce General Fund reliance. This can be addressed through the normal budgeting process.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David Spatz	DATE	2/11/08	PHONE	471-4179
COMMENTS					
Concur with the NE Accountability and Disclosure Commission's analysis and the estimated fiscal impact for development of electronic filing and IT support, however, the net General Fund impact for FY 2008-09 could be reduced to \$83,122 by utilizing the transfer of an estimated \$171,878 from CFLA Cash Fund to the NADC Cash Fund in taxpayer checkoff contributions. On-going General Fund impact for FY 2009-10 and beyond for IT support could range from \$30,000 to \$50,000 depending on the number of claims filed annually.					