

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 9, 2003**

**TO:** Honorable Mary Denny, Chair, House Committee on Elections

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB3096** by Madden (Relating to the penalty for the failure to timely file a report of political contributions and expenditures with the Texas Ethics Commission.), **As Introduced**

<b>Estimated Two-year Net Impact to General Revenue Related Funds</b> for HB3096, As Introduced: a positive impact of \$3,093,000 through the biennium ending August 31, 2005.
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**General Revenue-Related Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2004	\$1,546,500
2005	\$1,546,500
2006	\$1,546,500
2007	\$1,546,500
2008	\$1,546,500

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain from GENERAL REVENUE FUND 1</b>
2004	\$1,546,500
2005	\$1,546,500
2006	\$1,546,500
2007	\$1,546,500
2008	\$1,546,500

**Fiscal Analysis**

This bill would amend the Election Code to establish a late fee of \$100 for reports of political contributions or expenditures that were not timely filed with the Texas Ethics Commission. A person would be liable for a late fee of \$100 per day for a report that had not been timely filed within seven days of a deadline. The bill would establish a per report limit of \$50,000 on the civil penalty that could be imposed for a chronically late filing. The late fee could not be continued upon appeal or the filing of an action to dispute the penalty. This bill would take effect September 1, 2003.

**Methodology**

The Texas Ethics Commission indicated that 698 campaign finance reports were filed late for fiscal year 2002. Of those 698 reports, 265 were filed within seven days. This bill would assess a fine of \$100 for those reports, totaling \$26,500 for fines paid. The remaining 433 reports were filed over the seven day period and would be subject to a fine of \$100 a day up to \$50,000. For purposes of this

fiscal note, it is assumed that, given the disincentive of higher fines, 200 of these reports would come in within seven days (\$20,000 cost) and the remaining 233 would be assessed a higher fine at an estimated impact of \$1.5 million. This analysis assumes that this revised trend for late filing would continue. All fines received would be deposited into the General Revenue Fund.

### **Technology**

This bill would have no impact on technology.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 356 Texas Ethics Commission

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