

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 26, 2025

TO: Honorable Ken King, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4823 by Capriglione (Relating to an electronic filing system for certain reports of political contributions and expenditures.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4823, As Introduced: a negative impact of (\$10,621,933) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$5,367,410)
2027	(\$5,254,523)
2028	(\$5,254,523)
2029	(\$5,254,523)
2030	(\$5,254,523)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$5,367,410)	4.0
2027	(\$5,254,523)	4.0
2028	(\$5,254,523)	4.0
2029	(\$5,254,523)	4.0
2030	(\$5,254,523)	4.0

Fiscal Analysis

The bill would amend the Election Code related to the filing of certain reports of political contributions and expenditures. Under the provisions of Election Code, Section 252.005, the Texas Ethics Commission (TEC) provides services to approximately 10,000 candidates for various statewide offices. Candidates for local offices file reports in a format promulgated by TEC with local jurisdictions. The bill would require that these local candidates file required reports with TEC rather than their local jurisdiction.

TEC estimates that there are approximately 25,000 elected subdivision positions (including county, municipal, utility district, and school district offices). The agency's existing Electronic Filing System (EFS) would

require expansion to serve a potential addition of an estimated 50,000 political candidates to meet the requirements of the bill.

In addition, TEC anticipates that the increase in the number of candidates filing with the agency, rather than with their local jurisdictions, would also require additional staff to provide outreach, onboarding, training, support, and communication with current filing authorities and local candidate filers.

The bill also directs the agency to establish a public, web-based platform to consolidate and to present campaign finance data from all filing authorities across the state in a central location on the TEC website.

Methodology

The TEC estimates that the bill would require 4.0 FTEs to provide outreach, onboarding, training, support, and communications to filing authorities and local filers. Anticipated positions include: one IT Support Specialist III (\$60,000 per year), one Programmer III (\$85,869 per year), and two Program Specialist IIIs (\$62,136 per year). Associated benefits and other expenses for the 4.0 FTEs would be \$84,382 per year, with an additional \$11,387 in setup costs for the positions in fiscal year 2026.

Technology

According to TEC, the vendor for the EFS anticipates an additional cost of \$4.9 million for the expansion of the existing EFS system under the provisions of the bill. The primary increase in cost would be related to hosting and maintaining a separate instance of the filing system for each political subdivision. Additional costs, according to TEC, would include vendor-provided outreach and training to local governments on how to operate the back-end of the system.

The agency estimates that an expansion of website functionality would result in a one-time cost of \$101,500 in fiscal year 2026.

Local Government Impact

The fiscal implications of the bill to units of local government cannot be determined at this time; however, local jurisdictions would be required to receive training on the EFS for tasks such as creating filer accounts, tracking filing requirements, and sending notices to local candidates. It is anticipated that these costs could be significant.

Source Agencies: 313 Department of Information Resources, 356 Texas Ethics Commission

LBB Staff: JMc, WP, LCO, GP, NV