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**FISCAL IMPACT STATEMENT**

**LS 6681**

**BILL NUMBER:** HB 1428

**NOTE PREPARED:** Dec 12, 2002

**BILL AMENDED:**

**SUBJECT:** Legislative campaign spending limits.

**FIRST AUTHOR:** Rep. Pelath

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill provides that a candidate for election to the Indiana House of Representatives may not spend more than a total of \$15,000 before a primary election and \$30,000 during the period between primary election day and general election day. The bill provides that the expenditure limits for a candidate for election to the Indiana Senate are double the corresponding limits for candidates for election to the House of Representatives. The bill attributes expenditures made by certain other persons to support a legislative candidate toward the candidate's expenditure limit. The bill imposes certain reporting requirements regarding outside expenditures. The bill authorizes the Indiana Election Commission to impose civil penalties for violations. The bill provides exceptions for write-in candidates and candidates nominated by petition.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** Additional expenditures may be required by the Election Commission to investigate possible violations under this bill. The civil penalties described in the proposal would include the cost of investigation. As of November 2002, the Election Commission had 13 authorized staff positions. One position, a systems analyst, was vacant. The other 12 positions included two attorneys, two field auditors, three unclassified executive positions, two program coordinators, a Governor's fellow, and two administrative personnel.

**Explanation of State Revenues:** The bill would allow the assessment of civil penalties for violations. The maximum penalty assessable would be twice the amount of expenditure that exceeds the expenditure limit plus any investigative costs for each violation of the limit under the bill. Additionally, a civil penalty may be assessed in an amount not greater than two times the expenditure that was not reported. All civil penalties

assessed, under the proposal, would be deposited in the State Campaign Finance Enforcement Account (SCFEA.) In FY 2002 there were \$6,105 in penalties deposited into the SCFEA. The SCFEA is used for the enforcement of campaign laws and creating and operating a campaign finance computer system, including the investment in technology to expand the capabilities of the computer system.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Election Commission.

**Local Agencies Affected:**

**Information Sources:** *State of Indiana HRM Detail Staffing Report, 11/04/02.*

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