

OFFICE OF FISCAL ANALYSIS

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sSB-1225

AN ACT CONCERNING REFERENDA, INDEPENDENT EXPENDITURES, STATE ELECTIONS ENFORCEMENT COMMISSION COMPLAINTS AND REPAYMENT OF SURPLUS CITIZENS' ELECTION PROGRAM GRANT FUNDS.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Elections Enforcement Commission	GF - Potential Cost	See Below	See Below
Elections Enforcement Commission	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill results in both potential revenue and potential costs to the State Elections Enforcement Commission through fines and penalties imposed, and the additional requirements created by this bill. The primary purpose of this bill codifies Independent Expenditure Political Action Committees (IE-PAC) as a separate category of political action committees (PAC) with different rules established. The bill makes several changes regarding applicable expenses, as well as requiring attribution for advertising over a certain level of funding and adding additional reporting requirements for campaigns.

The bill formalizes the policy of eliminating aggregate contribution limits for certain PAC's and the bill also criminalizes failure to return surplus Citizens Election Program (CEP) grant funding to the state within a certain timeframe.

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The bill narrows the circumstances under which the State Elections Enforcement Committee (SEEC) must dismiss a complaint within one year. This could increase the existing costs for the SEEC depending on the number of cases that would be held beyond one year as a result of this bill.

Fines and Penalties

The bill may result in additional revenue to the SEEC by empowering them to impose fines and penalties in line with the current structure for failing to file an IE-PAC report to IE's that support referendums.

The bill also increases maximum penalties for failing to file an IE report to (1) IE-PACs made or obligated 90 days or fewer before a primary or general election from \$20,000 to \$20,000 or twice the unreported amount whichever is greater. (2) Knowing and willful failure to file increases penalties from \$50,000 to \$50,000 or 10 times the unreported expenditure whichever is greater. The increased penalties created by the bill could result in additional revenue for the SEEC depending on the number and scale of violations.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of violations and fines imposed.