

SUBCOMMITTEE RECOMMENDATION

Item 1: Secretary of State Election Finance Reform

To: Emergency Board
From: General Government Subcommittee
Carrier: Representative Gomberg

The General Government Subcommittee recommends that the Emergency Board allocate \$5,412,851 General Fund from the Emergency Fund to the Secretary of State and authorize the establishment of 17 permanent positions (7.77 FTE) and four limited duration positions (1.92 FTE) to implement the election finance reforms contained in HB 4024.

During the last week of the 2024 legislative session, the Legislature passed HB 4024, which makes significant changes to the regulation of election finances overseen by the Secretary of State's Office. Due to this late consideration, there was not sufficient time to add implementation costs into pending legislation. Instead, the Secretary of State was directed to request the resources necessary to implement HB 4024 from the Emergency Board.

The largest costs to implement the HB 4024 are those related to the information technology expenditures necessary to operationalize new contribution limit reporting requirements and the development of a required online campaign finance dashboard. The reforms in HB 4024 also require the Elections Division to administer new provisions related to compliance, investigation, public education, and rulemaking responsibilities. All work must be completed by January 1, 2028, with some provisions becoming operative on January 1, 2027.

The General Government Subcommittee recommends approval.