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February 5, 2021

TO: Chairman Kasper and Members of the House Government and Veterans Affairs Committee

FR: Jim Silrum, Deputy Secretary of State on behalf of Secretary of State Al Jaeger

RE: HB 1191 – Reporting expenditures about candidates by multicandidate committees

This bill attempts to place new disclosure requirements applying only to multicandidate committees. When a multicandidate committee makes an expenditure in support of or opposition to a candidate, the committee must disclose the expenditure on the next campaign disclosure statement submitted by the committee.

The Secretary of State's office opposes this bill because it adds a very specific requirement to only one type of campaign disclosure filer instead of to every filer. Of the 548 different filers during 2020, only 33 were multicandidate committees. The legal requirements for campaign disclosure statements are complicated because of the limited number of times filers are called upon to submit statements.

To avoid complicating the difficult topic of campaign finance, the Secretary of State's office recommends that when amendments are made to this topic, the amendments should impact as many filers as possible for the sake of consistency. If an amendment such as the one proposed in this bill is desired, it could and should be applied to every filer as we believe is the goal of HB 1496 that will be the third bill heard by the Committee this morning.

Our office was not asked to submit a fiscal note on this bill, but it will require a modification to the system so that multicandidate committees are able to disclose expenditures made during the calendar dates covered by the disclosure statement. Regardless of the ultimate cost for the software enhancement, the return on investment is much greater if it is spread over all filers rather than a limited subset as would be the case in this bill. Additionally, when a requirement is made to all filers, the software updates are less complicated, which makes the system more stable. The greater the number of differences that exist between types of filers, the more the system is subject to failure points.

On behalf of the Secretary of State and his election team, I request the committee to give this bill a Do Not Pass recommendation in favor of HB 1496 if the 2021 Legislative Assembly desires to require the disclosure of expenditures made in support of or opposition to candidates, political committees, and political parties.