LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS FISCAL IMPACT STATEMENT

LS 6307 NOTE PREPARED: Nov 22, 2024

BILL NUMBER: SB 228 BILL AMENDED:

SUBJECT: PAC Contributions to a School Board Candidate.

FIRST AUTHOR: Sen. Hunley BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

X DEDICATED FEDERAL

<u>Summary of Legislation</u>: The bill provides that a political action committee (PAC) may not make total annual contributions in excess of an aggregate of \$5,000 apportioned in any manner to a specific candidate for a school board office. It specifies a civil and criminal penalty for a PAC that violates this limitation.

Effective Date: July 1, 2025.

Explanation of State Expenditures:

Explanation of State Revenues: Penalty Provision: Violations of the bill by a PAC would constitute a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. The total fee revenue per case would range between \$113 and \$138. The amount of court fees deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: Court fees imposed in criminal, juvenile, and civil violation cases.

Explanation of Local Expenditures: *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

County Election Boards— County election boards could incur expenditures for investigating PACs. Presumably these expenditures could be mitigated in whole or part by the civil penalties added by the bill.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, more revenue will be collected by certain local units. If the case is filed in a court of record, the county general fund will receive \$47.40 and qualifying municipalities will receive a share of \$3.60. If the case is filed in a municipal court, the county receives \$30, and the municipality will receive \$46. The following linked document describes the fees and distribution of the revenue: Court fees imposed in criminal, juvenile, and civil violation cases.

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Civil Penalties—County election boards could assess a civil penalty up to three times the excess contributions made by PACs plus investigative costs to the board. Civil penalties would be deposited with the county treasurer in a separate account to be used for augment and supplement local election appropriations.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies, county election boards.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual

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