153rd GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE SUBSTITUTE NO. 1 FOR HOUSE BILL NO. 216**
SPONSOR:	**Representative K. Williams**
DESCRIPTION:	**AN ACT TO AMEND TITLE 15 OF THE DELAWARE CODE RELATING TO ELECTION CAMPAIGNS AND PUBLIC DISCLOSURES.**

Assumptions:

1. This Act becomes effective upon the signature of the Governor. Upon signature, this Act takes effect on July 1, 2028.

2. This Act updates campaign finance and public disclosure requirements as follows:
    a. Requires out-of-state committees that contribute more than $2,000 to a Delaware election, exempting contributions to candidate committees and political parties, to register with the State Election Commissioner (Commissioner).
    b. Requires political committees to list any affiliated controlling entities on its statement of registration.
    c. Increases the disclosure requirements to be placed on third-party advertisements.
    d. Requires third-party advertisers to display a link to a website that lists all contributions to the third-party advertisement in excess of $100. Any contribution that is greater than $100 that is not from an individual must also include information on the contributions' underlying funding source.
    e. Prohibits all reports filed with the Commissioner from containing a negative balance so that the source of all funds are disclosed, including any loans.
    f. Prohibits a foreign national or foreign-controlled entity from making a contribution, expenditure, independent expenditure, or electioneering communication in connection with any state or local election in the State.
    g. Requires that all campaign finance reports disclose specific information about advertisements, including the name of the vendor or platform used, the medium used, a description of the advertisement, and the target audience.
    h. Replaces the current link to the Commissioner's website on third-party advertisements with a website determined by the Commissioner.
    i. Requires that third-party advertisements display the state of residence, incorporation, or registration of all persons disclosed on the advertisement itself and on the linked website containing additional disclosures.

3. The Department of Elections anticipates that it would require significant programmatic and system upgrades to the Civix Campaign Finance Reporting System for compliance with the provisions of this Act.
    a. The Department estimates a one-time cost of $1,178,800 for the initial system upgrade and implementation, with an additional customization to comply with the provisions of this bill estimated at $227,950.
    b. The Department estimates recurring annual operating costs of $23,000 for annual licensing and maintenance fees beginning in Fiscal Year 2028.

4. Lastly, it is assumed that if other pending legislation impacting the Department of Elections is passed by the General Assembly and enacted into law, cost efficiencies could be realized. Fiscal resources requiring significant information technology infrastructure included in this fiscal projection can be utilized for this Act and other legislation of the 153rd General Assembly.

Cost:

	One-Time Cost	Ongoing/Recurring
Fiscal Year 2027:	$1,406,750	
Fiscal Year 2028:		$23,000
Fiscal Year 2029:		$23,000

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Office of the Controller General