

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2035 - HB 1936

April 2, 2009

SUMMARY OF BILL: Establishes the Supreme Court Voter-Owned Elections Act and creates the Tennessee Democracy Fund, to be administered by the Registry of Election Finance, as an alternative source of campaign financing for candidates who obtain a sufficient number of qualifying contributions from registered voters and who voluntarily accept strict fund-raising and spending limits. The amount of funding to be distributed to qualifying candidates is based on the median amount of expenditures for all applicable State Senate races. This funding mechanism will be available to candidates for the office of Justice of the Supreme Court in elections to be held in 2010 and thereafter. The Fund is established to finance the election campaigns of certified candidates for office and to pay administrative and enforcement cost of the Registry related to this Act.

There is established under the Registry a five-member Voter-Owned Elections Advisory Council which shall advise the Registry on the rules and opinions it adopts for the enforcement and administration of this Act and on the funding needs of the Democracy Fund. This Act establishes a civil penalty of up to \$10,000 per violation; and, in addition, a candidate found in violation may be required to return all amounts distributed to the candidate from the Fund.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures:

**Registry of Election Finance - Exceeds \$50,000/One-Time
Exceeds \$100,000/Recurring
Tennessee Democracy Fund - Exceeds \$2,044,500**

Assumptions:

- This bill creates a funding mechanism for candidates seeking the office of Supreme Court Justice. The bill does not create an election mechanism.
- The number of candidates for Supreme Court Justice running in an election could reach 15; there is no limit on the number of independent candidates who could run in a general election. No funds would be

distributed for uncontested general elections. The total amount of funds spent by these candidates is unknown since most of these candidates currently do not solicit campaign contributions because they participate in retention elections and do not have opposition. They do, however, file with the Registry of Election Finance. It is also unknown how many of these candidates would qualify and seek financial assistance from the Fund. Additional staff positions in the Registry of Election Finance would be required to process and document and monitor the distribution of the funds.

- According to the Registry of Election Finance, the median amount of campaign spending in the 2006 Senate races was \$136,300.
- The increase in state appropriations of an amount exceeding \$2,044,500 to the Democracy Fund would be used to assist certified candidates fund their election campaigns.
- There would be an increase in state expenditures for ballot modifications. These expenditures are not estimated to be significant.
- An increase in state expenditures of an amount exceeding \$100,000 recurring and \$50,000 one-time would be required for additional staff and operating costs to the Registry of Election Finance to handle the comprehensive public campaign financing.
- The bill makes the Fund available to candidates for Justice of the Supreme Court in elections to be held in 2010 and thereafter.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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