

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3568-02
Bill No.: SCS for SB 577
Subject: Campaign Finance, Elections, Lobbying
Type: Original
Date: February 2, 2010

Bill Summary: Modifies various provisions relating to ethics.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$208,967)	(\$241,192)	(\$248,428)
Total Estimated Net Effect on General Revenue Fund	(\$208,967)	(\$241,192)	(\$248,428)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Missouri Ethics Commission	4 FTE	4 FTE	4 FTE
Total Estimated Net Effect on FTE	4 FTE	4 FTE	4 FTE

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Ethics Commission (MEC)** assume the proposed legislation expands the definition of:

Lobbyists

Those individuals required to file a Personal Financial Disclosure (PFD) statement and Instances when the MEC can conduct investigations and Require a state representative or state senator or campaign committee to report contributions during the regular legislative session exceeding \$250 within 48 hours of receiving the contribution

The implementation of the above responsibilities would require the following additional resources:

Increases in lobbyist registration beyond the 1,000 currently registered would be anticipated to be significant, along with the correlated increase in the statutorily required monthly and bi-annually lobbyist reporting. One Business Analyst would be required for this anticipated increase; additional resources may be needed beyond this estimate.

Identify and track non filers or late filers related to lobbyist reports and PFD reports; this includes creating and sending out non filing notices and late fee assessments, tracking those individuals, sending out the necessary notices, tracking the receipt of payments, and coordinating/conducting any necessary collection efforts. It is anticipated the Commission would need 1 FTE, Reporting Specialist, to complete the work necessary for non filers or late filers.

Approximate cost for postage, printing, and disseminating the PFD forms is \$.60 per form.

Providing additional investigatory authority would require the addition of one Investigator II, one Business Analyst, one Investigator Supervisor and one Staff Attorney. Currently one supervisory staff oversees all investigations, filing of 11,000 campaign finance reports, 15,852 monthly lobbyist reports, 8,500 personal financial disclosure reports, registering 1,000 lobbyists, education and outreach.

\$12,600 in expense and equipment to acquire contract services that would develop MEC reporting and Internet search capabilities for those campaign committees required to report contributions over \$250 during the regular legislative session. It is anticipated this would require the addition of one Business Analyst.

ASSUMPTION (continued)

The Commission would anticipate that changes or additions to the proposed language set forth in this bill, may require additional associated costs for FTE, equipment, and expenses.

Oversight assumes that the proposed changes in section 105.470 changes the definition of a legislative lobbyist. It is unclear if the change would increase the number of individuals filing lobbyist reports. **Oversight** assumes the MEC should be able to absorb the cost of this proposal. Should the number of lobbyist reports dramatically increase then the MEC could seek FTE changes through the appropriation process.

Oversight assumes that the proposed changes in section 105.483 and 105.485 regarding personal financial disclosure statement would effect the approximately 675 FTE who work for the general assembly. 197 of those FTE currently file personal financial disclosure statements as they are the current senators and representatives. This proposal would require the remaining 478 FTE to file a personal financial disclosure statement. **Oversight** assumes that the MEC can absorb the cost of reviewing and investigating those filers, with existing staff.

Oversight assumes MEC's estimate of expense and equipment cost for the new FTEs could be overstated. If MEC is able to use existing desks, file cabinets, chairs, etc., the estimate for equipment for fiscal year 2011 could be reduced by roughly \$8,422.

Oversight assumes this proposal has the potential to duplicate existing investigative duties performed by MEC.

In response to previous versions of this proposal, officials at the **Missouri House of Representative** and **Missouri Senate** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Cost - Missouri Ethics Commission</u> one-time computer upgrades	(\$12,600)	\$0	\$0
<u>Cost - Missouri Ethics Commission</u> Personal Service	(\$123,291)	(\$152,388)	(\$156,959)
Fringe Benefits	(\$64,654)	(\$79,912)	(\$82,309)
Equipment and Expenses	<u>(\$8,422)</u>	<u>(\$8,892)</u>	<u>(\$9,160)</u>
<u>Total Costs - MEC</u>	<u>(\$196,367)</u>	<u>(\$241,192)</u>	<u>(\$248,428)</u>
FTE Change - MEC	4 FTE	4 FTE	4 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$208,967)</u>	<u>(\$241,192)</u>	<u>(\$248,428)</u>
Estimated Net FTE Change on General Revenue	4 FTE	4 FTE	4 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2011 (10 Mo.)	 FY 2012	 FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act modifies various provisions relating to ethics.

Sitting senators and representatives are barred from contracting with other sitting senators or representatives for the purposes of securing services for political fund raising, campaigning, or consulting relating to state or federal elections.

Currently, the definition of legislative lobbyist only applies to those acting in the ordinary course of employment whose primary purpose is to influence legislation on a regular basis. This act

FISCAL DESCRIPTION (continued)

broadens the definition to extend to those who influence legislation regardless of the extent of their purpose. A current provision exempting those who engage in lobbying on an occasional basis is removed.

Employees and staff of the general assembly, including employees of the majority and minority caucuses of both chambers, shall file yearly financial interest statements disclosing sources of income received totaling \$5,000 or more, apart from income earned from the state, and the general nature of the business conducted in connection with such income.

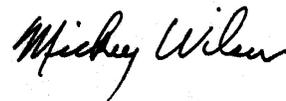
The Office of Independent Investigation is created within the Ethics Commission to investigate potential ethics violations and file ethics complaints. Complaints filed in this manner shall be handled in the same manner as all other ethics complaints.

Sitting state senators and representatives shall report contributions received during the legislative session exceeding \$250 within 48 hours of receiving the contribution.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Ethics Commission
Missouri House of Representatives
Missouri Senate



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Director
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