

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3568-07
Bill No.: Perfected SS#2 for SCS for SB 577
Subject: Campaign Finance, Elections, Lobbying
Type: Original
Date: February 25, 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	(\$61,510)	(\$57,443)	(\$59,165)
Total Estimated Net Effect on General Revenue Fund	(\$61,510)	(\$57,443)	(\$59,165)

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
General Revenue	1 FTE	1 FTE	1 to 4 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 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:

- 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 and
- Prohibits committee to committee transfer of funds.

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

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.

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 the MEC currently investigates complaints and has the management staff necessary to begin handling the potential increase in internal investigations. Oversight has reflected in the fiscal note an Investigator II in FY 2011 for MEC. Oversight assumes MEC would not increase its existing staff unless it can show in future budget requests, an identifiable increase in the number of internal investigations initiated by the Commission which would necessitate the need for additional supervisors.

Oversight has, for fiscal note purposes only, changed the starting salary for the Investigator II to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees

ASSUMPTION (continued)

over the last six months of FY 2002 and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight assumes MEC's estimate of expense and equipment cost for the new FTE 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 \$2,701.

<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 Services	(\$30,313)	(\$37,467)	(\$38,591)
Fringe Benefits	(\$15,896)	(\$19,648)	(\$20,237)
Expense and Equipment	(\$2,701)	(\$328)	(\$337)
<u>Total Cost - Missouri Ethics Commission</u>	<u>(\$48,910)</u>	<u>(\$57,443)</u>	<u>(\$59,165)</u>
FTE Change - MEC	1 FTE	1 FTE	1 to 4 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$61,510)</u>	<u>(\$57,443)</u>	<u>(\$59,165)</u>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 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.

The commission may make investigations rather than audits and during such investigations, the commission may delegate the power to issue subpoenas to the executive director of the ethics commission.

Complaints to the ethics commission shall be properly signed and notarized.

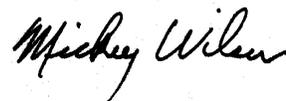
With a unanimous voter of the commission, the executive director may conduct an independent investigation of an ethics violation without a complaint if there are reasonable grounds to believe that a violation has occurred. The commission shall notify the person under investigation and assign a special investigator. The investigations of the executive director are confidential and the revealing of such information shall be cause for removal or dismissal. Investigations failing to establish reasonable grounds to believe a violation has occurred shall be terminated.

State senators and representatives and candidates for those offices shall report contributions received during the legislative session exceeding \$250 within 48 hours of receiving the contribution. The same 48 hour reporting requirement is imposed for contributions given to the governor and candidates for governor during legislative session and any time when legislation from the regular session awaits gubernatorial action.

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



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L.R. No. 3568-07
Bill No. Perfected SS#2 for SCS for SB 577
Page 6 of 6
February 25, 2010

February 25, 2010

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