

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 511** HLS 25RS 778

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|----------|------------------------------|
| Date: May 5, 2025 | 10:01 AM | Author: OWEN, CHARLES |
| Dept./Agy.: Ethics Administration | | Analyst: Julie Silva |
| Subject: Registration information required for foreign adversaries | | |

ETHICS/BOARD

OR +\$75,000 GF EX See Note

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Provides for the registration of foreign adversaries

Proposed legislation requires any agent of a foreign adversary to register with the Board of Ethics. Such registration is required to include contact information, nationality information, and information relative to the country they reside in, as well as the nature of their business in the state and whether such business involves political activities. Provides for penalties of \$50,000 for the violation of such requirements. Requires the board to provide information about registered foreign adversaries through a web portal maintained on the board's website. Effective December 1, 2025.

| EXPENDITURES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| State Gen. Fd. | \$75,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$115,000 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$75,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$115,000 |
| REVENUES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
| State Gen. Fd. | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

Proposed legislation is anticipated to result in a one-time increase of \$75,000 FY 26 for registration form development, database and webpage updates, and updates to an existing electronic filing (e-filing) system or creation of a new e-filing system. In future FYs, the Ethics Administration estimates \$10,000 is needed annually due to increased information technology and registration system maintenance costs.

The Ethics Administration provides total FY 26 one-time expenditures will include \$25,000 to contract with a vendor for creation of a new foreign adversary registration form and an new webpage that allows users to search the contents of submitted foreign adversary forms. Existing law (R.S. 42:1158) requires the Ethics Administration to have a system in place that supports electronic filing for all statutorily mandated reports. The Ethics Administration provides one of the agencies' existing e-filing systems would need to be updated or a new e-filing system would need to be created to allow for e-filing of the new foreign adversary registration form. This is expected to result in an additional, one-time cost of \$50,000.

REVENUE EXPLANATION

Proposed legislation implements a fine of not more than \$50,000 per offense for any person who is convicted of violating any of its provisions. If imposed, these fees and fines will be deposited to the SGF. The annual amount of revenues received as a result of this provision, if any, are indeterminable.

Note: If the Board of Ethics determines a violation has occurred, charges may be brought against the violator and a public hearing is conducted by the Ethics Adjudicatory Board. The purpose of this hearing is to receive evidence relative to the facts alleged in the charges and to determine whether any violation of any provision of law within the jurisdiction of the board has taken place. Under current law, if the Ethics Adjudicatory Board determines a violation has occurred, they may assess a fine of no more than \$10,000 (R.S. 42:1153). However, proposed legislation would implement a fine of \$50,000 for "convictions" as a result of violations of proposed law. Ethics Adjudicatory Board hearings are considered "civil" cases and as such do not result in a "conviction" but rather a determination of liability. The use of the term conviction in proposed legislation makes it unclear whether criminal charges for violations are intended. In the event they are, additional impacts beyond those described may be realized.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
Deputy Fiscal Officer