LEGISLATIVE FISCAL OFFICE **Fiscal Note**



Fiscal Note On: HB 686 HLS 25RS 2213

Bill Text Version: ENGROSSED

Opp. Chamb. Action: Proposed Amd.:

> НВ 511 Sub. Bill For.:

Date: May 13, 2025 Dept./Agy.: Ethics Administration

8:21 PM

Author: OWEN, CHARLES

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Subject: Registration information required for lobbyists of foreign **Analyst:** Julie Silva

Provides for the disclosure of foreign adversaries

Proposed legislation requires a lobbyist who lobbies for a foreign adversary to disclose additional information concerning the foreign adversary when registering with the Board of Ethics. Requires the board to include any reports, information, or registrations filed with the board as a result of proposed legislation. Effective December 1, 2025.

EG +\$100,000 GF EX See Note

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$100,000	\$10,000	\$10,000	\$10,000	\$10,000	\$140,000
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	\$100,000	\$10,000	\$10,000	\$10,000	\$10,000	\$140,000
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 \$100,000 in FY 26 to enter into a personal services contract for registration form development, database and webpage updates, and updates to an existing electronic filing (efiling) 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 that total FY 26 one-time expenditures will include \$50,000 to contract with a vendor for the creation of a new foreign adversary registration form and to update the agency's existing searchable webpage to include publishing 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 agency's existing e-filing systems would need to be updated 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.

While the agency anticipates a marginal increase in workload as a result of increased filings due to proposed legislation, in the event filings increase significantly in future fiscal years, additional staff may be necessary. Similarly, the LFO can not estimate future workload increases for this new registration activity; therefore, an increase in expenditures associated with new FTE positions is not contemplated in this fiscal note.

REVENUE EXPLANATION

Proposed legislation implements a fine of not more than \$50,000 per offense for any person who violates any of its provisions. If imposed, these fees and fines will be deposited into 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, it may assess a fine of no more than \$10,000 (R.S. 42:1153). However, proposed legislation would implement a fine of \$50,000.

Dual Referral Rules Senate $|\mathbf{x}|$ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee

Change {S & H}

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

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

Patrice Thomas Deputy Fiscal Officer