

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 770** HLS 16RS 594

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

REVISED

Date: April 4, 2016	1:22 PM	Author: MORRIS, JAY
Dept./Agy.: Ethics		Analyst: Monique Appeaning
Subject: Lobbyists - Disclose Certain Information		

LOBBYING

OR SEE FISC NOTE SG EX See Note

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Requires lobbyists to disclose information concerning certain relationships and transactions with legislators and related persons

Proposed law repeals present law with regard to reporting requirements when legislator or spouse owns 10% or more of the interest, partnership, or legal entity to be included in the definition of "business relationship". Additionally requires the lobbyist to include a detailed description of the business relationship. Excludes from the definition of "business relationship" ownership in a publicly traded corporation. Proposed law requires the lobbyist to file with the board a statement detailing each contractor transaction in excess of \$100 per year that is in existence or was entered into within the preceding 12 months between the lobbyist or his employer and any of the following: (1) A legislator or the spouse of a legislator; (2) A person of which the legislator or the spouse of a legislator is an officer, director, trustee, partner, or employee; or (3) A legal entity in which a legislator or the spouse of a legislator, either individually or collectively, has an interest that exceeds 25% percent of the legal entity. Provides that proposed law does not apply to the purchase of goods or services from the

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EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

The proposed legislation may result in an increase in SGF expenditures to make changes to the current system for the online lobbyist expenditure reports. The Board of Ethics reports that proposed law will result in an increase of \$4,000 (40 hours x \$100 per hour) for a professional services contract to develop, implement and test the new required information and the additional fields. Given the current expenditure reductions reflected in the executive budget recommendation (House Bill 1 - Original) for the Board of Ethics, the LFO believes it is likely that the additional funding would be required to provide the adjustments to the expenditure reports required in proposed law. If the recommended reduction is offset with sufficient expenditure authority and revenues to make whole the Board's existing staff resources, the Board reports that it can make this proposed adjustment without supplemental resources. To the extent numerous pieces of legislation may pass during the current legislative session causing the Board of Ethics to make similar changes, additional resources may be necessary.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in self-generated revenues as a result of imposition of penalties (potential fines) for failing to comply with proposed law. Fines from violations and late fees are considered income not available and accrue to the SGF.

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}

Evan Brasseaux

Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:

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employer of the lobbyist if the purchase is subject to the same terms, conditions, and availability as would be available to any member of the public and fair market value is paid for the goods or services. Present law provides that whenever any information contained in his registration changes, or the lobbyist begins representing an additional person, a supplemental electronic registration shall be filed with the board as soon as possible after such change occurs and in any event not later than five days after such change, using forms provided by the board. Proposed law retains present law. Additionally provides that if the lobbyist enters into a business relationship, contract, or other transaction that must be disclosed pursuant to proposed law, a supplemental electronic registration shall be filed with the board as soon as possible thereafter and in any event not later than five days thereafter, using forms provided by the board. Present law provides for enforcement by the Board of Ethics. Provides for the imposition of penalties for failing to timely file required reports. Proposed law makes present law penalties applicable to proposed law. Effective Jan. 1, 2017.

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