

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 587** HLS 16RS 1143

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 5, 2016	3:33 PM	Author: MORRIS, JAY
Dept./Agy.: Ethics		Analyst: Monique Appeaning
Subject: Annual Financial Disclosure		

ETHICS/FINANCIAL DISCLOS

OR +\$20,000 GF EX See Note

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Provides relative to annual financial disclosure by legislators

Proposed law requires each member of the legislature to include on the Tier 2 statement the following additional information for the preceding calendar year: (1)The amount of income received by a legal entity in which a legislator or his spouse has a controlling interest for political advisory or consulting services; or for any services performed for a person that has a contract with state government or for a nonprofit entity created bylaw, including the name and address of the person from whom the income was received and a brief description of the services performed; (2)The amount of income received by the legislator or his spouse or a legal entity in which the legislator or his spouse is an officer, director, trustee, partner, or employee for political advisory or consulting services; or for services performed for a person that has a contract with state government, including the name and address of the person from whom the income was received and a brief description of the services performed; (3)If not otherwise disclosed above, the amount of income received by the legislator or his spouse or a legal

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EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$20,000	\$0	\$0	\$0	\$0	\$20,000
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	\$20,000	\$0	\$0	\$0	\$0	\$20,000

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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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

The proposed legislation will increase SGF expenditures to the Board of Ethics for a one-time cost to make changes and additions (new schedules) to the current Tier 2 Personal Financial Disclosure form. The cost for the changes and additions to revise the form is \$20,000 (\$100 per hour x 200 hours) to hire an outside IT firm to make the necessary changes to the online system. 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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entity in which the legislator or his spouse is an officer, director, trustee, partner, or employee for services performed for a nonprofit entity created by law, including the name and address of the nonprofit entity from whom the income disclosed was received and a brief description of the services performed. Proposed law excludes any income received by a legislator or his spouse or a legal entity in which the legislator or his spouse is an owner, officer, director, trustee, partner, or employee, if the only services for which the income was received were professional services performed by a person who is licensed or certified to perform such services by the appropriate entity which regulates the profession of such person in accordance with law. Present law requires the Board of Ethics to promptly notify the clerical officer of the house of the legislature to which a member is elected of all violations of the provisions of present law. Proposed law retains present law.

Senate Dual Referral Rules House

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