

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4319-01
Bill No.: HB 1395
Subject: Lobbying; General Assembly; Ethics
Type: Original
Date: December 15, 2015

Bill Summary: This proposal changes the laws regarding lobbying.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Ethics Commission (MEC)** assume Section 105.453.1 would prohibit any member of the general assembly from accepting or receiving compensation of any kind as a paid political consultant (defined in Sec. 105.450(8)) until one year after the expiration of any term of office for which such member is elected.

This change would require the MEC to do the following:

- Provide information to public officials and the public as specified in the Commission duties in §105.491, 105.955.14 (4), RSMo, about the new statutory requirements; examples include providing education, developing informational materials, and fielding telephone and email questions.
- Provide oversight in adherence to the specific prohibition of receiving compensation as a political consultant from the entities outlined in 105.456, including reviewing campaign finance reports as established in §105.955.14 (2), (3), RSMo.
- Respond to written complaints, as established in §105.955.14, RSMo, through conducting investigations and any legal actions arising from those investigations. Any significant increase in complaints would require additional Commission resources, including investigative staff.

§105.453.2 would prohibit any member of the general assembly from acting, serving, or registering as a lobbyist, or soliciting clients to represent as a lobbyist, for three years after the member's term expires.

This change would require MEC to do the following:

- Provide information to public officials and the public as specified in the Commission duties in §105.491, 105.955.14 (4), RSMo, about the new statutory requirements; examples include providing education, developing informational materials, and fielding telephone and email questions.
- Provide oversight to ensure those individuals leaving the general assembly do not register as a lobbyist with the MEC for the specified period of time. This would entail reviewing lobbyist registrations, at the time of receipt by the MEC, and comparing them to those members of the general assembly whose terms of office expired within the past three years. For any individual submitting a registration and not eligible to register or act as a lobbyist, MEC would need to create the necessary correspondence to the registrant and track the results of the correspondence.

ASSUMPTION (continued)

- Respond to written complaints, as established in §105.955.14, RSMo, through conducting investigations and any legal actions arising from those investigations. Any significant increase in complaints would require additional Commission resources, including investigative staff.

§105.456 would implement additional conflict of interest prohibitions in §105.456, RSMo, which would require the MEC to provide the following:

- Provide information to public officials and the public as specified in the Commission duties in §105.491, 105.955.14 (4), RSMo, about the new statutory requirements; examples include providing education, developing informational materials, and fielding telephone and email questions.
- Provide oversight in adherence to the specific prohibition of receiving compensation as a political consultant from the entities outlined in 105.456, including reviewing campaign finance reports as established in §105.955.14 (2), (3), RSMo.
- Respond to written complaints, as established in §105.955.14, RSMo, through conducting investigations and any legal actions arising from those investigations. Any significant increase in complaints would require additional Commission resources, including investigative staff.

§105.473.15 prohibits a lobbyist from providing anything of value to the statewide officials, members of the general assembly, or to any of the above individuals' spouse, staff or dependent children.

This change would require MEC to do the following:

- Provide information to public officials and the public as specified in the Commission duties in §105.491, 105.955.14 (4), RSMo, about the new statutory requirements; examples include providing education, developing informational materials, and fielding telephone and email questions.
- Respond to written complaints, as established in §105.955.14, RSMo, through conducting investigations and any legal actions arising from those investigations. Any significant increase in complaints would require additional Commission resources, including investigative staff.

§105.479 requires each paid political consultant to register with the MEC, much as lobbyists currently register with the MEC.

ASSUMPTION (continued)

This change would require MEC to do the following:

- Provide information to public officials and the public as specified in the Commission duties in §105.491, 105.955.14 (4), RSMo, about the new statutory requirements; examples include providing education, developing informational materials, and fielding telephone and email questions.
- Review the registrations, at the time of receipt by the MEC, to ensure completeness, as well as any updates.
- Respond to written complaints, as established in §105.955.14, RSMo, through conducting investigations and the related legal actions. Any significant increase in complaints would require additional Commission resources, including investigative staff.

In Summary, MEC assumes this proposal would result in a minimal number of complaints; however, if this assumption is incorrect the Commission would require additional staff resources.

Officials at the **Office of State Courts Administrator**, the **Office of the State Public Defender**, the **Department of Corrections**, and the **Office of the Attorney General** each assume no fiscal impact from this proposal to their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

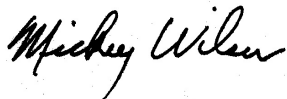
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Office of State Courts Administrator
Office of the State Public Defender
Office of the Attorney General
Department of Corrections



Mickey Wilson, CPA
Director
December 15, 2015

Ross Strobe
Assistant Director
December 15, 2015