



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1348

PRINTERS NO. 2260

PRIME SPONSOR: Cutler

### COST / (SAVINGS)

FUND	FY 2015/16	FY 2016/17
General Fund	See "Fiscal Impact"	See "Fiscal Impact"
Lobby Disclosure Restricted Account	See "Fiscal Impact"	See "Fiscal Impact"

**SUMMARY:** Amends the lobbying disclosure provisions of Title 65 (relating to lobbying disclosure) to increase penalties that may be imposed on lobbyists or principals for violations of the law. This legislation would take effect immediately.

**ANALYSIS:** This legislation amends Chapter 13A of Title 65 to:

1. Increase the maximum administrative penalty from \$2,000 to \$4,000 that may be imposed by the Ethics Commission when it has been determined that a lobbyist or principal has committed an unlawful act under the law.
2. Increase the maximum administrative penalty that may be imposed for negligent failure to report under the lobbying disclosure law from \$50 per late day to \$50 per late day for the first ten days; \$100 per late day after the first 10 late days through the 20<sup>th</sup> late day; and \$200 per late day after the first 20 late days.
3. Require the Department of State (DOS) to issue electronic receipts to registrants who file documents electronically and post all filings on its publicly accessible website within 7 days of receipt.

**FISCAL IMPACT:** According to the Department of State, the cost associated with a "one-time" systems change to meet the filing requirements would be approximately \$220,000. These costs include additional testing to ensure that all electronic reporting can be properly captured and allow for paper or electronic filing on demand. The Department currently contracts with a vendor to process quarterly paper filings which are somewhat predictable because a registrant must annually acknowledge which method of filing he or she will utilize for the entire year. These new costs would be split between the General Fund and the Lobby Disclosure Restricted Account.

By increasing the penalties in the legislation, additional revenue is possible for the General Fund. Fine revenue from these violations has averaged \$62,635 from the last 3 completed fiscal years available. The anticipated revenue from these enhanced penalties is indeterminable at this point.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** October 6, 2015

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*