



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1175

PRINTERS NO. 2801

PRIME SPONSOR: Cutler

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	See "Fiscal Impact"	See "Fiscal Impact"
Lobby Disclosure Restricted Account	\$0	\$0

SUMMARY: Amends Chapter 13A of Title 65 (relating to lobbying disclosure) to provide for an electronic registration filing system and to increase fines and penalties for violations of the act. The sections of this legislation on penalties and posting requirements would take effect immediately. The sections that would require the electronic filing by lobbyists and principals would take effect in 60 days.

ANALYSIS: This legislation provides for an electronic registration filing system, increases the fines and penalties for violations of the act, and requires the Department of State (DOS) to post all filings within 7 days.

Electronic Filing System: This legislation provides for an electronic filing system for all registration and reporting requirements. The legislation also clarifies information lobbyists and principals are required to provide upon registration, and clarifies proper addressing for notice of alleged noncompliance.

Fines and Penalties for a Violation of the Law: The legislation increases 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.

This legislation would also 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 10 days;
- \$100 per late day after the first 10 late days through the 20th day; and
- \$200 per late day after the first 20 late days.

Electronic Posting of Reports: The legislation also requires that the DOS post all filings on its Internet website within 7 days.

Filing False Reports: This legislation provides that a registered principal's quarterly expense reports shall be subject to Title 18 §4904 (unsworn falsification to authorities). Information on all registration and reporting forms shall also be subject to §4904.

FISCAL IMPACT: According to the Department of State, the electronic filing requirement would have no adverse fiscal impact on their budget. The Department indicates that 80% of filings are now submitted electronically and the Department now processes the forms in-house.

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: February 5, 2018

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