

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 1175

PRINTER NO. 2801

AMOUNT

Minimal Revenue Increase

FUND

General Fund

DATE INTRODUCED

April 12, 2017

PRIME SPONSOR

Representative Cutler

DESCRIPTION

House Bill 1175 amends Title 65 (relating to lobbying disclosure) to provide for an electronic registration filing system and to increase the penalties that may be imposed on lobbyists for violations of the law.

Requires all registration and reporting requirements to be made using the Department of State's (Department) electronic filing system.

Increases the maximum administrative penalty that may be imposed by the Ethics Commission (Commission) when it has been determined that a lobbyist or principal has committed an unlawful act under the law from \$2,000 to \$4,000.

Increases the maximum administrative penalty that may be imposed for negligent failure to report under the lobbying disclosure law from \$50 per day late to:

- \$50 per day late for the first 10 days;
- \$100 per day late after the first 10 days; and
- \$200 per day late after the first 20 days.

Requires the Department to post all filings on its publically accessible website within seven days of receipt of the filing.

Increases in the fines and certain provisions shall take effect immediately, the remainder shall take effect in 60 days.

FISCAL IMPACT:

Requiring lobbyists, lobbying firms and principals to utilize the Department's electronic filing system for all registration and reporting requirements should have no adverse fiscal impact on the Department's budget. Currently, 80% of the filings submitted are electronically submitted, and all forms are processed by the Department.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

Minimal revenue increase may be realized due to the increase in fines. On average over the past 3 years the Commission has issued 20 fines per year totaling \$60,000 per year. All fines issued have been the result of failure to file expense reports or registrations violations. Under current law, these violations are punishable by penalties up to \$50 per day late. According to the Commission, the average filing delinquency is about 90 days, resulting in a potential maximum fine of \$4,500. Under HB 1175, a 90 day filing delinquency could result in a maximum fine of \$15,500.