

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4206-01
Bill No.: HB 1500
Subject: Ethics, Public Officers, General Assembly
Type: Original
Date: January 19, 2010

Bill Summary: Changes provisions relating to ethics.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue			
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Ethics Commission (MEC)** assume the fiscal impact was calculated using the Office of Administration's pay grid and the Office of Administration's expense and equipment guidelines. The request includes classifying 10 current staff positions using the OA pay structure - \$95,815; current staff positions are funded below the OA pay schedule on an average of \$9,600. Funding these positions to follow the OA pay structure provides consistency with the additional staffing needs detailed above and with other state agencies.

MEC also requests four new FTE's. The Investigator III would oversee the investigative staff and the investigations conducted by our agency. The Investigator II position would conduct investigations in accordance with Chapter 105 and 130 RSMo. The Staff Attorney would assist our General Counsel in preparing cases for hearing, drafting Commission Opinions, and provide legal guidance to the agency staff. The Reporting Specialist would review the campaign finance reports for compliance with these statutes.

Oversight assumes that the request for additional funding of current personal services appropriation is not a direct result of this proposal. Therefore, **Oversight** is not showing those costs in the fiscal note.

In 2008, Senate Bill 1038 repealed campaign finance contribution limits in Missouri. At that time, the Missouri Ethics Commission did not reduce its number of FTE due to the cutback in the number of complaints and investigations caused by the campaign limits being repealed. Therefore, **Oversight** assumes the current FTE should be able to handle the increased number of complaints and investigations due to the limits being reimposed. **Oversight** assumes this proposal has no fiscal impact on the Missouri Ethics Commission.

In this proposal, Section 105.461.3, does not explicitly state where or when the required report would be filed. **Oversight** assumes it would be filed with the Missouri Ethics Commission on an annual basis by approximately over 1,500 FTE. Due to the limited number of reports only being filed once a year **Oversight** assumes the Missouri Ethics Commission can absorb the duties of this section with existing staff.

Officials at the **Missouri House of Representatives, Missouri Senate** and the **Office of the Governor** assume that there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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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 fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

JH:LR:OD

SOURCES OF INFORMATION

Missouri House of Representatives
Office of the Secretary of State
Missouri Senate
Office of the Governor
Missouri Ethics Commission

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 19, 2010