



STATE FISCAL IMPACT

Drafting Number: LLS 14-0817
Prime Sponsor(s): Rep. Stephens

Date: March 6, 2014
Bill Status: House SVMA
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SHORT TITLE: RESPONDENTS' LEGAL RIGHTS IEC COMPLAINTS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	<u>\$165,155</u>	<u>\$165,258</u>
General Fund	163,043	163,043
Centrally Appropriated Costs**	2,112	2,215
FTE Position Change	1.1 FTE	1.1 FTE
Appropriation Required: \$163,043 - Judicial Department - IEC (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

The bill provides additional protections to elected officials, public officials, government employees and others at the state and local levels (respondents) in the event that a complaint is filed against such persons with the Independent Ethics Commission (IEC). Specifically, the bill:

- requires the state to offer to pay for the costs of a respondent's legal defense to any complaint filed with the IEC;
- waives the principle of sovereign immunity to make IEC commissioners personally liable for reckless, intentional, or willful acts or omissions that violate the legal rights of a respondent against whom a complaint is filed;
- requires specific notifications when additional ethics violations are identified in by the IEC beyond those listed in the original complaint; and
- allows a respondent to seek injunctive relief in federal court while a complaint is pending if their legal rights are violated.

State Expenditures

The bill increases General Fund costs in the Judicial Department by **at least \$165,155 and 1.1 FTE in FY 2014-15 and at least \$165,258 and 1.1 FTE in FY 2015-16**. These costs are for additional staff and legal services in the IEC, as described below.

Assumptions. The fiscal note assumes that 15 complaints are filed annually with the IEC, of which 3 are found to be non-frivolous and require a hearing. In these cases, it is also assumed that the IEC follows the required procedures and acts in a manner that protects the legal rights of respondents.

Personal services. The IEC requires an additional 0.2 FTE at a cost of \$12,761 per year beginning in FY 2014-15 to hold additional hearings and comply with the various procedural requirements of the bill.

Legal services. Costs for legal services are estimated to be at least \$150,282 per year beginning in FY 2014-15. These costs are based on 1,650 hours of legal services from the Department of Law at a rate of \$91.08 per hour. The Department of Law requires reappropriated funds and an allocation of 0.9 FTE to provide legal services, which are described below.

Respondent legal defense. The fiscal note estimates that 450 hours of legal services are required to provide legal representation for respondents in three cases per year that proceed to a hearing, resulting in a total of 1,350 hours of legal services.

IEC commissioner legal defense. In the event that a respondent brings an action against an IEC commissioner or multiple commissioners alleging a violation of his or her legal rights, it is assumed that the Department of Law would provide legal services to defend the commissioner(s). While it is unknown how many such cases would be filed, the fiscal note assumes a high level of compliance by IEC commissioners and that such filings will be rare and dismissed or adjudicated quickly. For this reason, the fiscal note includes a minimal amount of legal services (300 hours) for this purpose. If additional resources are required to defend IEC commissioners in such cases, it is assumed that this will be addressed through the annual budget process.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated to be \$2,112 in FY 2014-15 and \$2,215 in FY 2015-16.

Effective Date

The bill takes effect July 1, 2014, and applies to complaints filed with the IEC on or after this date.

State Appropriations

The bill requires a General Fund appropriation of \$163,043 to the IEC in the Judicial Department for FY 2014-15 and an allocation of 0.2 FTE. Of this amount, \$150,282 is reappropriated to the Department of Law with an additional allocation of 0.9 FTE.

State and Local Government Contacts

Judicial

Law