



# STATE FISCAL IMPACT

<b>Drafting Number:</b> LLS 14-0040	<b>Date:</b> April 30, 2014
<b>Prime Sponsor(s):</b> Sen. Carroll; Cadman Rep. Hullinghorst	<b>Bill Status:</b> Senate SVMA
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**SHORT TITLE:** INCREASED TRANSPARENCY LOBBYIST DISCLOSURE

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>	Potential fee increase.	
<b>State Expenditures</b>	<b><u>\$129,240</u></b>	
Cash Funds	129,240	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> \$129,240 - Department of State (FY 2014-15)		

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

## Summary of Legislation

The bill clarifies definitions and processes relating to the regulation of lobbyists and disclosures required under law. Specifically, the bill:

- adds a definition of "client" in place of the term "principal" in statute;
- specifies that a single monthly disclosure may be filed by a professional lobbyist who acts as a single-person lobbyist firm on behalf of the lobbyist and the firm;
- requires the annual disclosure by both a subcontracted lobbyist and the professional lobbyist employing the subcontractor to list the income received or provided through the subcontracted business;
- requires a lobbyist to update his or her registration within 24 hours if he or she agrees to lobby for a client or another lobbyist on a subcontract basis who is not disclosed in the original registration statement;
- clarifies that lobbyists who are attorneys have the same disclosure requirements as other lobbyists;
- requires a professional lobbyist's registration to list any other lobbyist for who he or she works on a subcontract basis; and
- requires the website maintained by the Secretary of State to allow the public to cross reference information on professional lobbyists, clients, and bill numbers using hyperlinks.

## State Revenue

To the extent that the bill increases costs in the Department of State, business filing and other fees to the Department of State Cash Fund may need to be increased if sufficient funds are not available to cover the costs of the bill. The fee schedule for business filings and other services is set at the discretion of the Secretary of State; thus, the specific fees that may be adjusted or the potential amount of any potential fee increases cannot be estimated at this time.

### **State Expenditures**

The bill increases costs in the Department of State by **\$129,240 in FY 2014-15**. These one-time costs, paid from the Department of State Cash Fund, are for modifications to the existing lobbyist registration data system (\$111,240) and temporary staff associated in the business and licensing division to conduct rulemaking, update guidance for lobbyists, and other tasks (\$18,000).

Currently, the Secretary of State's website provides lobbyist disclosure information in electronically generated PDF documents; these system changes will allow the website to generate clickable hyperlinks that cross reference information disclosed by lobbyists (bill numbers, clients, subcontractors, etc), as required by the bill. These costs are based on 1,080 hours of programmer time at a rate of \$103 per hour. Temporary staff costs are based on the equivalent costs for 0.3 FTE at the General Professional III level.

### **Effective Date**

The bill takes effect July 1, 2015.

### **State Appropriations**

For FY 2014-15, the bill requires an appropriation of \$129,240 from the Department of State Cash Fund to the Department of State.

### **State and Local Government Contacts**

State