

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5465-05
Bill No.: Perfected SS for SCS for SB 1254
Subject: Ethics: Lobbyist, Candidates, Elections, Reports
Type: Original
Date: March 15, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue** assume this proposal would require any candidate who has filed for election to a public office to not be delinquent on any state or local tax.

Officials assume if a complaint alleging a delinquency of a candidate's taxes were filed, the Department of Revenue would have to investigate the allegation. Officials assume the cost of an investigation would be minimal. Officials assume fiscal impact would be determined by the number of complaints filed in a given election year. Officials assume fiscal impact is unknown.

Oversight assumes there would be substantial compliance with the law, and the number of complaints filed would not be significant. **Oversight** assumes the cost of investigations pursuant to this proposal could be absorbed with existing resources. **Oversight** assumes should the number of investigations increase to the point that additional appropriation would be needed, the Department of Revenue could seek additional appropriations through the budget appropriation process. Oversight assumes no fiscal impact to the Department of Revenue.

ASSUMPTION (continued)

Officials of the **Missouri House of Representatives** assume no fiscal impact.

Oversight notes that in similar proposals the Missouri Ethics Commission assumed no fiscal impact. **Oversight** assumes the changes in this proposal would have no fiscal impact to the Missouri Ethics Commission.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (6 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (6 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Under current law, lobbyists must disclose expenditures made for occasions where members of a caucus of the general assembly are invited in writing. This act changes the law to require disclosure when members of a caucus of the majority or minority parties of the house or senate are invited in writing.

Under the act, lobbyists shall not make expenditures on behalf of public officials for entertainment, travel, or lodging unless approved prior to the date of expenditure by the administration committee of the house or senate.

The act bars contributions from legislative political party committees to candidates for the house of representatives, the senate, or a statewide office.

Candidates for the Missouri House of Representatives, Missouri Senate, or statewide office shall not accept any contributions during legislative session. Candidates for special election to the house, senate, or statewide office may accept contributions from the date of their nomination by his or her respective political party until 30 days after the election.

DESCRIPTION (continued)

Under the act, candidates for the Senate, House of Representatives or statewide office shall file disclosure reports on the last day of each month for a period closing on the 25th day of each month during an election year and quarterly during a non-election year. All of the reports shall be filed electronically with the Missouri Ethics Commission.

The act requires those who lobby elected local government officials in governments with an annual operating budget of over two million dollars to conform to the same reporting requirements as those who lobby state officials.

Section 130.042 requires the Missouri Ethics Commission to post on its website a listing organized by candidates showing all expenditures required to be disclosed by sections 130.041 and 130.050, made in support of and against each candidate together with the date and amount of each expenditure. The Commission would have to post each expenditure within seven days of notification of the expenditures.

Section 1 provides that anyone who files as a candidate for election to an office would be disqualified from participation in the election if the person is delinquent in the payment of any local, or state taxes. Candidates would file an affidavit with the Department of Revenue and would include a copy of the affidavit with the declaration of candidacy required under Section 115.349 RSMo. Upon receipt of a complaint alleging a delinquency of the candidate in the filing or payment of any local or state taxes, the Department of Revenue would investigate such potential candidate to verify the claim made.

If the Department of Revenue finds a positive affirmation to be false, the department would contact the Secretary of State and the potential candidate. The department would notify the candidate of the outstanding tax owed and would give the candidate 30 days to remit any outstanding taxes owed. If the candidate fails to remit such amounts in full within 30 days, the candidate would be disqualified from being a candidate in the election.

Section 105.485 has been amended to require the name and address of each campaign committee for which such person or any corporation listed on such person's financial interest statement received payment. Section 105.487 has been amended to require financial interest statements to be filed with the Missouri Ethics Commission electronically.

No person would qualify for a candidate for elective public office in the State of Missouri who has been convicted of or found guilty of or pled guilty to a felony under the laws of the state.

DESCRIPTION(continued)

Section 130.032 has been amended to set limits on the amount of contributions from a house district committee, senate district committee, judicial circuit committee, or congressional district committee to any one election.

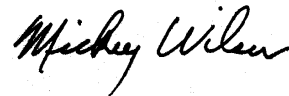
Subdivision (3) limits contribution amounts to house and senate district committees, and judicial circuit committees and congressional district committees allowed pursuant to subdivision 2 of subsection 1 of Section 130.032 RSMo.

The act will take effect on January 1, 2007.

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

SOURCES OF INFORMATION

Missouri House of Representatives - Accounting
Missouri Ethics Commission
Department of Revenue



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