

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** HB457

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

**2. Patron** Rust

**3. Committee** Passed Both Houses

**4. Title** State and Local Conflicts of Interest Act; exemption for faculty papers.

**5. Summary/Purpose:** The proposed legislation provides that an employee's personal interest in a contract with his or her employing public institution of higher education to acquire the collections or scholarly works owned by the employee, including manuscripts, musical scores, poetry, paintings, books or other materials, writings or papers of an academic, research, or cultural value to the institution, provided the president of the institution approves the acquisition of such collections or scholarly works as being in the best interests of the institution's public mission of service, research, or education is not a prohibited contract under the State and Local Conflicts of Interest Act. The bill also contains technical amendments.

The bill exempts an officer or employee whose personal interest in a contract with the governmental agency is by reason of an ownership in the contracting firm in excess of three percent of the contracting firm's equity, provided that:

- ☛ the officer or employee's ownership or other equity interest and that of any immediate family member in the contracting firm is disclosed in writing to the head of the governmental agency, which writing certifies that the officer or employee has not and will not participate in the contract negotiations on behalf of the contracting firm or the governmental agency
- ☛ the head of the governmental agency makes a written finding as a matter of public record that the contract is in the best interests of the governmental agency,
- ☛ the officer or employee either does not have authority to participate in the procurement or letting of the contract on behalf of the governmental agency or disqualifies himself as a matter of public record, and
- ☛ does not participate on behalf of the governmental agency in negotiating the contract or approving the contract.

**6. Fiscal Impact Estimates are:** Indeterminate.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** Although it cannot be estimated, institutions of higher education may incur minimal costs to implement the provisions of the bill.

**9. Specific agency or political subdivisions affected:**

Public Virginia institutions of higher education

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 03/8/06/aps

**Document:** g:\aps\legislation\2006\HB457ER.doc  
c: Secretary of Education