

## Department of Planning and Budget 2014 Fiscal Impact Statement

**1. Bill Number:** SB20

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Smith

**3. Committee:** General Laws and Technology

**4. Title:** Lobbyist's Disclosure Statement; redesigns to clarify information requested and increase compliance.

**5. Summary:** The bill redesigns the Lobbyist Disclosure Statement to clarify information requested and increase compliance. Among other things, the redesigned form (i) requires a lobbyist to include a list of all House of Delegates or Senate bills and procurement transactions for which he has lobbied, as well as the expenses related to such lobbying activity, and (ii) changes the manner in which entertainment and gift expenses are reported. The bill requires the Secretary of the Commonwealth to review each Lobbyist's Disclosure Statement for completeness and accuracy and, if the statement is not properly completed, reject the entire filing and return it to the lobbyist. The bill clarifies that any lobbyist who files the statement electronically is not required to submit a paper copy and extends from 10 days to 30 days the late-filing grace period after which the lobbyist is assessed an additional \$50 per day civil penalty.

**6. Budget Amendment Necessary:** Yes.

**7. Fiscal Impact Estimates:** See table 7a below.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	\$377,000	5	General Fund
2016	\$237,000	5	General Fund
2017	\$237,000	5	General Fund
2018	\$237,000	5	General Fund
2019	\$237,000	5	General Fund
2020	\$237,000	5	General Fund

**8. Fiscal Implications:** The Secretary of the Commonwealth's office (SOC) states the agency will incur system redesign costs and ongoing costs related to increased staffing.

The bill presents a cost to redesign the online lobbyist disclosure interface to accommodate the changes outlined in the bill. The Virginia Information Technologies Agency, who will perform the system changes, estimates this first year cost at \$140,000.00.

The SOC is the repository for approximately 2,100 annual lobbyist disclosure statements. With the new requirement in this legislation for the SOC to review the forms for completeness and accuracy, there is a fiscal impact as up to five additional staff members

may be necessary. Currently, the SOC only receives and maintains the forms but has no oversight in reviewing them for completeness or accuracy. With annual salaries for each of the five positions estimated at \$30,000 plus associated benefits, the staffing costs climb by approximately \$237,000 per year.

It should also be noted that, by pushing back the civil penalty date from 10 days to 30 days for disclosures, the bill may reduce the revenue the SOC generates by this fee. The reduction amount could differ significantly from year-to-year based on the fluctuating number of lobbyists who disclose late and how late they submit their forms.

**9. Specific Agency or Political Subdivisions Affected:** Office of the Secretary of the Commonwealth.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None.

1/14/2014