

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: SB696

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

2. Patron: Petersen

3. Committee: Rules

4. Title: Conflict of Interests Acts, State & Local Government, & General Assembly; certain gifts prohibited.

5. Summary: The bill prohibits state and local government officers and employees and legislators and candidates for the General Assembly required to file the disclosure form prescribed in § 2.2-3117 or 30-111 from soliciting, accepting, or receiving any single tangible or intangible gift with a value exceeding \$100 from any person. For purposes of the prohibition and the disclosure requirements, such gift given to a member of the immediate family of an officer, employee, legislator, or candidate shall be considered a gift to the officer, employee, legislator, or candidate if (i) the gift was given with his knowledge and acquiescence, and (ii) he knows or has reason to know that the gift was given to the member of his immediate family because of his official position. However, an intangible gift with a value exceeding \$100 may be accepted if a written request has been submitted to and has received the written approval of the Virginia Conflict of Interest and Ethics Advisory Council. The Council may approve those requests that provide a public benefit and do not raise the appearance of impropriety. The bill further prohibits any officer, employee, legislator, or candidate, or member of his immediate family, from soliciting, accepting, or receiving any tangible or intangible gift of any value when he knows or has reason to know that such gift was offered or given with the intent to induce any conduct or action by him related to the performance of his official duties. A knowing violation of this prohibition is punishable by a civil penalty in an amount equal to \$250, and any officer, employee, legislator, or candidate who knowingly commits a second or subsequent violation within four years of a previous violation is guilty of a Class 1 misdemeanor. For purposes of this limitation, the bill defines "tangible gift" as a thing of value that can be sold at retail, including currency, securities, and other financial instruments, and defines "intangible gift" as those services, transportation, lodgings, meals, and other things of value that may be enjoyed but cannot be resold. The prohibition does not apply to gifts given by relatives, personal friends, or business associates who are acting without the intent to gain access to or influence the officer, employee, legislator, or candidate in his official duties. The bill removes the five-year dollar adjustment to the limitation on annual gifts.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate.

- 8. Fiscal Implications:** The bill makes a variety of changes primarily related to restrictions for tangible and intangible gifts, the lowering of gift threshold amounts, and the new task of processing requests for accepting intangible gifts. In all of these areas, it is not feasible to determine with any accuracy the frequency of these events that affect costs. The changes to disclosure rules set-out in this bill do not appear to create a notable cost to state agencies or other political subdivisions.

As mentioned in item 5 above, the bill establishes that any officer, employee, legislator, or candidate who knowingly commits a second or subsequent violation within four years of a previous violation is guilty of a Class 1 misdemeanor. Although insufficient data exists to determine the fiscal impact due to this proposal, the proposed legislation could result in an increase in the jail population since Class 1 misdemeanor outcomes result in sentences of up to 12 months in jail (and a fine up to \$2,500). Any increase in jail population will increase costs to the state. The Commonwealth presently pays the localities \$4.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds a significant portion of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's FY2013 Jail Cost Report (November 1, 2014), the estimated total state support for local and regional jails averaged \$30.54 per state inmate, per day in FY 2013.

- 9. Specific Agency or Political Subdivisions Affected:** All state and local agencies and political subdivisions.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** The bill is similar to House Bill 1667.