Department of Elections
2017 Fiscal Impact Statement

1. **Bill Number:** HB1854

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

2. **Patron:** Gilbert

3. **Committee:** General Laws

4. **Title:** Conflicts of Interests Acts, State & Local Government & General Assembly, lobbyist, filing

5. **Summary:** The bill makes numerous changes to the laws governing lobbyist reporting, the conflict of interest acts, and the Virginia Conflict of Interest and Ethics Advisory Council (the Council) including (i) allowing the Secretary of the Commonwealth to suspend any penalty that could be assessed against a lobbyist's principal for failing to file the required disclosure if such failure is beyond the control of the principal; (ii) clarifying the procedures for terminating the services of a lobbyist; (iii) requiring that lobbyist registration forms be filed electronically; (iv) eliminating the requirement that a lobbyist list the names, addresses, and telephone numbers of all other lobbyists representing the same principal; (v) creating a separate statement for a lobbyist's principal to waive the principal signature requirement on the lobbyist disclosure form; (vi) granting the clerk of the local governing body or school board the same power as the Council to redact from any disclosure form released to the public any residential address, personal telephone number, or signature; (vii) eliminating the minimum duration of the mandatory refresher ethics orientation session for General Assembly members; (viii) allowing written informal advice from the Council to be admitted into evidence in any trial of a person for violating the conflict of interest acts; (ix) clarifying the Council's authority to grant extensions from the filing deadline and imposing a $250 civil penalty on agency heads or local clerks who fail to provide the disclosure forms to filers in a timely manner; and (x) directing that candidates for statewide or constitutional office and the General Assembly are required to file a disclosure form with the State Board of Elections and not the Council. The bill also extends the filing deadline for disclosure forms from January 15 to February 1 and clarifies the reporting period covered by the disclosure forms. The bill also eliminates events open to individuals who share a common interest from the definition of a "widely attended event," attendance at which was not subject to the gift cap. The bill also exempts from the definition of a "gift" (a) gifts from a person's child-in-law; (b) gifts related to a person's volunteer service; (c) meals provided for attendance at an official meeting of the Commonwealth, its political subdivisions, or certain other entities; and (d) gifts given on a special occasion by an individual in a bona fide personal relationship with the donee. The bill also exempts members of the judiciary from certain provisions governing prohibited gifts and prohibited personal interests in a transaction where such members are already subject to similar or greater prohibitions under the Canons of Judicial Conduct for the State of Virginia. Finally, the bill contains technical amendments. The bill contains an emergency clause that applies to the changes described in clause.

6. **Budget Amendment Necessary**: Yes, see Items 7 and 8.

7. **Fiscal Impact Estimates:** Preliminary.

7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2017	NA	NA	NA
2018	$359,716	1	General
2019	$111,716	1	General
2020	$111,716	1	General
2021	$111,716	1	General
2022	$111,716	1	General
2023	$111,716	!	General

8. **Fiscal Implications:** The Department of Elections (Elections) states that this legislation would add a new requirement for the agency to become the reporting depository for statements of economic interests from candidates for Governor, Lieutenant Governor, Attorney General, the Senate of Virginia, House of Delegates, or constitutional offices. The bill would require Elections to create the infrastructure to receive filings electronically, manage reporting and track filings.

   Elections believes the bill would call for the agency to establish and execute new procedures to review disclosures interest's reports, as well as provide services to candidates to ensure compliance with the law. Also the department would have to develop a system to carry out the functions that are required by the bill.

   Elections will be required to collect, review, catalog, and make available to the public reports filed by an unknown number of candidates for state and constitutional office. Currently, the Secretary of the Commonwealth enables mandatory filers to submit these reports electronically to increase efficiency.

   Elections estimates that this bill will require one addition FTE to administer the program at an annual cost of $87,716 plus an annual hosting cost estimated at $24,000. Also it's estimated for software development that there would be a one-time cost of $248,000 in the first year to hire contractors and purchase needed tools for the development, allowing the agency to expedite development so the system will be available for the next reporting cycle.

   The Secretary of the Commonwealth; the Division of Legislative Services indicate that they do not expect any additional costs that cannot be absorbed within existing budgets.

9. **Specific Agency or Political Subdivisions Affected:** The Secretary of the Commonwealth; the Division of Legislative Services; The Department of Elections.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** This bill is identical to Senate Bill 1312.