

Fiscal Impact Review

2017 General Assembly Session

Date: February 8, 2017

Bill number: SB 1312-S1 Committee substitute – Conflict of interest acts, state and local government, General Assembly, and lobbyist filing

Review requested by: Senator Norment, Co-Chairman, Finance Committee

JLARC Staff Fiscal Estimates

JLARC staff do not concur with the fiscal impact prepared by the Department of Elections for the substitute for SB 1312 and believe the cost would likely be negligible. The substitute for SB 1312 would direct candidates for statewide office or constitutional office, or the General Assembly, to file statement of economic interest forms with the State Board of Elections. A likely amendment would direct candidates for constitutional office to file their statements with the local registrars, which would minimize the additional workload for the Department of Elections (Elections). If such an amendment is not adopted, there could be a small fiscal impact for increased workload at Elections related to receiving statements and responding to public requests for copies. The bill does not require Elections to create an infrastructure to receive statements electronically, as assumed in the Elections impact statement.

An explanation of the JLARC staff review is included on the pages that follow.

Authorized for release:



Hal E. Greer, Director

Bill summary

The substitute for SB 1312 would make changes to the laws governing lobbyist reporting, the conflict of interest acts, and the Virginia Conflict of Interest and Ethics Advisory Council (Ethics Council). One of the changes (§ 24.2-502) would direct new candidates for statewide or constitutional office, or for the General Assembly, to file statement of economic interest forms with the State Board of Elections rather than the Ethics Council. The bill would not apply statements filed by incumbents.

A likely amendment to the bill, which has been adopted in the House version, would require candidates for constitutional office to file their statements with the local registrar such that only candidates for statewide office or the General Assembly would file statements with the Board of Elections. Due to the likely amendment, the discussion of fiscal implications below largely does not include candidates for constitutional office.

Discussion of fiscal implications

As a requirement for candidacy, candidates for statewide office or the General Assembly must file a statement of economic interest. Due to a statutory change in 2016, candidates are currently required to file their statements with the Ethics Council. Prior to 2016, candidates filed their statements with the clerk of the appropriate legislative house or the Secretary of the Commonwealth.

The substitute for SB 1312 would require new candidates (non-incumbents) to file their statements of economic interest with the Board of Elections. JLARC staff estimate that there would be a slight increase in workload for the Department of Elections (Elections) as a result of this responsibility, but that the fiscal impact would be negligible.

The substitute bill would require Elections to receive candidates' statements and respond to public requests for copies. Any increases in workload from this new responsibility is expected to be seasonal and occur in odd-numbered years, and likely could be absorbed with existing staff. Most elections are held in odd-numbered years, so there would not be a measurable increase in workload in even-numbered years. During odd-numbered years, Elections would only receive the statements for new candidates. (Incumbents would continue to file their statements with the Ethics Council.) A substantial number of General Assembly members run unopposed each election, so this would further decrease the number of statements that Elections would receive.

If the amendment requiring candidates for constitutional office to file their statements with the local registrar is not adopted, there could be a small fiscal impact for the bill as a result of increased workload at Elections. JLARC staff estimate that the cost would be

no more than \$15,000 annually for staff support to receive the statements and respond to public requests for copies.

The Elections impact statement includes a cost \$359,716 (general funds) in FY18 and \$111,716 (general funds) annually thereafter for the substitute bill. These costs are based on Elections creating an infrastructure to receive electronic filings of statements of economic interest. The substitute for SB 1312 does not require Elections to receive statements electronically. While the Ethics Council currently receives electronic filings of statements, the House and Senate Clerks received paper filings of statements until the law changed in 2016.

Budget amendment necessary? No.

Agencies affected: Virginia Department of Elections; Virginia Conflict of Interest and Ethics Advisory Council

Prepared by: Kimberly Sarte

Date: February 8, 2017