

Department of Planning and Budget 2014 Fiscal Impact Statement

1. Bill Number: SB649

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

2. Patron: Norment

3. Committee: Rules

4. Title: State and Local Government Conflict of Interests Act and General Assembly Conflicts of Interests.

5. Summary: State and Local Government Conflict of Interests Act and General Assembly Conflicts of Interests Act; Virginia Conflict of Interest and Ethics Advisory Council. Establishes the Virginia Conflict of Interest and Ethics Advisory Council composed of 14 members: four appointments each by the Speaker of the House of Delegates, Senate Committee on Rules, and Governor; one designee of the Attorney General and one representative of the Virginia Association of Counties and Virginia Municipal League. The Council will elect its chairman and vice-chairman and choose its executive director. The Council will review and post online the disclosure forms filed by lobbyists and persons subject to the conflict of interests acts and provide formal opinions and informal advice, education, and training. The bill requires the filing of the disclosure forms twice a year. It provides that the Division of Legislative Services will staff the Council, and the House and Senate Clerks will transmit complaints of conflict law violations to the ethics advisory panels of the House of Delegates and Senate. The bill prohibits tangible gifts with a value of more than \$250 from lobbyists to certain executive officers and employees and to legislators. A number of disclosure provision thresholds are reduced from \$10,000 to \$5,000 and gifts to immediate family members are made subject to disclosure.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: See Item 8.

8. Fiscal Implications: The bill shifts all lobbyist and Conflict of Interests Act related functions from the Office of the Secretary of the Commonwealth (SOC) to a new advisory council. This would eliminate two FTE positions from the SOC and reduce their costs by approximately \$70,000 in combined annual salaries plus benefits.

The Offices of Governor and Attorney General, General Assembly, and the Division of Legislative Services have indicated that the provisions of the bill are not expected to create a cost to their agencies.

9. Specific Agency or Political Subdivisions Affected: Offices of the Governor, Attorney General and Secretary of the Commonwealth, General Assembly, Division of Legislative Services.

10. Technical Amendment Necessary: No.

11. Other Comments: None.