



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2015 Biennium

Bill #	SB0392	Title:	Increase authority of commissioner of political practices for noncompliance
Primary Sponsor:	Kaufmann, Christine	Status:	As Amended in Senate Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
Expenditures:				
General Fund	\$7,500	\$5,000	\$5,075	\$5,151
Revenue:				
General Fund	\$2,340	\$2,340	\$2,375	\$2,411
Net Impact-General Fund Balance:	<u>(\$5,160)</u>	<u>(\$2,660)</u>	<u>(\$2,700)</u>	<u>(\$2,740)</u>

Description of fiscal impact: SB 392 provides an expedited process to resolve formal complaints alleging violations of 13-35-225(1) and (2), MCA.

FISCAL ANALYSIS

Assumptions:

Commissioner of Political Practices (CPP)

1. Rulemaking is required. The cost of contracted services for formatting per ARM regulations and legal services for rulemaking and development will add an estimated \$2,500 in FY 2014.
2. Commissioner of Political Practices (CPP) is funded with general fund. Any revenue generated as a result of SB 392 would be deposited in the general fund.
3. CPP incurred costs of approximately \$5,000 for legal costs associated with civil penalties collected in FY 2007 for lobbying penalties. It is assumed that legal costs for SB 392 would be similar, however CPP costs could potentially be higher if the new program prompts new formal complaints, or court challenges.
4. Based on past practice, CPP receives approximately six formal complaints per year alleging violations of 13-35-225(1) or (2), MCA. Since the bill provides for a notice to be sent to the candidate or committee alerting them of the omission and a timeframe to comply. It is likely that the majority of these complaints will be quickly resolved and result in no penalties.
5. Assuming that two of the complaints move forward then there could be potential fines of up to \$500 or three times the amount of the unlawful contributions or expenditures, whichever is greater. The average cost of a

campaign mailer is approximately \$2,600. Three times that dollar amount is equal to \$7800. Typically CPP settles for 15% or \$1,170. [(\$2,600 X 3 X 0.15) X 2 cases = \$2,340]

6. A 1.5% inflation factor has been applied to revenues and expenditures in each year of the 2017 biennium.

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$7,500	\$5,000	\$5,075	\$5,151
Operating Expenses	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$7,500</u>	<u>\$5,000</u>	<u>\$5,075</u>	<u>\$5,151</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$7,500	\$5,000	\$5,075	\$5,151
TOTAL Funding of Exp.	<u>\$7,500</u>	<u>\$5,000</u>	<u>\$5,075</u>	<u>\$5,151</u>
<u>Revenues:</u>				
General Fund (01)	\$2,340	\$2,340	\$2,375	\$2,411
TOTAL Revenues	<u>\$2,340</u>	<u>\$2,340</u>	<u>\$2,375</u>	<u>\$2,411</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$5,160)	(\$2,660)	(\$2,700)	(\$2,740)

Sponsor's Initials

Date

Budget Director's Initials

Date