



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0535

Title: Eliminate the commissioner of political practices

Primary Sponsor: Skees, Derek

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	(\$809,978)	(\$742,749)	(\$821,583)	(\$755,296)
Other	\$705,018	\$690,601	\$700,960	\$711,319
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$809,978</u>	<u>\$742,749</u>	<u>\$821,583</u>	<u>\$755,296</u>

Description of fiscal impact: HB535 eliminates the Office of the Commissioner of Political Practice (COPP). The COPP's duties related to filing of certain ethics, lobbying, and campaign finance reports, statements, forms, and other documents would be transferred to the Office of the Secretary of State. In addition, the COPP's duties related to investigative duties for ethics, lobbying, and campaign practices would also be transferred to the Office of the Secretary of State. The Office of the Secretary of State would fund the expenditures with proprietary funds generated by business filing fees as the office does not receive general fund appropriations. The bill would transfer responsibilities related to enforcement of ethics, lobbying and campaign practices to the Department of Justice which would require the hiring of a half time attorney during election cycles on a contract basis.

FISCAL ANALYSIS

Assumptions:

Office of the Secretary of State

1. The Office of the Secretary of State would retain 6 FTE of the 7 FTE from the Office of the Commissioner of Political Practice's office as included in COPP's 2023 biennium budget request. The 1.0 FTE for the Commissioner's position was eliminated from the personnel costs that would be incurred.
2. The Office of the Secretary of State would assume the Office of the Commissioner of Political Practice's related operating expenses as included in COPP's 2023 biennium budget request of \$268,055 in FY 2022 and \$251,366 in each following fiscal year with an inflationary factor of 1.5% added for FY 2024 and FY 2025.
3. It assumed that the computer equipment and office packages would be retained with the employees.

Commissioner of Political Practices (COPP)

4. HB 535 would eliminate COPP and transfer duties related to the filing of certain ethics, lobbying, and campaign finance reports, statements, forms, and other documents to the Secretary of State; transfer investigative duties for ethics, lobbying, and campaign practices to the Secretary of State; transfer enforcement duties for ethics, lobbying, and campaign practices complaints to the Campaign Practices and Ethics Review Board, county attorneys, and the Attorney General.
5. The COPP's 2023 biennium budget request totals \$1,633,208, with \$823,767 budgeted for Fiscal Year 2022 and \$809,441 for Fiscal Year 2023. An inflationary factor of 1.5% was applied to the projected budget for FY 2024 and FY 2025.
6. The general fund is the budget source for COPP.

Department of Justice

7. DOJ assumes this bill will limit the Attorney Generals involvement to only complaints involving statewide officials.
8. A half time prosecuting attorney (0.5 FTE) will need to be hired to work on a contract basis during the election cycles at a cost of \$66,692 for FY 2022 and \$66,287 for FY 2023. Funding for the FTE would be general fund.

Legislative Branch

9. HB 535 eliminates the Office of the Commissioner of Political Practices; establishes a Campaign Practices and Ethics Review Board.
10. A candidate for public office or anyone currently serving in a public office (including legislators) may not be appointed.
11. The President of the Senate and the Speaker of the House of Representatives shall each appoint one individual to the board. The Minority Leader of each house will also each appoint one individual
12. Section 70 includes codification instructions.
13. For the purposes of this fiscal note, it is assumed that these duties can be accomplished within the Legislative Branch's ordinary course of duties, and there is no fiscal impact.

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Fiscal Impact:</u>				
FTE	6.00	6.50	6.00	6.50
<u>Expenditures:</u>				
Personal Services	(\$118,749)	(\$118,840)	(\$118,840)	(\$118,840)
Operating Expenses	\$0	\$66,692	\$0	\$66,287
TOTAL Expenditures	(\$118,749)	(\$52,148)	(\$118,840)	(\$52,553)
<u>Funding of Expenditures:</u>				
General Fund (01)	(\$809,978)	(\$742,749)	(\$821,583)	(\$767,437)
Other	\$705,018	\$690,601	\$700,960	\$711,319
TOTAL Funding of Exp.	(\$104,960)	(\$52,148)	(\$120,623)	(\$56,118)
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$809,978	\$742,749	\$821,583	\$767,437
Other	(\$705,018)	(\$690,601)	(\$700,960)	(\$711,319)

NOT SIGNED BY SPONSOR

_____ 3/1/21 _____ KA _____ 2/26/21
 Sponsor's Initials Date Budget Director's Initials Date