

## FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office

Measure: SB 43 - B

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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### Measure Description:

Requires lobbyist statements filed with Oregon Government Ethics Commission to identify each bill or measure introduced before Legislative Assembly lobbyist lobbied on, whether lobbyist lobbied in favor of, in opposition to or for purpose of seeking amendments to bill or measure, each legislative topic that was not bill or measure that lobbyist lobbied on, each person or entity that hired lobbyist and how much moneys person or entity paid lobbyist.

### Government Unit(s) Affected:

Government Ethics Commission, Legislative Assembly, Statewide

### Analysis:

The measure expands the type and amount of information lobbyists are required to file with the Oregon Government Ethics Commission (OGEC). By April 1, 2018, lobbyist statements filed with OGEC must include each bill or measure on which the lobbyist has engaged in lobbying activities, including whether the activities were in support of, or in opposition to, the measure. Statements filed with OGEC must also include each topic on which the lobbyist has engaged in lobbying activities and the name of each person or entity that hired the lobbyist.

The bill directs OGEC to make available to the public, by August 1, 2020, an online database that includes detailed information searchable by measure number, by lobbyist, and by the name of the person or entity that hired a registered lobbyist.

In addition, the bill establishes the six-member Advisory Committee on Lobbying Transparency charged with assisting OGEC in the development, design, testing and implementation of the online searchable database. The task force sunsets on January 2, 2021. The Advisory Committee includes two legislative members, a member appointed by the Department of Administrative Services, a member appointed by the executive director of the OGEC and two lobbyists. The Advisory Committee will be staffed by the OGEC.

### Oregon Government Ethics Commission (OGEC)

Passage of this bill is estimated to have a \$3,125 Other Funds impact on OGEC for the 2017-19 biennium, and approximately \$300,000 Other Funds for the 2019-21 biennium.

The \$3,125 Other Funds amount for the 2017-19 biennium is the cost of increasing the subscription fee for the existing OGEC electronic filing system to update the system to allow filers to report information required by this bill into an agency-created Excel spreadsheet. OGEC will upload that spreadsheet into the Electronic Filing System so that the public will be able to view the information. The bill provides that from April 1, 2018 until the August 1, 2020, the new information lobbyists are required to file with OGEC may be included as an attachment to the lobbying statement. This timeline will allow OGEC to work with the advisory group to develop rules and business requirements, design, test, and to implement the online searchable database by August 1, 2020. The fiscal impact to OGEC for staffing the Advisory Committee is minimal, as the work can be absorbed with existing staff.

OGEC reports that redevelopment of the existing system to meet the new reporting requirements of the bill is estimated to have a fiscal impact of approximately \$300,000 Other Funds for the 2019-21

biennium. However, the Legislative Fiscal Office (LFO) notes that implementation of this bill includes an information technology project. Therefore, pricing of the online searchable database only serves as a high-level preliminary approximation. If this bill passes, the agency will be required to: (1) complete a business requirements analysis; (2) develop a business case; and (3) develop a foundational project management plan to demonstrate the feasibility of the project and its scope, as well as a cost and schedule estimate, pursuant to protocols developed by the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office.

This fiscal assumes that OGEC would complete the business requirements development process in time to submit a more accurate and detailed cost analysis for developing the online searchable database as part of its 2019-21 biennium budget development. Assessment for the OGEC is apportioned among state agencies and local governments.

In addition, OGEC is required to establish a method by which 10% of lobbyist statements required to be filed with the Commission are randomly reviewed. Costs associated with this new process are indeterminate at this time.

### Statewide

This bill is anticipated to have an indeterminate, but likely minimal, statewide fiscal impact. State agencies with employees who are required to register as lobbyists will need to implement a method to track, monitor, record, and report information required by this bill. Note that, in addition to session activities, agencies work year-round with legislators on legislative concepts. If any of these agencies lobby or testify on a large number of bills, they may need additional staffing resources to comply with the reporting requirements of this bill. At this time, this staffing need is indeterminate depending on the increase in workload resulting from this bill. However, the Legislative Fiscal Office (LFO) notes that the need for additional staffing would be unlikely because most state agencies have a small number of employees who are registered lobbyists, and not all bills tracked by an agency would be subject to the reporting requirements of this bill. These employees would only need to report on bills which they actively engaged in lobbying activities.

### Legislative Assembly

The bill specifies that non-legislative members of the advisory committee serve as volunteers and are not entitled to compensation and reimbursement. However, two members of the advisory committee will be legislative members who are entitled to per diem and travel reimbursement. The estimated per diem and travel reimbursement cost for the four legislative members is \$201 per day. This amount includes the Federal Insurance Contribution Act (FICA) tax, and assumes per diem remains at \$142 per day, and the average mileage of 90 miles at the current rate of \$0.535 per mile. Although the 2017-19 Legislative Assembly budget contains funds allocated for interim committees and task forces, if the work required by this advisory committee, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2017-19 budget, additional General Fund resources may be required. The advisory committee would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task force or Legislative Days.