



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [S.B. 391 of the 129th G.A.](#)

Date: December 5, 2012

Status: As Introduced

Sponsor: Sen. Niehaus

Local Impact Statement Procedure Required: No

Contents: Revises the Ethics Law

State Fiscal Highlights

- The bill increases from \$25 to \$35 the registration fee paid to the Joint Legislative Ethics Committee (JLEC) by legislative agents and executive and retirement system lobbyists. Any potential increase in revenue, however, will likely be offset by the decrease in annual registrations caused by the bill's provision extending the length of executive and retirement system lobbyist registrations from one to two years.
- The bill modifies the duties of JLEC, the Ohio Ethics Commission, and the Bureau of Criminal Identification and Investigation. However, these modifications are not likely to have more than a minimal fiscal impact on these agencies.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill makes a variety of changes to the Ethics Law, such as restructuring expenditure reporting requirements for lobbyists and public officials, requiring the Ohio Ethics Commission to place all public official financial disclosure forms online, and unifying the reporting requirements for different types of lobbyists. A few of the bill's changes have minimal fiscal impact on three entities: the Joint Legislative Ethics Commission, the Ohio Ethics Commission, and the Bureau of Criminal Identification and Investigation. These provisions are discussed below in more detail according to the agencies they impact. For all of the bill's provisions, including those that do not have a fiscal impact, please see the bill analysis.

Joint Legislative Ethics Committee (JLEC)

The bill increases the registration fee for legislative agents and executive agency and retirement system lobbyists from \$25 to \$35. It also extends the length of each registration for executive agency and retirement system lobbyists from one to two years, bringing it into conformity with the length of each legislative agent registration. These revisions are effective December 1, 2014. JLEC expects the fee increase to be offset by the decrease in annual registrations due to the extended registration length. For the 129th G.A., JLEC expects to receive close to \$284,000 in fee revenue (11,341 registrations x \$25), while it estimates about \$278,000 (7,940 registrations x \$35) over the 131st G.A., the first full G.A. term after the bill's changes take effect. Therefore, fiscal impact, as it relates to the fee increase and two-year registration period, is likely negligible. Revenue received from the registrations are placed in the Joint Legislative Ethics Committee Fund (Fund 4670), which is used, along with GRF funds, to support the operation of JLEC.

The bill also requires JLEC to publish the registration statements, expenditures, and details of financial transactions it receives from lobbyists and their employers and to make the statements available to the general public on its web site. JLEC currently provides the Ohio Lobbying Activity Center (OLAC) and other public resources on its web site. According to JLEC, registrations and other lobbying activities go public as soon they are processed or filed in OLAC. They anticipate that this feature meets the bill's requirements. Therefore, this provision will not result in additional costs for the agency.

Further, the bill eliminates the requirement that JLEC distribute lists of lobbyists to various public officials and transfers, to the Ohio Ethics Commission, the duty to maintain a list of all executive agencies. JLEC does not anticipate significant savings in operation costs from the elimination of these duties.

Ohio Ethics Commission (Commission)

From the perspective of the Ohio Ethics Commission's duties and responsibilities under the Ethics Law, the bill most notably changes the filing requirements for financial disclosure statements and requires certain disclosure statements be made available online. As a result, the Commission will experience an increase in workload to change the financial disclosure form and its instructions, to educate filers about the changes, to issue follow-up advisory opinions, and to convert approximately 4,700 disclosure statements to PDF format and post them online. The associated costs will be minimal, and, for the most part, one time. The Commission's annual operating expenses are paid for with a mix of money appropriated from the GRF and the Ohio Ethics Commission Fund (Fund 4M60). In the case of posting disclosure statements online, the Commission was already planning to do so.

As mentioned above, the bill transfers from JLEC to the Commission the duty to maintain a list of all executive agencies and to provide copies of the list to the general public on request. The Commission may charge a reasonable fee not to exceed the cost of copying and delivering the document. The annual cost to maintain and distribute the list, and related revenue collected, will be negligible.

Additionally, the bill permits the Commission to accept amended disclosure statements within 180 days of the filing of the original statement. There are no costs associated with this provision, as the Commission already operates under administrative rule permitting it to do so.

Bureau of Criminal Identification and Investigation (BCII)

The bill permits BCII to assist JLEC and the Commission in investigating various violations of the Ethics Law. According to a spokesperson with BCII, their ability to assist JLEC and the Commission is limited under current law, and the bill's provision will allow BCII to more directly assist each of the entities. BCII does not anticipate having a large increase in requests from JLEC and the Commission. Therefore, this provision may result in little, if any, additional costs for BCII.