

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/CS/SB 368

SPONSOR: Fiscal Policy Committee and Committee on Ethics and Elections

SUBJECT: Ethics

DATE: February 24, 2000

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fox</u>	<u>Bradshaw</u>	<u>EE</u>	<u>Favorable/CS</u>
2.	<u>Hayes</u>	<u>Hadi</u>	<u>FP</u>	<u>Favorable/CS</u>
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

## I. Summary:

Committee Substitute for Committee Substitute for Senate Bill 368 (“committee substitute”) contains changes to Florida’s Code of Ethics, many in the area of full and limited financial disclosure. The bill also allows the Commission on Ethics to initiate investigations on its own authority, upon the receipt of certain information and a super-majority vote of the Commission. The bill makes other changes with regard to: Florida’s gifts law; quarterly reporting of clients represented before agencies for a fee; ethical standards of conduct for former public officers and agency employees; penalties for ethics violations; witness tampering in Ethics Commission proceedings and investigations; immunity for witnesses in Ethics Commission proceedings; education requirements for elected public officers; and, post-employment restrictions for agency employees. Finally, the bill clears up an ambiguity in the law concerning the proper sanctioning authority in the case of a current state legislator who commits an act in violation of the Code of Ethics prior to joining the Legislature.

This committee substitute substantially amends the following sections of the Florida Statutes: 112.312, 112.313, 112.3144, 112.3145, 112.3147, 112.3148, 112.3149, 112.317, 112.3185, 112.322(7), 112.324, 440.442, 914.21, F.S., creates ss. 112.31905, 112.3232, F.S., and repeals ss. 112.322(9), 839.08, 839.09, 839.091, 839.10, F.S.

## II. Present Situation:

This bill was derived from an interim project of the Ethics and Elections Committee, entitled “A Review of Selected Provisions of the Ethics Laws,” Report No. 2000-35 (September 1999).

The bill also embodies the *ethics code* portion of the recommendations of the Governor’s Public Corruption Study Commission. Other Commission recommendations include: specific revisions to the criminal provisions in Chapter 838, Florida Statutes (SB 946); two public records exemptions (SB 1108; SB 1110); enhanced state contract review (SB 1100); and, expansion of the election code violations to include conspiracy to violate (SB 1106).

The Code of Ethics for Public Officers and Employees is found in Part III of Chapter 112, Florida Statutes. In adopting the Code, the Legislature stated that the ethics laws were geared to promoting the public interest and maintaining the respect of the people for their government. To protect against conflicts of interest, the Code establishes standards of conduct for elected officials and government employees.

### Financial Disclosure

#### *Who must file?*

In 1998, over 41,996 persons were required to file full (2,203) or limited (39,793) financial disclosure.

In Florida, all elected constitutional officers and candidates for such offices are required to file full financial disclosure. Art. II, s. 8, Fla. Const.; s. 112.3144, F.S. (1999).

In addition, “local officers,” “specified state employees,” and “state officers,” as defined by statute, are required to file limited disclosure. s. 112.3145, F.S. (1999). These categories embrace a vast number of positions, ranging from mayors and local pollution control directors to members of the Board of Regents and upper level employees in the Office of the Governor or other cabinet member.

The term “local officer” embraces any appointed member of a board, commission, authority, community college district, or council, excluding those which are “an advisory body.” s. 112.3145(1)(a)2., F.S. (1999). In order to qualify for the statutory exemption from filing as a member of an “advisory body,” the body’s powers, jurisdiction, and authority must be “solely advisory.” s. 112.312(1), 112.3145(1)(a)1., 112.3145(1)(c)2., F.S. (1999); CEO 87-75, 87-38, 84-71, 84-65, 84-58, 75-143. This has led to the situation where officers from relatively minor boards have been required to file limited disclosure. For example, the Ethics Commission has determined that members of the following boards are subject to financial disclosure:

- Municipal and county library boards (power to establish and enforce regulations governing library privileges)
- Winter Park Sidewalk Art Festival Commission (empowered to conduct the festival)
- Town of Belleair Tennis Board (power to establish rules for town tennis courts and rules governing schedules for use of the courts)

CEO 87-38, 84-71, 84-65, 84-58, 75-143.

One group *not required to file* under current law is *former* officers and employees --- persons whose office or employment ends prior to December 31 of a given calendar year. Critics have charged that this is a “major loophole” in the financial disclosure law.

#### *How should the required information be reported?*

Those filing Form 1 limited financial disclosure must report certain items, such as liabilities, secondary sources of income, and intangible assets, based on percentage calculations. The

Commission on Ethics has told staff that such percentage calculations can be confusing to the average filer. The result is often incomplete or incorrect data.

*What information must be reported?*

Taxes owed are currently exempt from the definition of “liability,” regardless of whether there has been a legal judgment against the person owing the taxes. Thus, full and limited financial disclosure filers need not report any taxes owed.

*Where should the reports be filed?*

Officers required to file full and public disclosure, and state officers and specified state employees required to file limited disclosure, file with the Secretary of State’s office. Local officers are required to file limited disclosure with their local supervisor of elections. Candidates must also file a copy of their disclosure at the time of qualifying for office.

*What are the penalties for filing late or failing to file?*

The deadline for filing full and limited disclosure is July 1 of each year. No later than June 1, the Secretary of State or the supervisor of elections, as appropriate, must mail a copy of the appropriate form and instructions to every individual required to make full or limited disclosure. For those who miss the July 1 filing deadline, the law provides that certified notice of the delinquency be sent by August 1, and offers an extended grace period for filing through September 1. Failure to file by September 1 is a violation of the Code of Ethics. *Only upon receipt of a complaint* may the Commission on Ethics investigate and determine such a violation and recommend a penalty. There is no automatic or other penalty associated with failure to file or late filing *in the absence of a complaint being filed against the reporting individual.*

The Commission is also authorized to grant extensions of time for filing disclosures on an individual basis for good cause.

In 1998, over seven percent (7%) of those required to file full or limited disclosure (3,116 out of 41,996) filed after September 1 or did not file at all. Of the 104 complaints found by the Commission to be legally sufficient, only 3 related to full financial disclosure and no more than 22 related to limited financial disclosure. That means that over 3,000 persons failed to file their financial disclosure in 1998 and incurred no penalty. The compliance problem has historically been most pervasive with local officers required to file limited disclosure on Form 1, and the 1998 figures continue this historical trend.

If a complaint is filed and a person is found to have violated the Code, the Commission may recommend any one of a series of penalties detailed in s. 112.317, ranging from a civil penalty of up to \$10,000 to removal or impeachment from office.

### *Amended Filings*

Florida law does not contain any specific mechanism authorizing the filing of an amended financial disclosure form. However, there is little incentive to do so since the chance of having a complaint filed for a public disclosure violation is very remote.

### *Notice to the DCA*

By November 1 of each year, the Commission must provide the Department of Community Affairs (“DCA”) with a list of the names of special district local officers delinquent in their financial disclosure filing. s. 112.322(9), F.S. (1999). Unfortunately, DCA does not take any action with the list, making its preparation and transmission a ministerial task which serves no practical purpose.

### Quarterly Disclosure of Paid Representations Before Agencies

All elected constitutional officers, state officers, local officers, and specified state employees must file a quarterly report of the names of clients represented for a fee or commission before agencies at their level of government. s. 112.3145(4), F.S. (1999). The report is due 15 days after the last day of the quarter.

### Standards of Conduct

Section 112.313, F.S., contains a laundry list of proscribed conduct and activities in which a public officer, agency employee, or, in some cases, a local government attorney may not participate.

Subsection (8) prohibits any public officer, agency employee, or local government attorney from disclosing or using information unavailable to the general public and gained by reason of his or her official position, for personal gain. The subsection, by its express terms, does not appear to apply to *former* officers or employees.

### Gifts

#### *Valuation of Gifts*

##### 1) Reimbursement Period

Florida’s Code of Ethics prohibits a reporting individual from accepting a gift from a lobbyist or principal valued at more than \$100. s. 112.3148(4), F.S. (1999). In addition, most gifts valued at more than \$100 from someone other than a principal or lobbyist must be reported in the quarter following receipt of the gift. s. 112.3148(8)(a), F.S. (1999). In determining the value of a gift, the reporting individual may deduct any compensation reimbursed to the donor. s. 112.3148(7)(b), F.S. (1999); Rule 34-13.500(3), F.A.C. However, there is *no specific deadline* in the law stating the date by which the reimbursement must be made by the reporting individual or received by the donor.

## 2) Method of Calculating Value

Florida's Code of Ethics requires the method for calculating the value of a gift to be the actual cost to the donor, less taxes and gratuities, and, with respect to personal services provided by the donor, the reasonable and customary charge that is regularly charged in the community in which the service is provided. s. 112.3148(7)(a), F.S. (1999).

### *Exemptions*

The Code of Ethics exempts certain governmental entities from the prohibition of giving a gift having a value in excess of \$100 to a reporting individual if a public purpose can be shown for the gift. s. 112.3148(6)(a), F.S. (1997).

### *Applicability to Successful Candidates in the "Gap" Period*

In addition to embracing a variety of state and local employees, the gifts portion of the Code of Ethics for Public Officials applies to candidates for public office, upon qualifying, as well as to elected state and local officers. The gifts law *does not apply* to non-incumbents in the gap period immediately after election but prior to actually taking office. This has been characterized as a major loophole, since the period following a successful election seems precisely the time when public scrutiny should be at its most vigilant.

### *Judges of Compensation Claims*

There is an ambiguity under current law concerning whether the Chief Judge and subordinate judges of compensation claims are subject to the gift prohibitions and reporting requirements in the Code of Judicial Conduct or the Code of Ethics (Part III, Chapter 112, Florida Statutes). With the exception of things like commercial loans, gifts from relatives, and ordinary social hospitality, the Code of Judicial Conduct precludes a judge from accepting a gift from a donor who "has come or (is) likely to come or whose interests have come or are likely to come" before the judge. Canon 5D(5), Code of Judicial Conduct. Gifts of over \$100 from donors not meeting this definition must be reported by the judge annually to the Secretary of State, with a copy provided to the Judicial Qualifications Commission. Canon 6B(2), Code of Judicial Conduct.

### Commission on Ethics Investigations and Proceedings

The Commission on Ethics may only initiate an investigation upon receipt of a sworn complaint. s. 112.324(1), F.S. It cannot investigate on its own authority. Many have claimed that the Commission would be more effective in fostering ethics in government if it had the power to initiate its own investigations.

Where a complaint is filed, the Commission has a wide array of investigatory powers, including subpoena power, over persons and documents and the administration of oaths. The Commission staff has recommended that the state's witness tampering statutes be extended to include Commission proceedings. The witness tampering statutes currently apply in: proceedings before a judge or court or grand jury; proceedings before the Legislature; and, proceedings before a federal agency which are authorized by law.

Another issue surrounding Commission witnesses is immunity. There is currently no mechanism in statute authorizing the Commission to seek a grant of immunity when a witness refuses to talk because of possible self-incrimination. In some instances, witnesses to a public official's ethics violation are entitled to claim a fifth amendment privilege because of the possibility of prosecution for their actions, which can limit the public's access to the truth of what happened.

The Public Service Commission currently has authority to seek a grant of judicial immunity. See s. 350.124, F.S. (1999).

#### Penalties for Ethics Violations

The Attorney General must bring suit to collect unpaid civil or restitution penalties assessed for an ethics violation. s. 112.317(2), F.S. (1999). However, there is no provision in law allowing the Attorney General to collect the fees and costs of bringing the suit.

Similarly, there is no provision in law specifically designating how monies from restitution penalties are to be allocated. They currently are deposited to the General Revenue Fund of the state.

Florida law provides that any person who discloses his or her intention to file a complaint or discloses the existence or contents of a complaint which has been filed with the Commission commits a misdemeanor of the first degree. s. 112.317(6), F.S. (1999). It is also a first-degree misdemeanor to disclose the existence or contents of any document in connection with a confidential preliminary investigation by the Commission until the document becomes a public record. *Id.* However, in 1989, the 11th Circuit held these provisions of Florida law violated free speech guarantees. *Doe v. Gonzalez*, 723 F.Supp. 690 (S.D.Fla. 1988), *aff'd*, 886 F.2d 1323 (11th Cir. 1989). Staff is not aware of the provision having been enforced since that time.

Chapter 839, Florida Statutes, entitled "Offenses by Public Officers and Employees," contains several sections criminalizing certain specific conflicts of interest involving public officials in the area of public works contracts. ss. 839.08, 839.09, 839.091, and 839.10, F.S. (1999). These sections were adopted prior to the Legislature's enactment of landmark ethics legislation in 1967, which was "intended to deal pervasively with the subject matter of conflict between the official duties and private interests of public officials and employees." *Oldham v. Rooks*, 361 So.2d 140, 142 (Fla. 1978); Chapter 67-469, Laws of Florida. The Florida Supreme Court has held that a similar conflicts provision in Chapter 839 was repealed by implication when the Legislature adopted Part III of the Code of Ethics. *Oldham*, 361 So.2d at 141. The same logic should prevail with regard to sections 839.08, 839.09, 839.091, and 839.10, Florida Statutes.

#### Jurisdictional Ambiguity Concerning Sanctioning of State Legislators

There is a statutory ambiguity involving the sanctioning of state legislators who violate the Code of Ethics. Specifically, the situation involves a current legislator who committed the alleged breach of ethics while a public officer or employee *prior* to joining the Legislature.

#### Ethics Education

There is no requirement in law that elected officers study or take a course dealing with ethics law, public records law, or public meetings law. The Florida Senate and House of Representatives currently offer new members a training course which embraces such subjects.

#### Post-employment Restrictions

There are a number of post-employment statutory restrictions preventing executive and judicial employees from entering into an employment or contractual relationship with a private entity in connection with a contract which was within his or her responsibility while a state employee, or in which the employee participated personally and substantially while a state employee. s. 112.3185, F.S.

There is also a two-year post-employment restriction in place preventing former *local officials* from lobbying the “governing body” of which they were an officer. s. 112.313(14), F.S. However, nothing in statute currently prevents the former local officer from lobbying the governing body’s staff. So, for example, a former county commissioner would be prohibited from lobbying the county commission for two years from the date they leave office, but he or she *could* lobby the county commission staff.

### **III. Effect of Proposed Changes:**

#### Financial Disclosure

##### *Who must file?*

The committee substitute adopts a new approach toward reducing limited disclosure filings by members of relatively minor boards and commissions. Instead of presuming that all officers must file *unless* the agency is solely advisory and has a limited budget, the bill defines the specific type of board members who must file. Under the bill, appointed members of the following boards, councils, commissions, authorities, or other bodies of local governmental units, special districts, or school districts, must file:

- a) the governing body of a political subdivision, if appointed;
- b) an expressway authority or transportation authority established by law;
- c) a community college or junior college district board of trustees;
- d) a board having the power to enforce local code provisions;
- e) a planning or zoning board, board of adjustment, board of appeals, or other board having the power to recommend, create, or modify land planning or zoning within the political subdivision, except for citizen advisory committees, technical coordinating committees, and such groups who have only the power to make recommendations to planning or zoning boards;
- f) a pension board or retirement board having the power to invest pension or retirement funds or the power to make a binding determination of one’s entitlement to or amount of a pension or other retirement benefit; or,

- g) any other appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

Conversely, the committee substitute *expands* the number of filers by requiring *former* officers and employees to file a final full or limited disclosure for the portion of the year during which the person was in government service, within 60 days of their departure date --- unless within the 60 days they take another position subject to the same or a greater level of financial disclosure. Agency heads must notify persons required to file this final disclosure of their obligations under the law, or designate someone to do so. Failure to file a timely final financial disclosure subjects the reporting individual to penalties under s. 112.317, F.S. However, the automatic \$25/day penalty for late-filing does not apply. In addition, the committee substitute provides that the requirement to file a final full or limited disclosure applies to persons leaving office or employment on or after the effective date of the act. This will assure that persons who leave office following this year's election will be required to file a final financial disclosure report covering the period of time during the year which they were in office.

*How should the required information be reported?*

The bill offers the limited disclosure filer (Form 1) the option to *either*:

- continue filing using the existing statutory threshold percentages; or,
- file using specific dollar thresholds which replace the percentage calculations:
  - Secondary Sources of Income: changed from more than 5% of gross income to more than \$2,500.
  - Intangible Personal Property: changed from more than 10% of total assets to more than \$10,000.
  - Liabilities: changed from liabilities which exceed net worth to liabilities exceeding \$10,000.

Irrespective of which method the filer chooses, no specific dollar amounts need to be reported.

*What information must be reported?*

The committee substitute amends the definition of "liability," thereby requiring full and limited disclosure filers to report those taxes owed *which have been reduced to a judgment*. It also clarifies that liabilities which must be reported for financial disclosure purposes include debts or obligations owed by the reporting individual to any "person" or "entity," including a "governmental entity."



*Where should the reports be filed?*

Under the bill, the Commission on Ethics will assume the administration of the financial disclosure filing system formerly performed by the Secretary of State's office. The Commission will not assume any of the administrative duties currently being performed by the supervisors of elections. Persons currently required to file with their local supervisor of elections will continue to do so.

In addition, the bill transfers administrative duties from the Secretary of State to the Commission with respect to gift and honoraria disclosures pursuant to ss. 112.3148 and 112.3149, Florida Statutes.

*What are the penalties for filing late or failing to file?*

The committee substitute sets up an automatic fine, or "parking ticket," system for those filing late (after September 1) or failing to file altogether.

Delinquent filers under the bill incur a \$25 per day late-filing fine, up to a maximum automatic fine of \$1,500. The penalty cap does not limit any other penalty which may be imposed by the Commission under s. 112.317, F.S., if the financial disclosure statement is filed more than 60 days after September 1.

The delinquency notice sent no later than August 1 must include a statement of the applicable fines for failure to file by September 1.

The Commission must calculate late-filing fines and notify delinquent persons. Those receiving a notice of fine must pay it within 30 days from the date of the notice or request a hearing with the Commission. The Commission is empowered to waive the fine upon a finding of unusual circumstances. The bill provides that any unpaid claim more than 60 days old, or any claim not paid within 60 days after the Commission renders a final order on an appeal of the fine, is to be submitted to the Department of Banking & Finance for assignment to a collection agent.

*Amended Filings*

The committee substitute requires the Commission to adopt rules and forms to provide for the filing of amended full and limited financial disclosure. However, the bill does not provide immunity for those who file an amended disclosure statement.

*Notice to DCA*

The committee substitute deletes the requirement that the Commission provide a list of special district local officers delinquent in filing financial disclosure.

Quarterly Disclosure of Paid Representations Before Agencies

The committee substitute amends the reporting dates for filing quarterly reports from 15 days after the last day of the quarter to the last day of the following quarter.

### Standards of Conduct

The committee substitute extends the “inside information” prohibition applicable to current public officers, agency employees, and local government attorneys to *former* officers, agency employees, and local government attorneys. Under the bill, no current or former officer, agency employee, or local government employee may use information unavailable to the public and gained through public office or employment for personal gain, excluding information “relating exclusively to governmental practices or procedures.”

### Gifts

#### *Valuation of Gifts*

##### 1) Reimbursement Period

The committee substitute modifies the definition of gift and changes the valuation laws to establish a 90-day period during which a reporting individual may reimburse a donor for all or a part of a gift’s value. This has the effect that most gifts (other than those from family members, lobbyists or principals) in excess of \$100 given in a specific calendar quarter for which reimbursement is not made by the end of the next subsequent calendar quarter *must be reported* in that subsequent calendar quarter.

##### 2) Method of Calculating Value

The committee substitute changes the method for calculating the value of gifts from actual cost to the donor to fair market value. This is to address the issue of collectibles, and items that the donor may have purchased or acquired at an insignificant cost originally but have accrued value over time, such as art work.

#### *Exemptions*

The bill modifies the gift law by adding the Technological Research and Development Authority, a quasi-governmental entity, to the current list of governmental entities that can give a gift over \$100 to a reporting individual if a public purpose can be shown for the gift.

#### *Applicability to Successful Candidates in the “Gap” Period*

The committee substitute extends the provisions of the gifts law to cover successful, non-incumbent, former candidates in the “gap” period, the period immediately following the election but prior to officially assuming the responsibilities of office. Incumbents who win reelection are already covered by the gifts law in the gap. The bill also clarifies that the gifts law applies to non-incumbent candidates, upon qualifying, prior to the date of the election.

#### *Judges of Compensation Claims*

The committee substitute resolves the ambiguity in current law by requiring the Chief Judge and judges of compensation claims to follow the gift prohibitions in Canon 5D(5)(h) and 6B(2) of the

Code of Judicial Conduct rather than the Code of Ethics. Committee Substitute for Senate Bill 368 requires the judge to annually report gifts over \$100 from disinterested parties to the Commission on Ethics. However, the judge would still be required under Canon 6B(2) to report the same information to the Secretary of State and the Judicial Qualifications Commission, unless: 1) the Supreme Court modifies the Code of Judicial Conduct to require reporting to the Commission instead of the Secretary of State; or, 2) the bill passes the Legislature by a two-thirds vote of each house. See Art. V, § 2, Fla. Const.

#### Commission on Ethics Investigations and Proceedings

The bill authorizes the Ethics Commission to initiate a preliminary investigation upon receipt of reliable, publicly-disseminated *information* and upon receipt of a written *referral* of a possible ethics violation from various state officers including the executive director of FDLE, which seven members of the Commission deem sufficient to indicate a breach of the public trust. If the preliminary investigation commences from the receipt of publicly-disseminated information, the Commission staff is limited to collecting other publicly-disseminated information prior to a sufficiency determination by the Commission. The Commission retains its current authority to investigate upon receipt of a sworn complaint.

The bill extends the state's witness tampering laws to include Ethics Commission proceedings and investigations. The bill also enables the Commission, when a witness refuses to talk because of possible self-incrimination, to seek the written authorization of the appropriate state attorney and then apply to the chief judge of the circuit for a judicial grant of immunity.

#### Penalties for Ethics Violations

The bill entitles the Attorney General to fees and costs for bringing suit to collect a civil or restitution penalty resulting from an ethics violation.

The bill allows the Commission to recommend that any restitution penalty be paid to the violator's agency *or* the General Revenue Fund of the state.

The bill also removes a provision of law prohibiting the disclosure of confidential documents or the contents of a complaint filed, or to be filed, with the Ethics Commission. The provision in question, section 112.317(6), F.S., was held facially unconstitutional in violation of the First Amendment in *Doe v. Gonzalez*, 723 F.Supp. 690 (S.D.Fla. 1988), *aff'd*, 886 F.2d 1323 (11th Cir. 1989).

The committee substitute explicitly repeals ss. 839.08, 839.09, 839.091, and 839.10, Florida Statutes, criminalizing specific conflicts of interest with regard to supplies and public works contracts. The Florida Supreme Court has held that similar provisions were repealed by implication when the Legislature adopted Part III of the Code of Ethics, per *Oldham v. Rooks*, 361 So.2d 140 (Fla. 1978).

#### Jurisdictional Ambiguity Concerning Sanctioning of State Legislators

The bill clarifies that the proper sanctioning authority in the case of a *current* state legislator who commits an act violative of the Code of Ethics prior to joining the Legislature is vested with the house in which the legislator serves.

#### Ethics Education

The bill requires each elected public officer, and any person appointed to fill a vacancy in elective office, to complete a 3-hour training course in ethics law, public records law, public meetings law, and state criminal law involving public servants (Chapter 838) within a year of election or appointment, and every four years thereafter. Full financial disclosure filers must file a form with the Ethics Commission certifying the completion of the course, and limited financial disclosure filers must file the same with their local supervisor of elections. The Ethics Commission is authorized to develop the training materials and promulgate necessary forms.

#### Post-employment Restrictions

The committee substitute creates a new post-employment restriction which prohibits former executive and judicial branch employees from representing or advising another person or entity, except the state, in any “matter” in which the employee participated personally or substantially in his or her official capacity through decision, approval, disapproval, recommendation, rendering of advice, investigation, or otherwise while an employee. The term “matter” includes any “judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular action involving a specific party or parties.”

The bill also extends the two-year post employment restriction preventing a former local official from lobbying the “governing body” of which he or she was a member, to include a prohibition against lobbying his or her former “agency.” This effectively precludes the former local official from lobbying staff and employees of the governing body.

#### **IV. Constitutional Issues:**

##### A. Municipality/County Mandates Restrictions:

None.

##### B. Public Records/Open Meetings Issues:

None.

##### C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Persons who file full or limited disclosure after September 1 will be subject to automatic fines in the amount of \$25 for each day late up to a maximum of \$1,500, unless waived by the Ethics Commission.

C. Government Sector Impact:

Last year’s cost projections indicate:

The General Revenue Fund will be increased with the receipt of automatic fines (see above). The Commission estimates the additional revenue at \$100,000 per year for FY 2001-2002 and FY 2002-2003.

The bill transfers the administration of the financial disclosure filing system, as well as the gift and honoraria disclosures, to the Ethics Commission from the Secretary of State. The bill also creates an automatic fine system. The Commission estimates that \$193,956 General Revenue will be required to implement the new responsibilities of the bill.

<b>Ethics Commission</b>	<b>FY 00-01</b>	<b>FY 01-02</b>	<b>FY 02-03</b>
<b>Non-Recurring/Start-Up Effects</b>	\$110,725		
<b>Recurring Costs (Includes 3 FTE)</b>	83,231	128,302	132,151
<b>Total</b>	<b>\$193,956</b>	<b>\$128,302</b>	<b>\$132,151</b>

The Department of State’s General Revenue needs will be reduced by approximately \$49,717 for FY 00-01 (includes loss of one FTE).

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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