

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7869

BILL NUMBER: HB 1786

DATE PREPARED: Jan 18, 1999

BILL AMENDED:

SUBJECT: Government ethics.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides that the State Ethics Commission has jurisdiction over local officers and employees. The bill adds two members to the Commission and requires at least two commission members to have knowledge of the operation of political subdivisions. The criminal conflict of interest statute applies to grants and loans made by a governmental entity under certain circumstances.

Effective Date: July 1, 1999.

Explanation of State Expenditures: This bill provides that the State Ethics Commission has jurisdiction over local officers and employees and that the criminal conflict of interest statute applies to grants and loans made by governmental entities under certain circumstances. These provisions will result in increased work for the Commission. The specific impact, however, is indeterminable and will depend on the number and nature of cases that require investigation or consideration by the Commission as a result of the provisions. This bill also adds two members to the Commission which will result in an estimated impact of less than \$3,000.

As of January 1999, the Commission maintained a caseload of 15 cases under active investigation with another ten to fifteen under consideration. The Commission also provides training throughout the state in town, city, and county enforcement. Investigation costs as well as training costs would significantly increase under the provisions of the bill.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources: David Maidenberg, Director, Ethics Commission, (317) 232-3850.