

NOTICE OF INTENT

Department of Civil Service Board of Ethics

Administrative Regulation of the Campaign Finance Disclosure Act (LAC 52:I.Chapter 16)

In accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., notice is hereby given that the Department of Civil Service, Louisiana Board of Ethics, has initiated rulemaking procedures to amend certain sections of the Rules for the Board of Ethics to define statutory language and provide clarity to current statutory provisions.

§1611. Violation Contained in a Report

- A. The language of La. R. S. 18:1511.11 of “the violation is contained in a report...” shall mean that the alleged campaign finance violation shall be evident on the face of the report, without further investigation or information provided from another source, in order for the one-year prescriptive period to be applicable.
- B. The originating source of a campaign finance contribution or loan must be disclosed and contained in the report of the candidate, political committee, and other person required to file reports pursuant to the CFDA for the purpose of commencing the one year prescriptive period from the filing of the relevant report.
- C. Any disclosure other than the originating source of the contribution or loan to the candidate, political committee, or other person required to file reports pursuant to the CFDA shall be an insufficient disclosure for the purpose of commencing the one year prescriptive period from the filing of the relevant report.
- D. The specific and aggregate dollar amounts of the contribution or loan, for the requisite filing period, must be accurately disclosed in the relevant report for the purposes of instituting the prescriptive period of “one year has elapsed from the filing of the relevant report.”
- E. The “relevant report” for commencing the one-year prescriptive period in the CFDA shall be the filed report required by the Campaign Finance Disclosure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:1134(A).

HISTORICAL NOTE: Promulgated by the Department of Civil Service, Board of Ethics ().

Family Impact Statement

The proposed rule changes have no known impact on family formation, stability or autonomy, as described in R.S. 49:972.

Poverty Impact Statement

The proposed Rule changes have no known impact on poverty, as described in R.S. 49:972.

Provider Impact Statement

The proposed Rule should not have any known or foreseeable impact on providers as defined by HCR 170 of 2014 Regular Legislative Session.

Small Business Statement

The proposed Rule should not have any known or adverse impact on small business as described in R.S. 49:956.6

Public Comments

Interested persons may direct their comments to Kathleen M. Allen, Louisiana Board of Ethics, P.O. Box 4368, Baton Rouge, Louisiana 70821, telephone (225) 219-5600, until 4:45 p.m. on January 10, 2020.

Kathleen M. Allen
Ethics Administrator

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person

Preparing

Statement:

Kristy Gary

Dept.: Civil Service

Phone:

225-219-5600

Office:

Ethics Administration Program

Return

Address:

P.O. Box 4368

Rule

Title:

Campaign Finance Disclosure Act

Baton Rouge, LA 70821

Date Rule

Takes Effect:

Upon Promulgation

SUMMARY

(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The estimated cost to implement the proposed rule change is \$168 in FY 19-20, which accounts for the cost to publish the Notice of Intent and the rule in the State Register. There are no additional estimated implementation costs or savings to state or local governmental units. The proposed rule seeks to amend certain sections to define statutory language and provide clarity to current statutory provisions with regard to the Campaign Finance Disclosure Act.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

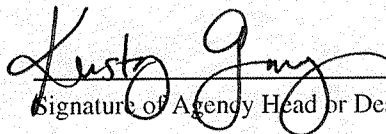
The proposed rule change will have no anticipated effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

The proposed action will affect persons who file or are required to file campaign finance disclosure reports; however, it is not anticipated that it will impact their costs and /or economic benefits.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

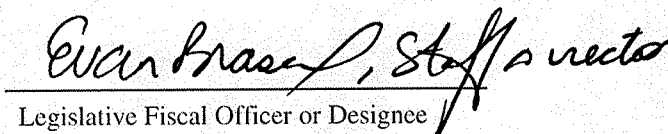
The proposed rule change will have no anticipated effect on competition and employment.



Signature of Agency Head or Designee

Kristy Gary/ Deputy Ethics Administrator
Typed Name & Title of Agency Head or Designee

12/10/19
Date of Signature



Legislative Fiscal Officer or Designee

12/10/19
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

Chapter 16. The Board as Supervisory Committee of the Louisiana Campaign Finance Disclosure Act. - The proposed rule provides clarifying language of current statutory provisions.

See attached proposed rules for the underscore/strikethrough version.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

This proposed action would define and provide clarity to the statutory text of "... the violation is contained in a report..." of Louisiana Revised Statute Title 18, Article 1511.11. This proposal recognizes and furthers the Legislature's precise and stated purpose of the Campaign Finance Disclosure Act. Specifically, La. R. S. 18:1482 states:

1482. Statement of Purpose

"The legislature recognizes that the effectiveness of representative government is dependent upon a knowledgeable electorate and the confidence of the electorate in their elected public officials. The legislature, therefore, enacts this Chapter to provide **public disclosure of the financing of election campaigns** and to regulate certain campaign practices.

The proposed rule is pursuant to the express statement and recommendation of the Fourth Circuit of Appeal, State of Louisiana. In *Doe v. Louisiana Board of Ethics*, 112 So.3d 359 (2013), 2012-1169 (La. 4 Cir. 3/13/13), the Fourth Circuit opined:

"We also recognize that the Board is empowered, by virtue of La. R.S. 18:1511.2A (2) and (3), to both clarify and define the various provisions found in the Campaign Finance Disclosure Act, but that it has not done so with respect to any phrase contained in La.R.S.18:1511.11." *Doe* at 346.

Further, the Court specifically stated:

"Nevertheless, we acknowledge that the (Louisiana Ethics) Board's interpretation of the phrase "contained in the report" is a **reasonable reading** of the term..." *Doe* at 346. (Emphasis added.)

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

The only expense associated with the proposed rule change is the cost of publishing the Notice of Intent and the rules in the State Register.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) _____ Yes. If yes, attach documentation.

(b) X _____ NO. If no, provide justification as to why this rule change should be published at this time.

The expense will be absorbed within the agency's existing budget.

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

COSTS	FY 20	FY 21	FY 22
Personal Services	0	0	0
Operating Expenses	\$168	0	0
Professional Services	0	0	0
Other Charges	0	0	0
Equipment	0	0	0
Major Repairs & Constr.	0	0	0
TOTAL	\$168	0	0
POSITIONS (#)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The above cost represents the cost to publish the notice of intent and the rules in the State Register.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 20	FY 21	FY 22
State General Fund	\$168	0	0
Agency Self-Generated	0	0	0
Dedicated	0	0	0
Federal Funds	0	0	0
Other (Specify)	0	0	0
TOTAL	\$168	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes, the agency does have sufficient funds to publish the items in the State Register.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

The proposed action will not have a fiscal impact on local governmental units.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

Not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

REVENUE INCREASE/DECREASE	FY 20	FY 21	FY 22
STATE GENERAL FUND	0	0	0
AGENCY SELF GENERATED	0	0	0
RESTRICTED FUNDS*	0	0	0
FEDERAL FUNDS	0	0	0
LOCAL FUNDS	0	0	0
TOTAL	0	0	0

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

No increase in revenues is anticipated.

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

The proposed action will affect persons who file or are required to file campaign finance disclosure reports; however, it is not anticipated that it will impact their costs or economic benefits.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

The proposed action will have no impact on receipts and/or income from these groups.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed action should not affect competition and employment.

Title 52

ETHICS

Part I. Board of Ethics

Chapter 16. The Board as Supervisory Committee of the Louisiana Campaign Finance Disclosure Act

§1611. Violation Contained in a Report

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