

FISCAL NOTE

SB 815 - HB 1066

March 6, 1999

SUMMARY OF BILL: Enacts the *Privatization Contractor Public Accountability Act*. Directs the Comptroller of the Treasury to promulgate rules to promote and encourage a high degree of public scrutiny and accountability for privatization contractors. Such rules shall require vendors who contract with the state to periodically notify the public that: (1) the vendor receives taxpayer funds; (2) the vendor is providing services traditionally provided by state employees; and (3) inappropriate conduct or omission by the vendor can be reported to the Comptroller's hot-line. A general summary of meritorious calls investigated is to be included in the Comptroller's annual report. Violation of the rules by a privatization contractor shall result in a civil penalty of \$50 per day for each day in violation. Any person who knowingly reports false or frivolous information to the hotline commits a Class A misdemeanor.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Increase State Revenues - Not Significant

Increase Local Govt. Expenditures - Not Significant

Increase Local Govt. Revenues - Not Significant

Assumes:

- the increase in state expenditures will depend on the number of reports of inappropriate conduct by a vendor which are received and investigated by the Comptroller's office. As the Comptroller already has an investigative unit, such an increase is estimated to be not significant.
- the increase in state revenues will depend on the number of privatization contractors found to be in violation of the rules and the amount of civil penalty assessed and collected. Such an increase is estimated to be not significant.
- the impact on local government depends upon the number of persons convicted of the offense of reporting false or frivolous information and the resulting increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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James A. Davenport
James A. Davenport, Executive Director