

FISCAL NOTE

HB 943 - SB 1146

March 16, 2007

SUMMARY OF BILL: Enacts the “Transparency in Government Act.” Requires the Department of Finance and Administration (F&A) to develop and operate a single website, accessible by the public at no cost, which includes specific information related to the expenditure of state funds. Requires the Department of Revenue to prepare an annual report titled “Lost Revenue Report” on all the provisions of state tax law that reduce state revenues through exclusions, deductions, credits, exemptions, deferrals or other preferential tax treatments. Such report shall be completed by October 1st of each year and submitted to the Governor, the Speaker of the Senate, and the Speaker of the House of Representatives.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$3,616,000 – One-Time
Exceeds \$500,000 - Recurring

Assumptions:

- Information pertaining to FY07-08 shall be included on the above mentioned website as it becomes available, and information pertaining to subsequent fiscal years shall be made available no later than thirty (30) days after the last day of the preceding fiscal year.
- Payment data from the various state departments and agencies would require conversion to a unified format that would be compatible with new business intelligent software that is search-capable and has the ability to interface with other state systems. According to Finance & Administration (F&A), the state’s current business intelligent software (Microstrategy) is not capable of producing data and information in the formats specified in this bill.
- There will be a one-time increase to state expenditures for developing and implementing new business intelligent software. Based on the cost of development and implementation of Microstrategy, this one-time cost is estimated to be \$3,600,000.
- According to the Department of Revenue (DOR), it would incur a one-time expenditure for computer and software enhancements in order to

disseminate specific payment information required for the preparation of the proposed Lost Revenue Report. This one-time increase to state expenditures is estimated to be \$16,000.

- The Division of Accounts will incur increased recurring expenditures for maintenance, internal systems, data processing services, and others as a result of this bill. The DOR will incur increased recurring expenditures related to system maintenance and the development of annual Lost Revenue Reports. These additional recurring state expenditures are estimated to exceed \$500,000 per year.

CERTIFICATION:

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

A handwritten signature in black ink, appearing to read "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director