

FINANCIAL IMPACT OF THE CLEAN AND OPEN GOVERNMENT AMENDMENT INITIATIVE

FINANCIAL IMPACT – CANNOT BE DETERMINED

OVERVIEW

The Clean and Open Government Amendment Initiative (Initiative) proposes to amend Article 2 of the *Nevada Constitution* to prohibit holders of sole source government contracts from making, causing to be made, or inducing by any means, either directly or indirectly, contributions to a political party, candidate for any public office at the state or local government level, candidate committee, political action committee, or other associated entity, effective January 1, 2011. The Initiative defines a sole source government contract as any government contract awarded by the state or any political subdivision of at least \$100,000 in value and does not use an open and competitive bidding process soliciting at least three bids. The Initiative requires that the \$100,000 threshold to be adjusted by the Secretary of State for inflation every four years.

The Initiative requires holders of sole source government contracts to deliver a “Government Contract Summary” to the Secretary of State’s Office in a digital format. This summary would contain information regarding the contract, including the names and addresses of the contract holder and all parties to the contract, a brief description of the nature of the contract, the sources and expected dates of payment, and any other information requested by the Secretary of State’s Office. The Initiative requires the Secretary of State’s Office to publish and maintain a summary of this information.

The Initiative allows the Attorney General’s Office or any registered voter of the state to file a complaint for injunctive or declaratory relief, or other appropriate civil remedies, in a state district court.

FINANCIAL IMPACT OF THE INITIATIVE

The Secretary of State’s Office provided a fiscal note indicating that the requirement to publish and maintain a summary of sole source government contracts would have a fiscal impact in each fiscal year on the general operations budget of that office, beginning in Fiscal Year 2010-11. The provisions would increase personnel and program resources and increase expenditures in printing, equipment, personnel and other costs. However, based on currently available information, the Secretary of State’s Office could not provide an estimate of these costs with any reasonable degree of certainty.

The provisions of the Initiative granting registered voters or the Attorney General’s Office the right to file complaints for injunctive or declaratory relief in district court may increase the workload for the Attorney General’s Office and increase the caseload within the state and local court system. The Fiscal Analysis Division cannot predict the number of potential violations that may be brought forward by the Attorney General’s Office or the number of complaints brought forward by registered voters. Therefore, the potential increase in workload on the

Attorney General's Office, the potential increase in caseload for the district court system, or the resulting state and local financial effects associated with these potential increases, cannot be determined with any reasonable degree of certainty.

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