

## LOBBYIST REPORTING REQUIREMENTS

2003 GENERAL SESSION

STATE OF UTAH

**Sponsor: Patrice M. Arent**

**This act modifies the Lobbyist Regulation and Disclosure Act by clarifying requirements for lobbyist and principal reporting when a person or entity ceases to be a lobbyist or principal.**

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

**36-11-103**, as last amended by Chapter 338, Laws of Utah 2000

**36-11-201**, as last amended by Chapter 317, Laws of Utah 2002

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **36-11-103** is amended to read:

**36-11-103. Licensing requirements.**

(1) (a) Before engaging in any lobbying, a lobbyist shall obtain a license from the lieutenant governor by completing the form required by this section.

(b) The lieutenant governor shall issue licenses to qualified lobbyists.

(c) The lieutenant governor shall prepare a Lobbyist License Application Form that includes:

(i) a place for the lobbyist's name and business address;

(ii) a place for the name and business address of each principal for whom the lobbyist works or is hired as an independent contractor;

(iii) a place for the name and address of the person who paid or will pay the lobbyist's registration fee, if the fee is not paid by the lobbyist;

(iv) a place for the lobbyist to disclose any elected or appointed position that the lobbyist holds in state or local government, if any;

(v) a place for the lobbyist to disclose the types of expenditures for which the lobbyist will be reimbursed; and

(vi) a certification to be signed by the lobbyist that certifies that the information

provided in the form is true, accurate, and complete to the best of the lobbyist's knowledge and belief.

(2) Each lobbyist who obtains a license under this section shall update the licensure information when the lobbyist accepts employment for lobbying by a new client.

(3) (a) Except as provided in Subsection (4), the lieutenant governor shall grant a lobbying license to an applicant who:

(i) files an application with the lieutenant governor that contains the information required by this section; and

(ii) pays a \$25 filing fee.

(b) A license entitles a person to serve as a lobbyist on behalf of one or more principals and expires on December 31 of each even-numbered year.

(4) (a) The lieutenant governor may disapprove an application for a lobbying license:

(i) if the applicant has been convicted of violating Section 76-8-103, 76-8-107, 76-8-108, or 76-8-303 within five years before the date of the lobbying license application;

(ii) if the applicant has been convicted of violating Section 76-8-104 or 76-8-304 within one year before the date of the lobbying license application;

(iii) for the term of any suspension imposed under Section 36-11-401; or

(iv) if, within one year before the date of the lobbying license application, the applicant has been found to have willingly and knowingly:

(A) violated Section 36-11-103, 36-11-201, 36-11-301, 36-11-302, 36-11-303, 36-11-304, 36-11-305, or 36-11-403; or

(B) filed a document required by this chapter that the lobbyist knew contained materially false information or omitted material information.

(b) An applicant may appeal the disapproval in accordance with the procedures established by the lieutenant governor under this chapter and Title 63, Chapter 46b, Administrative Procedures Act.

(5) The lieutenant governor shall deposit license fees in the General Fund.

(6) A principal need not obtain a license under this section, but if the principal makes

expenditures to benefit a public official without using a lobbyist as an agent to confer those benefits, the principal shall disclose those expenditures as required by Sections 36-11-201.

(7) Government officers need not obtain a license under this section, but shall disclose any expenditures made to benefit public officials as required by Sections 36-11-201.

(8) Surrender, cancellation, or expiration of a lobbyist license does not absolve the lobbyist of the duty to file the financial reports if the lobbyist is otherwise required to file the reports by Section 36-11-201.

Section 2. Section **36-11-201** is amended to read:

**36-11-201. Lobbyist, principal, and government officer financial reporting requirements -- Prohibition for related person to make expenditures.**

(1) As used in this section, "public official type" means a notation to identify whether the public official is:

- (a) a member of the legislature;
- (b) an individual elected to a position in the executive branch;
- (c) an individual appointed to or employed in a position in the legislative branch who meets the definition of public official in Section 36-11-102; or
- (d) an individual appointed to or employed in a position in the executive branch who meets the definition of public official in Section 36-11-102.

(2) (a) (i) Each lobbyist, principal, and government officer shall file an annual financial report with the lieutenant governor on January 10 of each year or on the next succeeding business day if January 10 falls on a Saturday, Sunday, or legal holiday. The report shall be considered timely filed if postmarked on its due date.

(ii) The report shall disclose expenditures made to benefit public officials or members of their immediate families as provided in this section.

(iii) If the lobbyist made no expenditures since the last expenditure reported on the last report filed, the lobbyist shall file a financial report listing the amount of expenditures as "none."

(b) The January 10 report shall contain:

(i) (A) the total amount of expenditures made to benefit public officials during the last

calendar year; and

(B) the total amount of expenditures made to benefit public officials by public official type during the last calendar year;

(ii) (A) the total travel expenditures that the lobbyist, principal, or government officer made to benefit public officials and their immediate families during the last calendar year; and

(B) the total travel expenditures that the lobbyist, principal, or government officer made to benefit public officials and their immediate families by public official type during the last calendar year; and

(C) a travel expenditure statement that:

(I) describes the destination of each trip and its purpose;

(II) identifies the total amount of expenditures made to benefit each public official and members of the public official's immediate family for each trip;

(III) names all individuals that took each trip;

(IV) identifies the public official type to which each public official belongs;

(V) provides the name and address of the organization that sponsored each trip; and

(VI) identifies specific expenditures for food, lodging, gifts, and sidetrips;

(iii) for aggregate daily expenditures made to benefit public officials or members of their immediate families that are not reportable under Subsection (2)(b):

(A) when the amount does not exceed \$50 per person:

(I) the date of the expenditure;

(II) the purpose of the expenditure;

(III) the public official type to which each public official belongs; and

(IV) the total monetary worth of the benefit conferred on the public officials or members of their immediate families;

(B) when the amount exceeds \$50 per person:

(I) the date, location, and purpose of the event, activity, or expenditure;

(II) the name of the public official or member of the public official's immediate family who attended the event or activity or received the benefit of the expenditure;

(III) the public official type to which each public official belongs; and

(IV) the total monetary worth of the benefit conferred on the public official or member of the public official's immediate family;

(iv) a list of each public official who was employed by the lobbyist, principal, or government officer or who performed work as an independent contractor for the lobbyist, principal, or government officer during the last year that details the nature of the employment or contract;

(v) each bill or resolution by number and short title on behalf of which the lobbyist, principal, or government officer made an expenditure to a public official for which a report is required by this section, if any;

(vi) a description of each executive action on behalf of which the lobbyist, principal, or government officer made an expenditure to a public official for which a report is required by this section, if any; and

(vii) the general purposes, interests, and nature of the organization or organizations that the lobbyist, principal, or government officer filing the report represents.

(c) In reporting expenditures under this section for events to which all legislators are invited, each lobbyist, principal, and government officer:

(i) may not divide the cost of the event by the number of legislators who actually attend the event and report that cost as an expenditure made to those legislators;

(ii) shall divide the total cost by the total number of Utah legislators and others invited to the event and report that quotient as the amount expended for each legislator who actually attended the event; and

(iii) may not report any expenditure as made to a legislator who did not attend the event.

(3) (a) As used in this Subsection (3):

(i) "Lobbyist group" means two or more lobbyists, principals, government officers, and any combination of lobbyists, principals, and officers who each contribute a portion of an expenditure made to benefit a public official or member of his immediate family.

(ii) "Multiclient lobbyist" means a single lobbyist, principal, or government officer who

represents two or more clients and divides the aggregate daily expenditure made to benefit a public official or member of his immediate family between two or more of those clients.

(b) When a lobbyist group combines to make aggregate daily expenditures to benefit public officials or members of their immediate families, and the total aggregate daily expenditure of the lobbyist group exceeds \$50 per person, each member of the lobbyist group shall disclose on the reports required by this section:

(i) the date, location, and purpose of the event, activity, or expenditure;

(ii) the name of the public official or member of the public official's immediate family who attended the event or activity or received the benefit of the expenditure;

(iii) the public official type to which each public official belongs;

(iv) the total monetary worth of the benefit conferred on the public official or member of the public official's immediate family by the lobbyist group and the total monetary worth of the benefit conferred upon the public official or member of the public official's immediate family by the lobbyist, principal, or government officer filing the report;

(v) each bill or resolution by number and short title on behalf of which the lobbyist, principal, or government officer made an expenditure to a public official for which a report is required by this section, if any;

(vi) a description of each executive action on behalf of which the lobbyist, principal, or government officer made an expenditure to a public official for which a report is required by this section, if any; and

(vii) the general purposes, interests, and nature of the organization or organizations that the lobbyist, principal, or government officer filing the report represents.

(c) When a multiclient lobbyist makes aggregate daily expenditures to benefit public officials or members of their immediate families, and the sum of the total aggregate daily expenditure for all of the lobbyist's clients exceeds \$50 for a public official or family member, the multiclient lobbyist shall, for each client, disclose on the reports required by this section:

(i) the date, location, and purpose of the event, activity, or expenditure;

(ii) the name of the public official or member of the public official's immediate family

who attended the event or activity or received the benefit of the expenditure;

(iii) the public official type to which each public official belongs;

(iv) the total monetary worth of the benefit conferred on the public official or member of the public official's immediate family by all clients and the total monetary worth of the benefit conferred on the public official or member of the public official's immediate family by the client upon whose behalf the report is filed;

(v) each bill or resolution by number and short title on behalf of which the lobbyist, principal, or government officer made an expenditure to a public official for which a report is required by this section, if any;

(vi) a description of each executive action on behalf of which the lobbyist, principal, or government officer made an expenditure to a public official for which a report is required by this section, if any; and

(vii) the general purposes, interests, and nature of the organization or organizations that the lobbyist, principal, or government officer filing the report represents.

(4) A related person may not, while assisting a lobbyist, principal, or government officer in lobbying, make an expenditure that benefits a public official or member of the public official's immediate family under circumstances which would otherwise fall within the disclosure requirements of this chapter if the expenditure was made by the lobbyist, principal, or government officer.

(5) (a) Each lobbyist, principal, and government officer who makes expenditures totaling \$50 or more to benefit public officials or members of their immediate families since the date of the last financial report filed shall file a financial report with the lieutenant governor on:

(i) the date ten days after the last day of each annual general session;

(ii) the date seven days before a regular general election; and

(iii) the date seven days after the end of a special session or veto override session.

(b) (i) If any date specified in this Subsection (5) falls on a Saturday, Sunday, or legal holiday, the report is due on the next business day or on the next succeeding business day, if the due date falls on a Saturday, Sunday, or legal holiday.

(ii) The report shall be considered timely filed if it is postmarked on its due date.

(c) Each report shall contain a listing of all expenditures made since the last expenditure reported on the last report filed in the form specified in Subsection (2)(b) and, when applicable, Subsection (3).

(d) In preparing each financial report, all expenditures shall be reported as of five days before the required filing date of the report.

(6) Each financial report filed by a lobbyist shall contain a certification that the information provided in the report is true, accurate, and complete to the lobbyist's best knowledge and belief.

(7) The lieutenant governor shall:

(a) develop preprinted suggested forms for all statements required by this section; and

(b) make copies of the forms available to each person who requests them.

(8) Each lobbyist and principal shall continue to file the financial reports required by this section until the lobbyist or principal has filed the report due on the first January 10 that is more than 12 months after the date that the lobbyist surrenders, fails to renew, or otherwise ceases to be licensed.