

**Representative Patricia W. Jones** proposes the following substitute bill:

**BAN ON GIFTS TO ELECTED OFFICIALS**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Patricia W. Jones**

Senate Sponsor: Patrice M. Arent

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**LONG TITLE**

**General Description:**

This bill modifies the Lobbyist Disclosure and Regulation Act by banning certain gifts to public officials.

**Highlighted Provisions:**

This bill:

- ▶ defines gifts and prohibits public officials from receiving certain gifts; and
- ▶ repeals the existing section governing gifts.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**36-11-103**, as last amended by Chapter 27, Laws of Utah 2003

**36-11-401**, as last amended by Chapter 338, Laws of Utah 2000

**63A-1-105**, as last amended by Chapter 176, Laws of Utah 2002

**63E-1-404**, as enacted by Chapter 201, Laws of Utah 2001

ENACTS:



26           **36-11-501**, Utah Code Annotated 1953

27           **36-11-502**, Utah Code Annotated 1953

28 REPEALS:

29           **36-11-304**, as enacted by Chapter 192, Laws of Utah 1995



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

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

33           **36-11-103. Licensing requirements.**

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

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

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

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

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

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

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

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

48           (vi) a certification to be signed by the lobbyist that certifies that the information  
49 provided in the form is true, accurate, and complete to the best of the lobbyist's knowledge and  
50 belief.

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

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

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

57 (ii) pays a \$25 filing fee.

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

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

61 (i) if the applicant has been convicted of violating Section 76-8-103, 76-8-107,  
62 76-8-108, or 76-8-303 within five years before the date of the lobbying license application;

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

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

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

68 (A) violated Section 36-11-103, 36-11-201, 36-11-301, 36-11-302, 36-11-303,  
69 [~~36-11-304~~], 36-11-305, [~~or~~] 36-11-403, or 36-11-502; or

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

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

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

76 (6) A principal need not obtain a license under this section, but if the principal makes  
77 expenditures to benefit a public official without using a lobbyist as an agent to confer those  
78 benefits, the principal shall disclose those expenditures as required by Sections 36-11-201.

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

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

84 Section 2. Section **36-11-401** is amended to read:

85 **36-11-401. Penalties.**

86 (1) Any person who willfully and knowingly violates Section 36-11-103, 36-11-201,  
87 36-11-301, 36-11-302, 36-11-303, [~~36-11-304~~], 36-11-305, [~~or~~] 36-11-403, or 36-11-502 is

88 subject to the following penalties:

89 (a) an administrative penalty of up to \$1,000 for each violation; and

90 (b) for each subsequent violation of that same section within 24 months, either:

91 (i) an administrative penalty of up to \$5,000; or

92 (ii) suspension of the violator's lobbying license for up to one year, if the person is a  
93 lobbyist.

94 (2) Any person who willfully and knowingly fails to file a financial report required by  
95 this chapter, omits material information from a license application form or financial report, or  
96 files false information on a license application form or financial report, is subject to the  
97 following penalties:

98 (a) an administrative penalty of up to \$1,000 for each violation; or

99 (b) suspension of the violator's lobbying license for up to one year, if the person is a  
100 lobbyist.

101 (3) Any person who willfully and knowingly fails to file a financial report required by  
102 this chapter on the date that it is due shall, in addition to the penalties, if any, imposed under  
103 Subsection (1) or (2), pay a penalty of up to \$50 per day for each day that the report is late.

104 (4) (a) When a lobbyist is convicted of violating Section 76-8-103, 76-8-107, 76-8-108,  
105 or 76-8-303, the lieutenant governor shall suspend the lobbyist's license for up to five years  
106 from the date of the conviction.

107 (b) When a lobbyist is convicted of violating Section 76-8-104 or 76-8-304, the  
108 lieutenant governor shall suspend a lobbyist's license for up to one year from the date of  
109 conviction.

110 (5) (a) Any person who willfully and knowingly violates Section 36-11-301,  
111 36-11-302, or 36-11-303 is guilty of a class B misdemeanor.

112 (b) The lieutenant governor shall suspend the lobbyist license of any person convicted  
113 under any of these sections for up to one year.

114 (c) The suspension shall be in addition to any administrative penalties imposed by the  
115 lieutenant governor under this section.

116 (d) Any person with evidence of a possible violation of this chapter may submit that  
117 evidence to the lieutenant governor for investigation and resolution.

118 (6) Nothing in this chapter creates a third-party cause of action or appeal rights.

119 Section 3. Section **36-11-501** is enacted to read:

120 **Part 5. Gifts**

121 **36-11-501. Definitions.**

122 As used in this part:

123 (1) (a) "Gift" means a transfer of real or personal property for less than fair and  
124 adequate consideration.

125 (b) "Gift" does not mean:

126 (i) a campaign contribution properly received and reported as required under Title 20A,  
127 Chapter 11, Campaign and Financial Reporting Requirements;

128 (ii) compensation, food, beverages, entertainment, transportation, lodging, or other  
129 goods or services extended to a public official by a public official's employer;

130 (iii) a usual and customary commercial loan made in the ordinary course of business;

131 (iv) an award publicly presented in recognition of public service ~~H~~→ **valued at less**  
131a **than \$50 ←H** ;

132 (v) informational or educational items, such as books, articles, periodicals, other  
133 written materials, audiotapes, videotapes, or other forms of communication with no substantial  
134 resale value and related to the performance of the recipient's official duties;

135 (vi) anything received from a person related by blood or marriage or a member of the  
136 public official's household unless the donor is acting as an agent or intermediary for another  
137 person not so related;

138 (vii) a gift that is not used and, no later than 30 days after receipt, is:

139 (A) returned to the donor; or

140 (B) donated to a public body or to the Department of Administrative Services;

141 (viii) a gift or gifts from one member of the Legislature to another member of the  
142 Legislature;

143 (ix) anything for which the public official pays or gives full value;

144 (x) any service spontaneously extended to a public official in an emergency situation;

145 (xi) items received from a bona fide charitable, professional, educational, or business  
146 organization to which the public official belongs as a dues-paying member, if:

147 (A) the items are given to all members of the organization without regard to individual  
148 members' status or positions held outside of the organization; and

149 (B) the dues paid are not inconsequential when compared to the items received;

150 (xii) funeral flowers or memorials to a church or a nonprofit organization given to  
 151 honor a public official, a person related to the public official by blood or marriage, or to a  
 152 member of the public official's household; ~~H→~~ or ~~←H~~

153 (xiii) the cost of admission, attendance, or participation, and of food and beverages  
 154 consumed, at a public policy activity to which all members of the Legislature or all members of  
 155 a legislative committee, a legislative subcommittee, or a task force are invited ~~H→~~ [;] .

156 ~~[(xiv) the cost paid, reimbursed, raised, or obtained by or for a public official in~~  
 157 ~~connection with a convention, conference, or other event sponsored or coordinated by~~  
 158 ~~multistate or national organizations of, or including, state governments, state legislatures, or~~  
 159 ~~state legislators for:~~

160 ~~— (A) attendance at, participation in, or conducting the event;~~

161 ~~— (B) food or beverages consumed at, or in connection with, the event;~~

162 ~~— (C) activities offered at, or in connection with, the event; or~~

163 ~~— (D) funds, goods, or services provided at, or in connection with, the event.] ~~←H~~~~

164 (2) "Public official's immediate family" means:

165 (a) the public official's spouse; and

166 (b) children or other persons living in the public official's household.

167 Section 4. Section **36-11-502** is enacted to read:

168 **36-11-502. Gifts prohibited.**

169 A lobbyist, principal, or government officer may not offer or give a gift valued at more  
 170 than \$5 to any public official or member of the public official's immediate family.

171 Section 5. Section **63A-1-105** is amended to read:

172 **63A-1-105. Appointment of executive director -- Compensation.**

173 (1) The governor shall:

174 (a) appoint the executive director with the consent of the Senate; and

175 (b) establish the executive director's salary within the salary range fixed by the

176 Legislature in Title 67, Chapter 22, State Officer Compensation.

177 (2) The executive director shall serve at the pleasure of the governor.

178 (3) For items donated to the state under Section 36-11-501, the executive director shall  
 179 dispose of each donated item by either:

180 (a) assigning the item to a state agency for its official use; or

181           (b) selling the item at a public sale and depositing the net proceeds from the sale into  
182 the General Fund.

183           Section 6. Section **63E-1-404** is amended to read:

184           **63E-1-404. Penalties for violation.**

185           (1) A person who knowingly violates this part:

186           (a) is guilty of a third degree felony if the combined value of any compensation or  
187 assets received by the person as a result of the violation is equal to or greater than \$10,000; or

188           (b) is guilty of a class A misdemeanor if the combined value of any compensation or  
189 assets received by the person as a result of the violation is less than \$10,000.

190           (2) (a) In addition to any penalty imposed under Subsection (1), a person that violates  
191 this part shall return to the successor of the independent entity any compensation or assets  
192 received in violation of this part.

193           (b) If the assets received by the person in violation of this part are no longer in the  
194 possession of the person, the person shall pay the successor of the independent entity an  
195 amount equal to the fair market value of the asset at the time the person received the asset.

196           (3) Notwithstanding [~~Subsection~~] Section 36-11-401[~~(3)~~], if a lobbyist violates  
197 Subsection 63E-1-402(2)(b)(i)[~~;~~];

198           (a) the lobbyist is guilty of the crime outlined in Subsection (1)[~~;~~which]; and

199           (b) the crime shall be determined by the value of compensation or assets received by  
200 the lobbyist.

201           Section 7. **Repealer.**

202           This bill repeals:

203           Section **36-11-304, Offering gift or loan -- When prohibited.**

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**Fiscal Note**  
**Bill Number HB0094S02**

**Ban on Gifts to Elected Officials**

*13-Feb-06*

*2:17 PM*

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**State Impact**

Provisions of this bill can be enacted within existing budgets.

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**Individual and Business Impact**

No fiscal impact.

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**Office of the Legislative Fiscal Analyst**