

**Senator Howard A. Stephenson** proposes the following substitute bill:

**LOBBYIST GIFT LIMITS AND DISCLOSURE**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jeff Alexander**

Senate Sponsor: \_\_\_\_\_

6	Cosponsors:	Brad L. Dee	Fred R. Hunsaker
7	J. Stuart Adams	Glenn A. Donnelson	Bradley T. Johnson
8	Sheryl L. Allen	John Dougall	Rebecca D. Lockhart
9	Roger E. Barrus	James A. Ferrin	Merlynn T. Newbold
10	Ron Bigelow	Ben C. Ferry	Michael E. Noel
11	DeMar Bud Bowman	Julie Fisher	Aaron Tilton
12	Craig W. Buttars	Ann W. Hardy	Stephen H. Urquhart
13	David Clark	David L. Hogue	Peggy Wallace
14	Stephen D. Clark	Kory M. Holdaway	Scott L Wyatt
15	Greg J. Curtis	Gregory H. Hughes	

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**LONG TITLE**

**General Description:**

This bill modifies the Lobbyist Disclosure and Regulation Act and a reporting section of the Election Code.

**Highlighted Provisions:**

This bill:

- ▶ provides and modifies definitions;
- ▶ requires political action committees and political issues committees to file a yearly organizational statement;
- ▶ requires political action committees and political issues committees to designate and disclose the names of two officers having primary decision-making authority;
- ▶ provides a criminal penalty for a political action committee or a political issues



29 committee that knowingly provides false information on a statement of organization or a notice  
30 of change of officer;

31 ▶ removes reporting exemptions from certain travel, lodging, and meal expenses;

32 ▶ provides that public officials, elected officials of local governments, and public

33 employees are subject to lobbyist disclosure regulations when making expenses that

34 are associated with lobbying;

35 ▶ provides that the governor is not required to report expenses under the act;

36 ▶ requires that financial expenditure reports be filed quarterly;

37 ▶ requires that certain details be reported on expenditures over ~~\$~~→ [~~\$100~~] \$50 ←~~\$~~ ;

38 ▶ requires that the ~~\$~~→ [~~\$100~~] \$50 ←~~\$~~ expenditure threshold be adjusted annually based on

38a the

39 consumer price index;

40 ▶ requires a principal or lobbyist to continue to file quarterly expense reports until the

41 principal or lobbyist files a statement that contains a final expense report and

42 notifies the lieutenant governor that the principal or lobbyist is ceasing lobbying

43 activities;

44 ▶ requires that all reports lobbyist expense reports that are filed with the lieutenant

45 governor be submitted electronically;

46 ▶ requires the chief election officer to calculate and provide public notice of the gift

47 expense threshold amount;

48 ▶ establishes conflict of interest standards for lobbyists; and

49 ▶ makes technical changes.

50 **Monies Appropriated in this Bill:**

51 None

52 **Other Special Clauses:**

53 This bill takes effect on January 15, 2007.

54 **Utah Code Sections Affected:**

55 AMENDS:

56 **20A-11-601**, as enacted by Chapter 1, Laws of Utah 1995

57 **20A-11-801**, as last amended by Chapter 355, Laws of Utah 1997

58 **36-11-102**, as last amended by Chapter 13, Laws of Utah 1998

59 **36-11-103**, as last amended by Chapter 27, Laws of Utah 2003

60 36-11-201, as last amended by Chapter 27, Laws of Utah 2003

61 ENACTS:

62 36-11-306, Utah Code Annotated 1953



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

65 Section 1. Section 20A-11-601 is amended to read:

66 **20A-11-601. Political action committees -- Registration -- Yearly statement of**  
67 **organization -- Criminal penalty for providing false information.**

68 (1) (a) Each political action committee shall file a statement of organization with the  
69 lieutenant governor's office by January 10 of each year, unless the political action committee  
70 has filed a notice of dissolution under Subsection (4).

71 (b) If a political action committee is organized after the January 10 filing date, the  
72 political action committee shall file an initial statement of organization no later than seven  
73 calendar days after:

74 [~~a~~] (i) receiving contributions totaling at least \$750 [~~in any calendar year~~]; or

75 [~~b~~] (ii) distributing expenditures for political purposes totaling at least \$750 [~~in any~~  
76 ~~calendar year~~].

77 (c) If January 10 falls on a weekend or holiday, the statement of organization shall be  
78 filed by the following business day.

79 (2) Each political action committee shall designate two officers that have primary  
80 decision-making authority for the political action committee.

81 [~~2~~] (3) The statement of organization shall include:

82 (a) the name and address of the political action committee;

83 (b) the name, street address, phone number, occupation, and title of the two primary  
84 officers designated under Subsection (2);

85 [~~b~~] (c) the name, street address, occupation, and title of [~~each officer~~] all other  
86 officers of the political action committee;

87 [~~c~~] (d) the name and street address of the organization, individual corporation,  
88 association, unit of government, or union that the political action committee represents, if any;

89 [~~d~~] (e) the name and street address of all affiliated or connected organizations and  
90 their relationships to the political action committee;

91           ~~[(e)]~~ (f) the name, street address, business address, occupation, and phone number of  
92 the committee's treasurer or chief financial officer; and

93           ~~[(f)]~~ (g) the name, street address, and occupation of each member of the governing  
94 ~~[board]~~ any advisory boards, if any.

95           ~~[(3)]~~ (4) (a) Any registered political action committee that intends to permanently cease  
96 operations shall file a notice of dissolution with the lieutenant governor's office.

97           (b) Any notice of dissolution filed by a political action committee does not exempt that  
98 political action committee from complying with the financial reporting requirements of this  
99 chapter.

100           (5) (a) Unless the political action committee has filed a notice of dissolution under  
101 Subsection (4), a political action committee shall file, with the lieutenant governor's office,  
102 notice of any change of an officer described in Subsection (2).

103           (b) Notice of a change of a primary officer described in Subsection (2) shall:

104           (i) be filed within ten days of the date of the change; and

105           (ii) contain the name and title of the officer being replaced, and the name, street  
106 address, occupation, and title of the new officer.

107           (6) (a) A person is guilty of providing false information in relation to a political action  
108 committee if the person intentionally or knowingly gives false or misleading material  
109 information in the statement of organization or the notice of change of primary officer.

110           (b) A violation of this Subsection (6) is a third degree felony.

111           Section 2. Section **20A-11-801** is amended to read:

112           **20A-11-801. Political issues committees -- Registration -- Yearly statement of**  
113 **organization -- Criminal penalty for providing false information.**

114           (1) (a) Each political issues committee shall file a statement of organization with the  
115 lieutenant governor's office by January 10 of each year, unless the political issues committee  
116 has filed a notice of dissolution under Subsection (4).

117           (b) If a political issues committee is organized after the January 10 filing date, the  
118 political issues committee shall file an initial statement of organization no later than seven days  
119 after:

120           (i) receiving political issues contributions totaling at least \$750; or

121           (ii) disbursing political issues expenditures totaling at least \$50 [~~in any calendar year~~].

122 (c) If January 10 fall on a weekend or holiday, the statement of organization shall be  
123 filed by the following business day.

124 (2) Each political issues committee shall designate two officers that have primary  
125 decision-making authority for the political issues committee.

126 [~~2~~] (3) The statement of organization shall include:

127 (a) the name and street address of the political issues committee;

128 (b) the name, street address, phone number, occupation, and title of the two primary  
129 officers designated under Subsection (2);

130 [~~b~~] (c) the name, street address, occupation, and title of [~~each officer~~] all other  
131 officers of the political issues committee;

132 [~~e~~] (d) the name and street address of the organization, individual, corporation,  
133 association, unit of government, or union that the political issues committee represents, if any;

134 [~~d~~] (e) the name and street address of all affiliated or connected organizations and  
135 their relationships to the political issues committee;

136 [~~e~~] (f) the name, street address, business address, occupation, and phone number of  
137 the committee's treasurer or chief financial officer;

138 [~~f~~] (g) the name, street address, and occupation of each member of the supervisory  
139 [~~board~~] and advisory boards, if any; and

140 [~~g~~] (h) the ballot proposition whose outcome they wish to affect, and whether they  
141 support or oppose it.

142 [~~3~~] (4) (a) Any registered political issues committee that intends to permanently cease  
143 operations during a calendar year shall file a notice of dissolution with the lieutenant governor's  
144 office.

145 (b) Any notice of dissolution filed by a political issues committee does not exempt that  
146 political issues committee from complying with the financial reporting requirements of this  
147 chapter.

148 (5) (a) Unless the political issues committee has filed a notice of dissolution under  
149 Subsection (4), a political issues committee shall file, with the lieutenant governor's office,  
150 notice of any change of an officer described in Subsection (2).

151 (b) Notice of a change of a primary officer described in Subsection (2) shall:

152 (i) be filed within ten days of the date of the change; and

153 (ii) contain the name and title of the officer being replaced, and the name, street  
154 address, occupation, and title of the new officer.

155 (6) (a) A person is guilty of providing false information in relation to a political issues  
156 committee if the person intentionally or knowingly gives false or misleading material  
157 information in the statement of organization or the notice of change of primary officer.

158 (b) A violation of this Subsection (6) is a third degree felony.

159 Section 3. Section **36-11-102** is amended to read:

160 **36-11-102. Definitions.**

161 As used in this chapter:

162 (1) "Aggregate daily expenditures" means the total expenditures made within a 24-hour  
163 period.

164 (2) "Executive action" means:

165 (a) nominations and appointments by the governor;

166 (b) the proposal, drafting, amendment, enactment, or defeat by a state agency of any  
167 rule made in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act; and

168 (c) agency ratemaking proceedings.

169 (3) (a) "Expenditure" means any of the items listed in this subsection when given to or  
170 for the benefit of a public official or his immediate family:

171 (i) a purchase, payment, distribution, loan, gift, advance, deposit, subscription,  
172 forbearance, services, or goods, unless consideration of equal or greater value is received; and

173 (ii) a contract, promise, or agreement, whether or not legally enforceable, to provide  
174 any of the items listed in Subsection (3)(a)(i).

175 (b) "Expenditure" does not mean:

176 (i) a commercially reasonable loan made in the ordinary course of business;

177 (ii) a campaign contribution reported in accordance with Title 20A, Chapter 11,

178 [~~Corrupt Practices in Elections~~] Campaign and Financial Reporting Requirements;

179 (iii) printed informational material;

180 (iv) a devise or inheritance;

181 (v) any item listed in Subsection (3)(a) if given by a relative;

182 (vi) a modest item of food or refreshment such as a beverage or pastry offered other  
183 than as part of a meal;

184 (vii) [~~a greeting card or other~~] an item of little intrinsic value that is intended solely for  
185 presentation; or

186 (viii) plaques, commendations, or awards[~~;~~~~or~~].

187 [~~(ix) reimbursement of reasonable expenses for or providing travel, lodging, or meals~~  
188 ~~to a public official when:~~]

189 [~~(A) those expenses are directly related to the public official's attendance and~~  
190 ~~participation in a regularly scheduled meeting of an organization, association, or group; and]~~

191 [~~(B) that organization, association, or group pays or provides those expenses.~~]

192 (4) "Gift expense threshold" means:

193 (a) for calendar year 2007, ~~\$~~~~→~~ [~~\$100~~] \$50 ~~←~~~~\$~~ ; and

194 (b) for each calendar year after 2007, the amount of the gift expense threshold for the  
195 previous year, plus an amount calculated by multiplying the amount of the gift expense  
196 threshold for the previous year by the actual percent change in the Consumer Price Index  
197 during the previous calendar year.

198 [~~(4)~~] (5) (a) "Government officer" means:

199 (i) an individual elected to a position in state or local government, when acting within  
200 his official capacity; or

201 (ii) an individual appointed to or employed in a [~~full-time~~] position by state or local  
202 government, when acting within the scope of his employment.

203 (b) "Government officer" does not mean the governor or a member of the legislative  
204 branch of state government.

205 [~~(5)~~] (6) "Immediate family" means a spouse, a child residing in the household, or an  
206 individual claimed as a dependent for tax purposes.

207 [~~(6)~~] (7) "Interested person" means an individual defined in Subsections [~~(9)~~]  
208 (10)(b)(ii) and [~~(viii)~~] (vii).

209 [~~(7)~~] (8) "Legislative action" means:

210 (a) bills, resolutions, amendments, nominations, and other matters pending or proposed  
211 in either house of the Legislature or its committees or requested by a legislator; and

212 (b) the action of the governor in approving or vetoing legislation.

213 [~~(8)~~] (9) "Lobbying" means communicating with a public official for the purpose of  
214 influencing the passage, defeat, amendment, or postponement of legislative or executive action.

215           ~~[(9)]~~ (10) (a) "Lobbyist" means:  
 216            (i) an individual who is employed by a principal; or  
 217            (ii) an individual who contracts for economic consideration, other than reimbursement  
 218 for reasonable travel expenses, with a principal to lobby a public official.

219           (b) "Lobbyist" does not include:  
 220           ~~[(i) a public official while acting in his official capacity on matters pertaining to his~~  
 221 ~~office or a state employee while acting within the scope of his employment;]~~

222            (i) a member or employee of the legislative branch of government;  
 223            (ii) any person appearing at, or providing written comments to, a hearing conducted in  
 224 accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act or Title 63,  
 225 Chapter 46b, Administrative Procedures Act;

226            (iii) any person participating on or appearing before an advisory or study task force,  
 227 commission, board, or committee, constituted by the Legislature or any agency or department  
 228 of state government, except legislative standing, appropriation, or interim committees;

229            (iv) a representative of a political party;

230            (v) an individual representing a bona fide church solely for the purpose of protecting  
 231 the right to practice the religious doctrines of the church unless the individual or church makes  
 232 an expenditure that confers a benefit on a public official;

233            (vi) a newspaper, television station or network, radio station or network, periodical of  
 234 general circulation, or book publisher for the purpose of publishing news items, editorials,  
 235 other comments, or paid advertisements that directly or indirectly urge legislative or executive  
 236 action; or

237           ~~[(vii) an elected official of a local government while acting within the scope of his~~  
 238 ~~official capacity on matters pertaining to his office or an employee of a local government while~~  
 239 ~~acting within the scope of his employment; or]~~

240           ~~[(viii)]~~ (vii) an individual who appears on his own behalf before a committee of the  
 241 Legislature or an executive branch agency solely for the purpose of testifying in support of or  
 242 in opposition to legislative or executive action.

243           ~~[(10)]~~ (11) "Person" includes individuals, bodies politic and corporate, partnerships,  
 244 associations, and companies.

245           ~~[(11)]~~ (12) "Principal" means a person who employs ~~[a lobbyist]~~ an individual to



246 perform lobbying either as an employee or as an independent contractor.

247 [~~12~~] (13) "Public official" means:

248 (a) a member of the Legislature;

249 (b) an individual elected to a position in the executive branch; or

250 (c) an individual appointed to or employed in the executive or legislative branch if that  
251 individual:

252 (i) occupies a policymaking position or makes purchasing or contracting decisions;

253 (ii) drafts legislation or makes rules;

254 (iii) determines rates or fees; or

255 (iv) makes adjudicative decisions.

256 (14) "Quarterly reporting period" means the three-month period covered by each  
257 financial report required under Subsection 36-11-201(2)(a)(i).

258 [~~13~~] (15) "Related person" means any person, or agent or employee of a person, who  
259 knowingly and intentionally assists a lobbyist, principal, or government officer in lobbying.

260 [~~14~~] (16) "Relative" means a spouse, child, parent, grandparent, grandchild, brother,  
261 sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or  
262 spouse of any of these individuals.

263 Section 4. Section **36-11-103** is amended to read:

264 **36-11-103. Licensing requirements.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

292 (i) if the applicant has been convicted of violating Section 76-8-103, 76-8-107,  
293 76-8-108, or 76-8-303 within five years before the date of the lobbying license application;

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

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

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

299 (A) violated Section 36-11-103, 36-11-201, 36-11-301, 36-11-302, 36-11-303,  
300 36-11-304, 36-11-305, or 36-11-403; or

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

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

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

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

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

310 (7) Government officers need not obtain a license under this section, but shall disclose  
311 any expenditures made ~~[to benefit public officials]~~ in association with lobbying as required ~~[by~~  
312 ~~Sections]~~ under Section 36-11-201.

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

316 Section 5. Section **36-11-201** is amended to read:

317 **36-11-201. Lobbyist, principal, and government officer financial reporting**  
318 **requirements -- Prohibition for related person to make expenditures -- Electronic**  
319 **submission required.**

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

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

328 (2) (a) (i) Each lobbyist[;] and each principal that makes an expenditure during any of  
329 the following quarterly reporting periods, and each government officer that makes an  
330 expenditure in association with lobbying during any of the following quarterly reporting  
331 periods, shall file ~~[an annual]~~ a quarterly financial report with the lieutenant governor on  
332 [January 10 of each year or] the following dates:

- 333 (A) April 10, for the period of January 1 through March 31;
- 334 (B) July 10, for the period of April 1 through June 30;
- 335 (C) October 10, for the period of July 1 through September 30; and
- 336 (D) January 10, for the period of October 1 through December 31 of the previous year.
- 337 (ii) If the due date for a financial report falls on a Saturday, Sunday, or legal holiday,  
338 the report shall be considered to be due on the next succeeding business day ~~[if January 10 falls~~

339 ~~on a Saturday, Sunday, or legal holiday].~~

340 (iii) The report shall be considered timely filed if postmarked on its due date.

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

343 ~~[(iii)–If]~~ (v) (A) Notwithstanding Subsection (2)(a)(i), a lobbyist shall file a quarterly  
344 financial report whether or not the lobbyist has made [no expenditures since the last  
345 expenditure reported on the last report filed;] an expenditure during the quarterly reporting  
346 period.

347 (B) If the lobbyist has made no expenditures during the quarterly reporting period, the  
348 lobbyist shall file a quarterly financial report listing the amount of expenditures as "none."

349 (C) The report shall be filed in accordance with the dates specified under Subsections  
350 (2)(a)(i) and (ii).

351 (b) The ~~[January 10]~~ quarterly financial report shall contain:

352 (i) (A) the total amount of expenditures made to benefit public officials during the last  
353 ~~[calendar year]~~ quarterly reporting period; and

354 (B) the total amount of expenditures made to benefit public officials by public official  
355 type during the last ~~[calendar year]~~ quarterly reporting period;

356 (ii) (A) the total travel expenditures that the lobbyist, principal, or government officer  
357 made to benefit public officials and their immediate families during the ~~[last calendar year]~~  
358 quarterly reporting period; and

359 (B) the total travel expenditures that the lobbyist, principal, or government officer  
360 made to benefit public officials and their immediate families, by public official type, during the  
361 last ~~[calendar year]~~ quarterly reporting period; and

362 (C) a travel expenditure statement that:

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

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

366 (III) names all individuals that took each trip;

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

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

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

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

372 (A) when the amount does not exceed [~~\$50 per person~~] the gift expense threshold for  
373 each person:

374 (I) the date of the expenditure;

375 (II) the purpose of the expenditure;

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

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

379 (B) when the amount exceeds [~~\$50 per person~~] the gift expense threshold for each  
380 person:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

413 (ii) "Multiclient lobbyist" means a single lobbyist, principal, or government officer  
414 who represents two or more clients and divides the aggregate daily expenditure made to benefit  
415 a public official or member of his immediate family between two or more of those clients.

416 (b) When a lobbyist group combines to make aggregate daily expenditures to benefit  
417 public officials or members of their immediate families, and the total aggregate daily  
418 expenditure of the lobbyist group exceeds [~~\$50 per person~~] the gift expense threshold for each  
419 person, each member of the lobbyist group shall disclose on the reports required by this  
420 section:

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

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

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

425 (iv) the total monetary worth of the benefit conferred on the public official or member  
426 of the public official's immediate family by the lobbyist group [~~and~~];

427 (v) the total monetary worth of the benefit conferred upon the public official or  
428 member of the public official's immediate family by the lobbyist, principal, or government  
429 officer filing the financial report;

430 [~~(v)~~] (vi) each bill or resolution by number and short title on behalf of which the  
431 lobbyist, principal, or government officer made an expenditure to a public official for which a

432 report is required by this section, if any;

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

436        [~~(vii)~~] (viii) the general purposes, interests, and nature of the organization or  
437 organizations that the lobbyist, principal, or government officer filing the report represents.

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

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

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

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

447            (iv) the total monetary worth of the benefit conferred on the public official or member  
448 of the public official's immediate family by all clients [~~and~~];

449            (v) the total monetary worth of the benefit conferred on the public official or member  
450 of the public official's immediate family by the client upon whose behalf the report is filed;

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

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

457        [~~(vii)~~] (viii) the general purposes, interests, and nature of the organization or  
458 organizations that the lobbyist, principal, or government officer filing the report represents.

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

463 or government officer.

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

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

469 ~~[(ii) the date seven days before a regular general election; and]~~

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

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

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

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

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

480 ~~[(6)] (5) Each quarterly financial report filed by a lobbyist shall contain a certification~~  
481 ~~that the information provided in the report is true, accurate, and complete to the lobbyist's best~~  
482 ~~knowledge and belief.~~

483 ~~[(7)] (6) The lieutenant governor shall:~~

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

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

486 ~~[(8)] (7) (a) Each lobbyist and principal shall continue to file the quarterly financial~~  
487 ~~reports required by this section [~~until the lobbyist or principal has filed the report due on the~~~~  
488 ~~first January 10 that is more than 12 months after the date that the lobbyist surrenders;] until~~  
489 ~~the lobbyist or principal files a statement with the lieutenant governor that:~~

490 ~~(i) states that the lobbyist or principal is ceasing lobbying activities;~~

491 ~~(ii) in the case of a lobbyist, states that the lobbyist is surrendering the lobbyist's~~  
492 ~~license;~~

493 ~~(iii) contains a listing, as required under Section 36-11-201, of all previously~~



494 unreported expenditures that have been made through the date of the statement; and

495 (iv) states that the lobbyist or principal will not make any additional expense that is not  
496 disclosed on the statement unless the lobbyist complies with the disclosure and licensing  
497 requirements of this chapter.

498 (b) A lobbyist that fails to renew[;] the lobbyist's license or otherwise ceases to be  
499 licensed[;] shall be required to file quarterly reports until the lobbyist files the statement  
500 required by Subsection (7)(a).

501 (8) All reports that are required under this section shall be submitted electronically.

502 (9) The chief election officer shall:

503 (a) calculate the gift expense threshold defined under Section 36-11-102 on an annual  
504 basis; and

505 (b) provide public notice of the gift expense threshold.

506 Section 6. Section **36-11-306** is enacted to read:

507 **36-11-306. Conflicts of interest.**

508 (1) As used in this section, "conflict of interest" means a circumstance where:

509 (a) the representation of one principal or client will be directly adverse to another  
510 principal or client; or

511 (b) there is a significant risk that the representation of one or more principals or clients  
512 will be materially limited by the lobbyist's responsibilities to:

513 (i) another principal or client;

514 (ii) a former principal or client;

515 (iii) a third person; or

516 (iv) a personal interest of the lobbyist.

517 (2) Except as provided in Subsection (3), a lobbyist may not represent a principal or  
518 client if the representation involves a conflict of interest.

519 (3) Notwithstanding the existence of a conflict of interest, a lobbyist may represent a  
520 principal or client if:

521 (a) the lobbyist reasonably believes that the lobbyist will be able to provide competent  
522 and diligent representation to each principal or client;

523 (b) the representation is not otherwise prohibited by law;

524 (c) the representation does not require the lobbyist to assert a position on behalf of one

525 principal or client that is opposed to the position of another principal or client represented by  
526 the lobbyist involving the same legislative issue; and

527 (d) the lobbyist notifies the affected principal or client of the potential conflict and each  
528 affected principal or client gives informed consent to the conflict of interest in writing.

529 **Section 7. Effective date.**

530 This bill takes effect on January 15, 2007.

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**Fiscal Note**  
**Bill Number HB0101S03**

**Lobbyist Gift Limits and Disclosure**

*20-Feb-06*

*10:50 AM*

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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**