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FISCAL IMPACT REPORT

ORIGINAL DATE 2/2/15

SPONSOR Steinborn LAST UPDATED 3/19/15 HB 155/aHRPAC/aSRC

SHORT TITLE Lobbyist Employer Registration SB _____

ANALYST Jorgensen

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	\$30.0	\$30.0	Recurring	General

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Secretary of State (SOS)

SUMMARY

Synopsis of SRC Amendment

The Senate Rules Committee Amendment to House Bill 155 removes language which would require lobbyists to report to the SOS the legislative or administrative issues for which they are employed.

Synopsis of HRPAC Amendment

The House Regulatory and Public Affairs Committee amendment would remove requirements that lobbyist cumulative expenditure report lists each recipient separately and removes the section requiring employers of lobbyists to file an estimated lobbying expense report. Additionally, the HRPAC amendment removes reference to 'lobbying expense reports' throughout the bill.

Synopsis of Original Bill

House Bill 155 would make the following changes to the Lobbyist Registration Act:

- Increases the lobbyist registration fee from \$25 to \$50 per year for each of the lobbyists' employers.

- Requires the SOS to publish the registration statement on the SOS website no more than five days after registration;
- Requires lobbyists to disclose the legislative or administrative issue for which the lobbyist is employed;
- Requires expenditure statements and lobbying expense reports to include the cumulative total of expenditures incurred by the lobbyist or their employer listed by each recipient, indicating the amount spent and a description of the expenditure by category;
- Lowers from \$500 to \$100 the amount of aggregate contributions that triggers mandatory reporting of identification information for other contributors;
- Clarifies that reporting requirements apply to any lobbyist, including employers of lobbyists who themselves engage in lobbying;
- Requires lobbyists' employers to file two estimated lobbying expense reports each year to include both estimated and actual expenses incurred through lobbying activity;
- Requires registration and expenditure statements and lobbying expense reports to be posted on the SOS website in searchable and downloadable formats at least monthly throughout the year and as expeditiously as possible when the legislature is in session; and
- Requires reports to be preserved online for at least 10 years.

FISCAL IMPLICATIONS

The revenue table above reflects the anticipated effect of increasing the lobbyist registration filing fee, which is directed to the general fund, from \$25 to \$50. Over the past three years, the SOS received an average of \$30 thousand from lobbyist registration fees, assuming the number of lobbyists remains constant, the annual revenue generation will double if HB 155 is enacted.

SOS reports that currently, both lobbyists and lobbyists' employers report expenditures in the campaign finance information system (CFIS). In order to comply with the provisions of HB 155, CFIS will have to be modified to create a report which will distinguish estimated expenditures and actual expenditures. Additionally, because lobbyist registrations and the \$25 are hand delivered, the SOS may be unable to meet the five-day deadline to publish lobbyist registrations. The inability to meet this deadline may require an additional module to be constructed in the CFIS system to allow for the electronic registration of lobbyists.

The cost of additions to the CFIS is unknown.

RELATIONSHIP

Relates to: HB 24, Public Officials As Lobbyists; HB 115, State Ethics Commission Act; and HB 214, Public Corruption Offenses.

TECHNICAL ISSUES

The SOS writes:

On page 5, line 2, the bill uses the term “recipient” with regard to lobbyist expenditure reporting. The SOS currently uses the terms “payee” and “beneficiary” to distinguish between the entity to whom an expenditure is made, such as a restaurant, and the person, the “beneficiary” being

lobbied. The term “recipient” does not define whether it refers to the beneficiary or the payee. Additionally, an expenditure under this section may also include opposition to a ballot measure, rule or legislation. The SOS questions what person or entity would meet the definition of “recipient” for such expenditures.

With regard to the estimate report by employers, it is not clear what types of expenses would be “incidental to lobbying”. The SOS believes it would be necessary to clarify these issues in administrative rules in order to clearly quantify what expenditures are subject to reporting under these provisions.

CJ/bb/