

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1849 PCB ETEL 05-02 Registration/Reporting Requirements of Legislative and Executive Branch lobbyists.

SPONSOR(S): Ethics & Elections Committee and Reagan

TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.: Ethics & Elections Committee	11 Y, 0 N	Wiggins	Mitchell
1) _____	_____	_____	_____
2) _____	_____	_____	_____
3) _____	_____	_____	_____
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

HB 1849 (formerly PCB ETEL 05-02) modifies the registration and reporting requirements that govern legislative and executive branch lobbyists.

This bill amends ss. 11.045 and 112.3215, F.S., and creates ss. 11.0455 and 112.32155, F.S.

Some of the more important provisions of the bill include:

- Expanding the reporting of lobbying expenditures to require detailed information of individual expenditures, in addition to the current aggregate reporting by category;
- Modifying the reporting schedule for activity reports from semi-annually to quarterly reporting; and
- Authorizing the creation of an online, electronic filing system for quarterly activity reports and requiring lobbyists to file quarterly activity reports electronically with the Division of Legislative Information Services (Division); directing the Division to provide activity report information on a web site accessible to the public.

Except as provided in certain sections, the bill takes effect on January 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Safeguard individual liberty

Requiring more intensive financial disclosure by lobbyists makes the government more responsive and open to the public.

B. EFFECT OF PROPOSED CHANGES:

Current Situation –

In 2004, Florida had 2,041 legislative lobbyists registered to represent 2,845 principals. The total number of registrations for the year was 7,915, as one lobbyist often registers to represent multiple principals and must file a separate registration for each principal. Florida's legislative lobbyists (and principals through their designated lobbyists) must register annually¹ and report lobbying "expenditures" twice per year.²

Lobbying "expenditures," essentially payments, distributions, or anything of value made by a lobbyist or principal for the purpose of lobbying, are reported *in the aggregate* in 10 broad categories to the Division of Legislative Information Services' Lobbying Registration Office (LRO).³ Individual expenditures are not reported to the LRO. Legislative lobbyists filed 7,445 expenditure reports for activities in the first half of 2004, and 7,543 for the second half.

Florida does not have electronic filing for registration or semi-annual expenditure reports; paper registration and reports are required. Consequently, the LRO manually aggregates the expenditures for each reporting period, for each principal with multiple lobbyists; and each principal's total annual lobbying expenditures.⁴

This aggregate expenditure information, as well as monetary information contained in the expenditure reports, are available from the LRO in hard-copy form upon request, but are not currently available online. The only tangible online information with respect to providing public notice of special interest activities is the name and address of principals and lobbyists, along with the affiliation between lobbyists and principals.⁵

¹ Each lobbyist registration must include a free-form, general description of the lobbyist's area of legislative interest on behalf of the principal. No categories of interest are prescribed for the lobbyist to select from. As a result, descriptions tend to be generic (i.e., issues pertaining to clients) and mostly without any practical value in providing the public notice of the general lobbying interests of each principal.

² Expenditure reports are due 45 days after the end of each semi-annual reporting period. s. 11.045(3)(d), F.S. Reporting for the period January 1 through June 30 is due no later than August 14; reporting for the period July 1 through December 31 is due no later than February 14.

³ Sections 11.045(1)(c), 11.045 (3)(a), F.S. Categories of expenditures on the report are: (1) Food & Beverage; (2) Entertainment; (3) Research; (4) Communication; (5) Media Advertising; (6) Publications; (7) Travel; (8) Lodging; (9) Special Events; (10) Other. Section 11.045(3)(a), F.S.

⁴ Florida law directs the Division to perform these calculations. Section 11.045(3)(c), F.S.

⁵ The web site also contains instructional materials such as forms, guides to filing, and applicable laws and rules. (<http://www.flsenate.gov/Lobbyist/index.cfm?Submenu=1&Tab=lobbyist>).

C. SECTION DIRECTORY:

Section 1. Substantive changes. [amending s. 11.045, F.S.]

1.e. The definition of "lobbying" is expanded to include an attempt to obtain the goodwill of a member or employee of the Legislature or the spouse, child, or parent of such person.

3.a. Mandates that each activity report contain *aggregate expenditures* allocated to one of 10 categories (i.e., Food & Beverage, Entertainment, Lodging, Travel), but that each *individual* expenditure (except legislative-wide "open" events) be detailed with the name and address of the person *to whom* the expenditure was made; the amount, date, and purpose of the expenditure; and the name and title of the legislator or other person *for whom* the expenditure was made.

3.d. Maintains the current timetables for lobbying registration (annually) but modifies the schedule for periodic reporting of lobbyist expenditures, from semi-annually to *quarterly* filing.

Expands the current requirement that the Division of Legislative Information Services annually and semi-annually aggregate total *expenditures* for each principal with multiple lobbyists, to require aggregation annually and by *quarter* of expenditure information.

Specifically adds "ledgers," "e-mails," and "federal tax information" to an already extensive list of items enumerated in statute that must be retained by lobbyists and principals in order to support lobbying expenditures reported.

Section 2. Reporting requirement for legislative lobbyists. [amending s. 11.045(3), F.S.]

As amended by section 1 strikes postmark deadlines for reports. Reporting statements must be filed by electronic means as provided in s. 11.0455, F.S. Consequently, the language relating to mailing reports is obsolete and has been stricken.

Section 3. Online electronic reporting. [creating s. 11.0455, F.S.]

a. *Effective April 1, 2006*, requires the division to have in place an online reporting system for filing quarterly lobbying activity reports of expenditures. The electronic filing system will be Internet-based, and permit direct entry and upload of lobbying activity report information.

b. *Effective April 1, 2006*, requires the Division to disseminate information on lobbying expenditures on its web site.

Section 4. Executive branch and Constitutional Revision Commission. [amending s. 112.3215, F.S.]

Extends lobbying definition to the spouse, child or parent of such a person employed by the executive branch or the Constitutional Revision Commission. Mandates executive lobbyists also adhere to quarterly reporting guidelines.

Mandates that each activity report contain *aggregate expenditures* allocated to one of 10 categories (i.e., Food & Beverage, Entertainment, Lodging, Travel), but that each *individual* expenditure (except agency-wide "open" events) be detailed with the name and address of the person *to whom* the expenditure was made; the amount, date, and purpose of the expenditure; and the name and title officials or other person *for whom* the expenditure was made.

Section 5. Electronic filing of lobbying reports for executive branch lobbyists.

a. *Effective April 1, 2006*, requires the Commission on Ethics to have in place an online reporting system for filing quarterly lobbying activity reports of expenditures. The electronic filing system will be Internet-based, and permit direct entry and upload of lobbying activity report information

b. *Effective April 1, 2006*, requires the Commission to disseminate information on lobbying expenditures on its web site.

Section 6. Reporting requirements for executive branch lobbyists. amending s. 11.045(3), F.S.]

As amended by section 1 strikes postmark deadlines for reports. Reporting statements filed with the Commission on Ethics must be filed by electronic means as provided in s. 11.0455, F.S. . Consequently, the language relating to mailing reports is obsolete and has been stricken.

Section 7. Implementation schedule.

The bill provides that the first lobbying activity reports subject to the new reporting requirements are due by May 15, 2006, for the reporting period January 1, 2006, to March 31, 2006.

Section 8. The effective date of the bill is January 1, 2006.

This bill is linked to HB 1851 (formerly PCB ETEL 05-03), a public records bill that exempts passwords, user identifications, draft reports, and files associated with the electronic filing of quarterly lobbying activity reports created in section 3 of the bill.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

2. Expenditures:

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

2. Expenditures:

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

2. Other:

B. RULE-MAKING AUTHORITY:

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES