

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 7023 PCB PIE 17-04 Trust Funds/Creation/Local Government Lobbyist Registration Trust Fund

SPONSOR(S): Public Integrity & Ethics Committee, Yarborough

TIED BILLS: HB 7021 **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Public Integrity & Ethics Committee	18 Y, 0 N	Kiner	Rubottom
1) Appropriations Committee	27 Y, 0 N	Delaney	Leznoff
2) Government Accountability Committee			

SUMMARY ANALYSIS

The bill creates the Local Government Lobbyist Registration Trust Fund within the Commission on Ethics. The trust fund's purpose is to administer the Local Government Lobbyist Registration System, with annual registration fees collected to fund the administration of the program, including the payment of salaries and expenses.

Pursuant to the Florida Constitution, the trust fund shall be terminated on July 1, 2021, unless terminated sooner. Prior to its termination, the trust fund must be reviewed as provided in s. 215.3206(1) and (2), F.S.

This bill has no fiscal impact.

The bill becomes effective on the same date as HB 7021, relating to Local Government Ethics Reform, or similar legislation, is adopted in the same legislative session or an extension thereof and becomes law.

A bill proposing to create a trust fund must be passed by three-fifths of the membership of each house of the Legislature.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Trust Fund Creation and Termination

Article III, s. 19(f)(1) of the Florida Constitution requires a trust fund of the State of Florida or other public body be created or re-created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature.

Article III, s. 19(f)(2) of the Florida Constitution requires trust funds to terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law, the legislature may set a shorter time period for which any trust fund is authorized. However, Article III, s. 19(f)(3) of the Florida Constitution provides various exceptions to the four-year termination requirement for various types of trust funds. Among the exceptions are trust funds that serve as clearing funds or accounts for the chief financial officer or state agencies, and trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.

State Lobbyist Registration Systems

Florida law requires a person who wishes to lobby the executive branch to register as a lobbyist with the Commission on Ethics.¹ Similarly, the Florida Legislature, by rule, requires a lobbyist who wishes to lobby either house of the legislature to register with the Lobbyist Registration Office in the Office of Legislative Services.² In addition to these registration requirements, lobbying firms must file quarterly compensation reports for each quarter in which at least one of their lobbyists were registered to represent a principal.³

As of February 2017, there were over 1,300 lobbyists registered to lobby the executive branch on behalf of over 3,300 principals, representing over 8,900 total registrations.⁴ As of February 2017, there were over 1,800 lobbyists registered to lobby the legislature on behalf of over 3,600 principals, representing over 10,000 total registrations.⁵ In total, there were over 150 lobbyists registered to lobby only the executive branch, over 600 registered to lobby only the legislature, and over 1,200 registered to lobby both the executive branch and the legislature.⁶ Currently, the executive branch has 1.5 FTEs to administer registrations, including oath authorization, and compensation reports. The legislature has 2 FTEs to administer registrations and compensation reports.

Each lobbyist registration program has a dedicated trust fund whereby registration fees must be used to administer the program. The executive branch lobbyist registration fee is \$25 per principal, although by statute, the fee may be up to \$40 per principal.⁷ The legislature's annual lobbyist registration fee is \$50 for the first registration and \$20 for each additional registration. If a lobbyist is registering before only one chamber, the annual fee is \$25 for the first registration and \$10 for each additional registration. As of February 2017, the Executive Branch Lobbyist Registration Trust Fund had

¹ S. 112.3215, F.S.

² Joint Rule 1.1(1)

³ SS. 11.045(3)(a)1. and 112.3215(5)(a)1., F.S.

⁴ See statistics on registered lobbyists on the Florida Lobbyist Registration & Compensation website at www.floralobbyist.gov (last viewed 2/24/2017).

⁵ Id.

⁶ Id.

⁷ Rule 34-12.200, F.A.C., implementing s. 112.3215(4), F.S.

\$1,135,123 cash on hand, while the Legislative Lobbyist Registration Trust Fund had \$1,379,440 cash on hand.

Executive Branch Lobbyist Registration Trust Fund										
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY12-13	FY 13-14	FY 14-15	FY 15-16
Beginning Cash Balance	595,084	631,757	733,949	833,081	901,796	944,303	1,002,123	1,052,516	1,060,646	967,265
Revenues Collected	182,600	201,525	201,025	189,515	194,175	205,025	201,825	230,530	261,830	254,250
Disbursements	145,927	99,333	101,893	120,800	151,668	147,206	151,432	222,400	355,210	216,183
Excess (Deficiency) of Revenue over Disbursements	36,673	102,192	99,132	68,715	42,507	57,819	50,393	8,130	(93,380)	38,067
Ending Cash Balance	631,757	733,949	833,081	901,796	944,303	1,002,123	1,052,516	1,060,646	967,265	1,005,333
Legislative Branch Lobbyist Registration Trust Fund										
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY11-12	FY12-13	FY 13-14	FY 14-15	FY 15-16
Beginning Cash Balance	792,074	797,934	838,507	889,603	936,720	993,658	1,117,279	1,230,248	1,270,080	1,230,775
Revenues Collected	254,137	252,435	256,746	245,680	246,545	260,580	247,845	265,830	278,600	283,355
Disbursements	248,277	211,862	205,650	198,563	189,606	136,959	134,877	225,998	317,905	223,197
Excess (Deficiency) of Revenue over Disbursements	5,860	40,573	51,096	47,117	56,938	123,621	112,968	39,832	(39,305)	60,158
Ending Cash Balance	797,934	838,507	889,603	936,720	993,658	1,117,279	1,230,248	1,270,080	1,230,775	1,290,933

Effect of Proposed Changes

The bill creates the Local Government Lobbyist Registration Trust Fund within the Commission on Ethics. The trust fund's purpose is to fund the administration of the local government lobbyist registration program, including the payment of salaries and other expenses.

The bill requires the trust fund to be reviewed as provided in s. 215.3206 (1) and (2), F.S. These provisions of law would require the Commission on Ethics to review the trust fund and recommend to the President of the Senate and the Speaker of the House of Representatives whether the trust fund should be allowed to terminate or should be re-created.

B. SECTION DIRECTORY:

Section 1 creates s. 112.32613, F.S., relating to the creation of the Local Government Lobbyist Registration Trust Fund.

Section 2 provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

Article III, s. 19(f)(1) of the Florida Constitution requires a trust fund of the State of Florida or other public body be created or re-created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature.

Article III, s. 19(f)(2) requires trust funds to terminate not more than four years after the effective date of the act authorizing the initial creation of the trust fund. By law, the legislature may set a shorter time period for which any trust fund is authorized. However, Article III, s. 19(f)(3) of the Florida Constitution provides various exceptions to the four-year termination requirement for various types of trust funds. Among the exceptions are trust funds that serve as clearing funds or accounts for the chief financial officer or state agencies, and trust funds that account for assets held by the state in a trustee capacity as an agent or fiduciary for individuals, private organizations, or other governmental units.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Before its scheduled termination, the bill requires the Local Government Lobbyist Registration Trust Fund to be reviewed as provided in s. 215.3206(1) and (2), F.S. However, such review may not be necessary.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES