



House of Representatives

General Assembly

File No. 468

February Session, 2008

Substitute House Bill No. 5504

House of Representatives, April 4, 2008

The Committee on Government Administration and Elections reported through REP. CARUSO of the 126th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MUNICIPAL LOBBYING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 1-91 of the 2008 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (a) "Administrative action" means any action or nonaction of any
5 executive agency of the state or political subdivision of the state with
6 respect to the proposal, drafting, development, consideration,
7 amendment, adoption or repeal of any rule, ordinance, regulation or
8 utility rate, and any action or nonaction of any executive agency or
9 quasi-public agency, as defined in section 1-79 of the 2008 supplement
10 to the general statutes, regarding a contract, grant, award, purchasing
11 agreement, loan, bond, certificate, license, permit or any other matter
12 which is within the official jurisdiction or cognizance of such an
13 agency.

14 Sec. 2. Subsections (j) and (k) of section 1-91 of the 2008 supplement
15 to the general statutes are repealed and the following is substituted in
16 lieu thereof (*Effective from passage*):

17 (j) "Legislative action" means introduction, sponsorship,
18 consideration, debate, amendment, passage, defeat, approval, veto,
19 overriding of a veto or any other official action or nonaction with
20 regard to any bill, resolution, amendment, nomination, appointment,
21 report, or any other matter pending or proposed in a committee or in
22 either house of the legislature or before the legislative body of a
23 political subdivision of the state, or any matter which is within the
24 official jurisdiction or cognizance of the legislature or the legislative
25 body of a political subdivision of the state.

26 (k) "Lobbying" means communicating directly or soliciting others to
27 communicate with any official or his staff in the legislative or executive
28 branch of government, [or] in a quasi-public agency or in any political
29 subdivision of the state, for the purpose of influencing any legislative
30 or administrative action except that the term "lobbying" does not
31 include (1) communications by or on behalf of a party to, or an
32 intervenor in, a contested case, as described in regulations adopted by
33 the commission in accordance with the provisions of chapter 54, before
34 an executive agency or a quasi-public agency, as defined in section 1-
35 79 of the 2008 supplement to the general statutes, (2) communications
36 by a representative of a vendor or by an employee of the registered
37 client lobbyist which representative or employee acts as a salesperson
38 and does not otherwise engage in lobbying regarding any
39 administrative action, (3) communications by an attorney made while
40 engaging in the practice of law, [and] including communications with
41 any official or staff of any agency of any political subdivision of the
42 state having responsibility for: Planning or zoning decisions made
43 pursuant to chapters 124, 124a, 125, 125a, 126, 126a, or 127; inland
44 wetlands decisions made pursuant to chapter 440; historic districts
45 decisions made pursuant to chapter 97a; water pollution control
46 authority decisions made pursuant to chapter 446k; motor vehicle or
47 gasoline location decisions made pursuant to chapter 246; aquifer

48 protection decisions made pursuant to chapter 446i; or conservation
 49 decisions made pursuant to chapter 97, or communications by an
 50 attorney made while engaging in the practice of law regarding any
 51 matter other than legislative action as defined in subsection (j) of this
 52 section or the proposal, drafting, development, consideration,
 53 amendment, adoption or repeal of any rule, ordinance, referendum,
 54 budget or regulation, [or] (4) communications by any expert witness in
 55 any matter described in subdivision (3) of this subsection, or (5) other
 56 communications exempted by regulations adopted by the commission
 57 in accordance with the provisions of chapter 54.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	1-91(a)
Sec. 2	<i>from passage</i>	1-91(j) and (k)

GAE *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$
Office of State Ethics	GF - Cost	60,000	60,000
Office of State Ethics	GF - Revenue Gain	Minimal	Minimal
Comptroller Misc. Accounts (Fringe Benefits) ¹	GF - Cost	15,000	35,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires municipal lobbyists to register and file certain disclosures with the Office of State Ethics (OSE). A Paralegal II position (\$60,000)¹ is needed to handle the registration and reporting requirements as well as provide educational support and interpretation of the statutes and regulations as they apply to municipal lobbying. This will result in a minimal revenue gain to the state from the \$150 biennial registration fee. Requiring municipal lobbyists to register with the OSE will make their services subject to the 6% sales tax, resulting in a minimal revenue gain to the state.

The Lobbyist Electronic Filing system does not meet the standards of the Department of Information Technology (DoIT) and is currently not equipped to handle the addition of the municipal lobbyists. sHB5021, the budget bill as favorably reported by the Appropriations

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The first year fringe benefit costs for new positions do not include pension costs. The estimated first year fringe benefit rate as a percentage of payroll is 25.36%. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System (SERS). The SERS fringe benefit rate is 33.27%, which when combined with the rate for non-pension fringe benefits totals 58.63%.

Committee provides \$400,000 for IT Initiatives as well as an additional carryforward of \$413,000 to upgrade this system to meet current standards. The OSE is currently entered into a MOU with DoIT to develop a business plan to accommodate the upgrade of their IT systems.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5504*****AN ACT CONCERNING MUNICIPAL LOBBYING.*****SUMMARY:**

This bill expands the Code of Ethics for Lobbyists to cover lobbyists appearing before political subdivisions of the state (see BACKGROUND). It accomplishes this by broadening the definitions of administrative action, legislative action, and lobbying to include political subdivisions. Thus, the bill regulates municipal lobbyists in the same manner as state lobbyists.

EFFECTIVE DATE: Upon passage

TREATMENT UNDER THE STATE CODE OF ETHICS

By law, a lobbyist is a person who receives, spends, or receives and spends (or agrees to receive, spend, or both) at least \$2,000 in a calendar year in lobbying and in furtherance of lobbying. The bill expands the definitions of administrative action, legislative action, and lobbying to cover those who lobby before the legislative body of a political subdivision of this state. It thus places the same requirements, bans, and limitations on municipal lobbyists as those that apply to state lobbyists.

This means that under the bill, municipal lobbyists, like their state counterparts, must:

1. register with the Office of State Ethics (OSE) biennially, and pay a \$150 fee;
2. abide by the restrictions on their lobbying activities under the Code of Ethics, including a ban on gift-giving and contingency

lobbying; and

3. wear badges when lobbying.

In addition, the financial reporting requirements for municipal lobbyists are the same as the requirements for state lobbyists. Municipal client lobbyists must file financial reports with the OSE in April, July, and January. They must file interim reports during the regular legislative session for each month that they spend more than \$100 on lobbying. Municipal communicator lobbyists must generally file with the OSE in January.

By law, “client lobbyist” means an entity that pays someone \$2,000 or more in a calendar year to lobby, and “communicator lobbyist” means a lobbyist who communicates directly or solicits others to communicate with an official or a member of his or her staff in the legislative or executive branch of government or in a quasi-public agency for the purpose of influencing legislative or administrative action.

The bill requires the office to investigate and hear complaints against municipal lobbyists and impose penalties for code violations just as it currently does with respect to state lobbyists.

DEFINITIONS

Under the bill, “legislative action” means any official action or non-action taken on any bill, resolution, amendment, nomination, appointment, report, or other matter pending or proposed in a committee or in either house of the legislature or before the legislative body of a political subdivision of the state, or any matter within the official jurisdiction or cognizance of the legislature or legislative body of the political subdivision.

“Administrative action” means any action by an executive agency of the state or a political subdivision with respect to the proposal, drafting, development, consideration, amendment, adoption, or repeal of any rule, regulation, ordinance, regulation, or utility rate. Under

current law, it does not include action or inaction on ordinances. It also includes any action or inaction on a contract, grant, award, purchasing agreement, loan, bond, certificate, license, permit, or other matter within the agency's jurisdiction or cognizance.

With some exemptions, "lobbying" means communicating directly, or soliciting others to communicate, with any official or official's staff in the legislative or executive branch, a quasi-public agency, or a political subdivision of the state for the purpose of influencing legislative or administrative action.

Exemptions

The bill exempts from lobbying, communications made by an attorney in the practice of law with any official or agency employee of a state political subdivision who has responsibility for:

1. planning and zoning decisions,
2. inland wetlands decisions,
3. historic districts decisions,
4. water pollution control authority decisions,
5. motor vehicle or gasoline location decisions,
6. aquifer protection decisions, or
7. conservation decisions.

The bill also exempts from lobbying (1) communications by an expert witness in a matter concerning any of these decisions and (2) communications made by an attorney in the practice of law that are not intended to cause the development of or changes to any ordinance, referendum, or budget.

BACKGROUND

Political Subdivisions

The statutes do not define the term "political subdivision" but use it

to describe municipalities and other entities, including municipal resource recovery authorities, regional water pollution control authorities, and several other types of authorities.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 13 Nay 0 (03/17/2008)