



House of Representatives

General Assembly

File No. 674

January Session, 2009

Substitute House Bill No. 6690

House of Representatives, April 16, 2009

The Committee on Government Administration and Elections reported through REP. SPALLONE of the 36th 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. (NEW) (*Effective October 1, 2009*) For the purposes of this
2 section and sections 2 to 4, inclusive, of this act:

3 (1) "Administrative action" means any action or nonaction of any
4 executive agency of a municipality with respect to the proposal,
5 drafting, development, consideration, amendment, adoption or repeal
6 of any rule, ordinance, regulation or utility rate.

7 (2) "Compensation" means any value received or to be received by a
8 person acting as a municipal lobbyist, whether in the form of a fee,
9 salary or forbearance.

10 (3) "Executive agency" means a commission, board, agency, or other
11 body or official in the executive branch of a municipality and any
12 independent body of a municipality that is not a part of the legislative

13 body of such municipality.

14 (4) "Expenditure" means (A) any advance, conveyance, deposit,
15 distribution, transfer of funds, loan or payment, unless expressly
16 excluded; (B) any payments for telephone, mailing, postage, printing
17 and other clerical or office services and materials; (C) any paid
18 communications, costing fifty dollars or more in any calendar year,
19 disseminated by means of any printing, broadcasting or other
20 medium, provided such communications refer to pending
21 administrative or legislative action; any contract, agreement, promise
22 or other obligation; (D) any solicitation or solicitations, costing fifty
23 dollars or more in the aggregate for any calendar year, of other persons
24 to communicate with a public official or municipal employee for the
25 purpose of influencing any legislative or administrative act; and (E)
26 any pledge, subscription of money or anything of value. "Expenditure"
27 shall not include the payment of a registrant's fee pursuant to section 3
28 of this act, any expenditure made by any club, committee, partnership,
29 organization, business, union, association or corporation for the
30 purpose of publishing a newsletter or other release to its members,
31 shareholders or employees, or contributions, membership dues or
32 other fees paid to associations, nonstock corporations or tax-exempt
33 organizations under Section 501(c) of the Internal Revenue Code of
34 1986, or any subsequent corresponding internal revenue code of the
35 United States, as from time to time amended.

36 (5) "Individual" means a natural person.

37 (6) "Legislative action" means introduction, sponsorship,
38 consideration, debate, amendment, passage, defeat, approval, veto,
39 overriding of a veto or any other official action or nonaction with
40 regard to any proposal, resolution, amendment, nomination,
41 appointment, report, or any other matter pending or proposed before
42 the legislative body of a municipality, or any matter which is within
43 the official jurisdiction or cognizance of the legislative body of a
44 municipality.

45 (7) "Municipal lobbying" means communicating directly or

46 soliciting others to communicate with any public official or his staff in
47 the legislative or executive branch or body of any municipality, for the
48 purpose of influencing any legislative or administrative action, except
49 that the term "municipal lobbying" does not include (A)
50 communications by a representative of a vendor or by an employee of
51 the registered client lobbyist which representative or employee acts as
52 a salesperson and does not otherwise engage in lobbying regarding
53 any administrative action, (B) communications by an attorney made
54 while engaging in the practice of law, including communications with
55 any official or staff of any agency of any municipality having
56 responsibility for: Planning or zoning decisions made pursuant to
57 chapter 124, 124a, 125, 125a, 126, 126a or 127 of the general statutes;
58 inland wetlands decisions made pursuant to chapter 440 of the general
59 statutes; historic districts decisions made pursuant to chapter 97a of
60 the general statutes; water pollution control authority decisions made
61 pursuant to chapter 446k of the general statutes; motor vehicle or
62 gasoline location decisions made pursuant to chapter 246 of the
63 general statutes; aquifer protection decisions made pursuant to chapter
64 446i of the general statutes; or conservation decisions made pursuant
65 to chapter 97 of the general statutes, or communications by an attorney
66 made while engaging in the practice of law regarding any matter other
67 than legislative action, as defined in subdivision (6) of this section, or
68 the proposal, drafting, development, consideration, amendment,
69 adoption or repeal of any rule, ordinance, referendum, budget or
70 regulation, or (C) communications by any expert witness in any matter
71 described in subparagraph (B) of this subdivision.

72 (8) "Municipal lobbyist" means a person who in municipal lobbying
73 and in furtherance of municipal lobbying makes or agrees to make
74 expenditures, or receives or agrees to receive compensation,
75 reimbursement, or both, and such compensation, reimbursement or
76 expenditures are two thousand dollars or more in any calendar year or
77 the combined amount thereof is two thousand dollars or more in any
78 such calendar year. Municipal lobbyist shall not include:

79 (A) A public official, employee of a municipality, or elected or

80 appointed official of a municipality or his designee other than an
81 independent contractor, who is acting within the scope of his authority
82 or employment;

83 (B) A publisher, owner or an employee of the press, radio or
84 television while disseminating news or editorial comment to the
85 general public in the ordinary course of business;

86 (C) An individual representing himself or another person before the
87 legislative body of a municipality or an agency of a municipality other
88 than for the purpose of influencing legislative or administrative action;

89 (D) Any individual or employee who receives no compensation or
90 reimbursement specifically for municipal lobbying and who limits his
91 activities solely to formal appearances to give testimony before public
92 sessions of the legislative body of any municipality or public hearings
93 of any agency of any municipality and who, if he testifies, registers his
94 appearance in the records of such legislative body or agency;

95 (E) A member of an advisory board acting within the scope of his
96 appointment;

97 (F) A senator or representative in Congress acting within the scope
98 of his office;

99 (G) Any person who receives no compensation or reimbursement
100 specifically for municipal lobbying and who spends no more than five
101 hours in furtherance of municipal lobbying unless such person (i)
102 exclusive of salary, receives compensation or makes expenditures, or
103 both, of two thousand dollars or more in any calendar year for
104 municipal lobbying or the combined amount thereof is two thousand
105 dollars or more in any such calendar year, or (ii) expends fifty dollars
106 or more for the benefit of a public official, a member of his staff or
107 immediate family;

108 (H) A communicator lobbyist who receives or agrees to receive
109 compensation, reimbursement, or both, the aggregate amount of which
110 is less than two thousand dollars from each client in any calendar year;

111 or

112 (I) Any person who undertakes to guide or direct an application or
113 request through an official process of approval without seeking any
114 substantive change in law, ordinance, code or regulation.

115 (9) "Member of an advisory board" means any person appointed by
116 a public official as an advisor or consultant or member of a committee,
117 commission or council established to advise, recommend or consult
118 with a public official or municipality or committee thereof and who
119 receives no public funds other than per diem payments or
120 reimbursement for his actual and necessary expenses incurred in the
121 performance of his official duties and who has no authority to expend
122 any public funds or to exercise the power of a municipality.

123 (10) "Person" means an individual, a business, corporation, limited
124 liability company, union, association, firm, partnership, committee,
125 club or other organization or group of persons.

126 (11) "Public official" means any appointed or elected officer of any
127 municipality.

128 (12) "Registrant" means a person who is required to register
129 pursuant to section 2 of this act.

130 (13) "Reimbursement" means any money or thing of value received
131 or to be received in the form of payment for expenses as a lobbyist, not
132 including compensation.

133 (14) "Municipal employee" means any employee of a municipality,
134 whether in the classified or unclassified service and whether full or
135 part time.

136 (15) "Client lobbyist" means a municipal lobbyist on behalf of whom
137 municipal lobbying takes place and who makes expenditures for
138 municipal lobbying and in furtherance of municipal lobbying.

139 (16) "Communicator lobbyist" means a municipal lobbyist who

140 communicates directly or solicits others to communicate with a public
141 official or his staff of a municipality for the purpose of influencing
142 legislative or administrative action.

143 (17) "Immediate family" means any spouse, dependent children or
144 dependent relatives who reside in the individual's household.

145 Sec. 2. (NEW) (*Effective October 1, 2009*) A municipal lobbyist shall
146 register with the Office of State Ethics, established pursuant to section
147 1-80 of the general statutes, if the municipal lobbyist:

148 (1) Receives or agrees to receive compensation or reimbursement for
149 actual expenses, or both, in a combined amount of two thousand
150 dollars or more in a calendar year for municipal lobbying, whether
151 that receipt of compensation or reimbursement or agreement to receive
152 such compensation or reimbursement is solely for municipal lobbying
153 or the municipal lobbying is incidental to that person's regular
154 employment; or

155 (2) Makes or incurs an obligation to make expenditures of two
156 thousand dollars or more in a calendar year for municipal lobbying.

157 Sec. 3. (NEW) (*Effective October 1, 2009*) (a) Each registrant shall file
158 every two years with the Office of State Ethics on a registration form
159 signed under penalty of false statement on or before January fifteenth
160 of odd-numbered years or prior to the commencement of municipal
161 lobbying whichever is later. If the registrant is not an individual, an
162 authorized officer or agent of the registrant shall sign the form. Such
163 registration shall be on a form prescribed by the Citizen's Ethics
164 Advisory Board and shall include:

165 (1) If the registrant is an individual, the registrant's name,
166 permanent address and temporary address while municipal lobbying
167 and the name, address and nature of business of any person who
168 compensates or reimburses, or agrees to compensate or reimburse the
169 registrant and the terms of the compensation, reimbursement or
170 agreement, but shall not include the compensation paid to an

171 employee for his involvement in activities other than municipal
172 lobbying;

173 (2) If the registrant is a corporation, the name, address, place of
174 incorporation and the principal place of business of the corporation;

175 (3) If the registrant is an association, group of persons or an
176 organization, the name and address of the principal officers and
177 directors of such association, group of persons or organization. If the
178 registrant is formed primarily for the purpose of municipal lobbying, it
179 shall disclose the name and address of any person contributing two
180 thousand dollars or more to the registrant's municipal lobbying
181 activities in any calendar year;

182 (4) If the registrant is not an individual, the name and address of
183 each individual who will municipal lobby on the registrant's behalf;

184 (5) The identification, with reasonable particularity, of areas of
185 legislative or administrative action on which the registrant expects to
186 municipal lobby; and

187 (6) The identification of each municipality within which the
188 registrant expects to lobby.

189 (b) Each registrant shall pay a reasonable fee not in excess of the cost
190 of administering the registration form provided for in subsection (a) of
191 this section. A registrant who commences municipal lobbying in an
192 even-numbered year shall file with the Office of State Ethics, on or
193 before January fifteenth of such even-numbered year or prior to the
194 commencement of municipal lobbying, whichever is later, a
195 registration form signed under penalty of false statement and shall pay
196 one-half of the biennial registration fee established by the board.

197 (c) Each registrant shall file a notice of termination not later than
198 thirty days after he ceases the activity that required his registration,
199 provided the registrant does not intend to resume the activity during
200 the biennial period for which he is registered.

201 (d) In addition to the requirements of subsections (a) to (c),
 202 inclusive, of this section, the registration of a: (1) Client lobbyist, as
 203 defined in section 1 of this act, shall include: (A) The name of such
 204 company or association, (B) the nature of such company or association,
 205 (C) the primary business address of such company or association, (D)
 206 the name of the person responsible for oversight of such client
 207 lobbyist's municipal lobbying activities, and (E) the job title of such
 208 person and any applicable contact information for such person,
 209 including, but not limited to, telephone number, facsimile number,
 210 electronic mail address and business mailing address; and (2)
 211 communicator lobbyist, as defined in section 1 of this act, shall include
 212 the name of the primary contact person at each client of such
 213 communicator lobbyist and any applicable contact information for
 214 such person, including, but not limited to, telephone number, facsimile
 215 number, electronic mail address and business mailing address.

216 Sec. 4. (NEW) (*Effective October 1, 2009*) Each individual who is a
 217 municipal lobbyist shall, while engaged in municipal lobbying, wear a
 218 distinguishing badge which shall identify him as a municipal lobbyist.
 219 The size, color, material and other requirements of such badge shall be
 220 prescribed by regulation of the Citizen's Ethics Advisory Board.

221 Sec. 5. (NEW) (*Effective October 1, 2009*) (a) The general counsel of
 222 the Office of State Ethics may issue informal, verbal or written, staff
 223 opinions concerning the requirements of sections 2 to 4, inclusive, of
 224 this act.

225 (b) The Office of State Ethics may seek compliance with the
 226 requirements of sections 2 to 4, inclusive, of this act, provided such
 227 office shall not impose or seek to impose any penalty for failure to
 228 comply with such requirements.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2009</i>	New section
Sec. 2	<i>October 1, 2009</i>	New section

Sec. 3	October 1, 2009	New section
Sec. 4	October 1, 2009	New section
Sec. 5	October 1, 2009	New section

Statement of Legislative Commissioners:

Throughout the bill, "political subdivision of the state" was changed to "municipality" for consistency with other provisions of the bill, and in section 1, references to "lobbying" were changed to "municipal lobbying" and a reference to "section 1-95" was changed to "section 3 of this act", for accuracy and the definition of "business organization" was deleted for statutory consistency.

GAE *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
Office of State Ethics	GF - Revenue Gain	Minimal	Minimal
Department of Revenue Services	GF - Revenue Gain	Minimal	Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires municipal lobbyists to register with the Office of State Ethics (OSE). As the lobbyists will pay a biennial registration fee equal to the cost of administering the registration form, a minimal revenue gain would result. 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 Out Years

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

Sources: *Office of State Ethics*

OLR Bill Analysis

sHB 6690

AN ACT CONCERNING MUNICIPAL LOBBYING.

SUMMARY:

This bill requires people to register as lobbyists with the Office of State Ethics (OSE) every two years if they receive or spend a specified sum to communicate with municipal officials or employees to influence any legislative or administrative action. Registered lobbyists who stop lobbying and do not intend to resume the activity during the remainder of the biennial period must file a termination notice, presumably with OSE, within 30 days after they stop lobbying.

The bill recognizes two types of lobbyists: client and communicator. A client lobbyist is a lobbyist on whose behalf lobbying takes place and who makes expenditures for lobbying and in the furtherance of lobbying. A communicator lobbyist is an individual or business organization that communicates directly with municipal officials or their staff to influence legislative or administrative action.

The bill authorizes OSE's general counsel to issue informal staff opinions regarding registration requirements. And OSE may seek compliance with these requirements but cannot impose or seek to impose penalties for failure to comply.

It requires municipal lobbyists to wear a badge while lobbying that identifies them lobbyists. The Citizens' Ethics Advisory Board must prescribe in regulations the size, color, material, and other requirements of the badge.

EFFECTIVE DATE: October 1, 2009

ACTIVITIES THAT CONSTITUTE MUNICIPAL LOBBYING

With some exemptions, a person engages in municipal lobbying if he or she communicates directly, or solicits others to communicate, with any legislative or executive branch municipal official or his or her staff to influence legislative or administrative action. "Legislative action" means any official action or non-action taken on any proposal, resolution, amendment, nomination, appointment, report, or other matter pending or proposed before a municipal legislative body, or any matter within the legislative body's official jurisdiction or cognizance. "Administrative action" means any action or non-action by a municipal executive agency with respect to the proposal, drafting, development, consideration, amendment, adoption, or repeal of any rule, regulation, ordinance, regulation, or utility rate.

Exemptions

The bill exempts from municipal lobbying communications made by an attorney in the practice of law, including communications with any municipal official or employee who has responsibility for decision making in the following areas:

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

The bill also exempts from municipal lobbying communications by (1) an expert witness in a matter concerning any of these decisions and (2) a vendor representative or employee of a registered client lobbyist acting as a salesperson who does not otherwise engage in administrative lobbying.

MUNICIPAL LOBBYIST REGISTRATION***Who Must Register***

A lobbyist is a person who receives, spends, or agrees to receive or spend at least \$2,000 in a calendar year in lobbying and in furtherance of municipal lobbying. A person has to register as a lobbyist whether the payment or reimbursement for lobbying is solely for municipal lobbying or incidental to regular employment.

Lobbyists do not include:

1. state or municipal officials or municipal employees, other than independent contractors, acting within the scope of their authority or employment;
2. the media engaged in disseminating news or editorial comments to the public in the ordinary course of business;
3. an individual who represents himself or someone else before the legislature or a municipal agency for some reason other than to influence legislative or administrative action;
4. anyone who is not paid or reimbursed specifically for lobbying, only appears formally to testify at public hearings, and registers his appearance with the committee or agency before whom he or she testifies;
5. advisory board members acting within the scope of their appointment;
6. a member of Congress acting within the scope of his or her office;
7. a person who is not paid or reimbursed specifically for lobbying and spends no more than five hours engaged in it, unless he or she receives \$2,000 or more, exclusive of his or her salary, to lobby or gives a legislative or executive municipal official or a member of his or her staff or immediate family (i.e., spouse, dependent child, or dependent relative living in the home) a gift

valued at \$50 or more;

8. a communicator lobbyist that receives or agrees to receive less than \$2,000 a year to lobby; or
9. anyone who undertakes to guide or direct an application or request through an official approval process without seeking any substantive change in law, ordinance, code, or regulation.

Registration Requirement

Municipal lobbyists must (1) register with OSE every two years by January 15th or before the commencement of lobbying, whichever is later, and (2) pay fee equal to the cost of administering the registration form. A lobbyist who starts lobbying in an even-numbered year pays one-half of the biennial registration fee paid by someone who registers in an odd-numbered year. Lobbyists must sign the registration form under penalty of false statement. If the lobbyist is not an individual, an authorized agent or officer must sign the form.

The registration form must ask for:

1. an individual registrant's name, permanent address, and temporary address and the name, address, and nature of business of anyone who pays, reimburses, or agrees to pay or reimburse him or her to lobby and the payment terms;
2. the name, address, place of incorporation, and the principal place of business of corporate lobbyists;
3. a lobbyist association's, group's, or organization's name and the address of the principal officers and directors, including the name and address of any person contributing \$2,000 or more in a calendar year to the registrant's municipal lobbying activities if the registrant is formed primarily to engage in municipal lobbying;
4. the name and address of each individual who will lobby on behalf of any registrant that is not an individual;

5. the areas of legislative or administrative action on which the registrant expects to lobby a municipality; and
6. the name of each municipality within which the registrant expects to lobby.

Client lobbyists must also register (1) the name, nature, and primary business address of their company or association; (2) the name of the person responsible for overseeing their municipal lobbying activities; and (3) the overseer's job title and contact information, including telephone number, facsimile number, electronic mail address, and business mailing address.

Communicator lobbyists must also register, for each client, the name of each person with whom they have primary contact and any applicable contact information for the person, including, telephone number, facsimile number, electronic mail address, and business mailing address.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Substitute

Yea 11 Nay 4 (03/30/2009)