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Testimony of the Association of Connecticut Lobbyists Regarding House Bill 5427, *An Act Concerning the Office of the Secretary of the State and the Office of State Ethics*

**Joint Committee on Government Administration and Elections
March 8, 2010**

Distinguished members of the Government Administration and Elections Committee, on behalf of the over 170 members of the ACL, we submit the following comments on House Bill 5427, *Act Concerning the Office of the Secretary of the State and the Office of State Ethics*. We recognize the bill before you contains largely technical corrections but we wanted to use it as an opportunity to underscore a critical need for statutory changes to the reporting requirements for the regulated lobbyist community. We have raised these concerns with the Office of State Ethics and the Citizens' Ethics Advisory Board, namely, opportunities for improved reporting efficiency, which we believe would also translate into operational savings.

As many of you might be aware, the Office of State Ethics' Citizen's Ethics Advisory Board voted to adopt a 2/3rd fee increase on lobbyist's registration fees to support their operations which will soon be before the Regulation Review Committee for adoption. From the outset, the ACL expressed its recognition that the Office of State Ethics and its team of dedicated staff perform a critical public function and a fee increase was warranted, but not at the level proposed. The ACL and other interested parties submitted testimony to express their concern for the fee increase, focused on two key areas: first, the 67% increase was out of step with the average 25% fee increase adopted in the recent biennial budget and could be prohibitive to interest groups that lacked the financial resources to cover the increase; second, the discussion of the fee increase needed to take place within the greater context of ethics reporting efficiency. At the time of the hearing our pleas for improved reporting efficiency went unaddressed because it was not within the scope of the discussion for the proposed regulation change to increase the registration fee; any change in reporting would require a statutory change. That's essentially why we're submitting testimony to you today; we respectfully encourage you to consider amending the underlying bill to urge the Office of State Ethics to pursue statutory relief to amend the frequency of its ethics reporting.

Presently, entities that are registered to engage in legislative lobbying are required to file monthly reports during the legislative session plus quarterly reports and a year-end report. By contrast, entities engaged in administrative lobbying are required to report quarterly. Aside from the obvious duplicative nature of that filing scheme, it is confusing for both the enforcement staff of the Office of State Ethics, as well as the regulated community. So much so, anecdotes abound about enforcement actions filed by staff, only to be withdrawn once staff recognized their mistake because the party in question was only required to report quarterly as an administrative lobbyist. The Office of State Ethics has also quantified the increase in call volume at the time of filing deadlines; that increase has an impact on their staff, resources and operating costs. We in the regulated community are not tied to one method of reporting frequency or another, we are committed to full disclosure and we take our responsibility to make those disclosures very seriously. In fact, at the Office of State Ethics recent "Ethics Tune-Up" informational session, one of our members asked, "why not just make us file monthly, year-round, instead of monthly, quarterly and year-round?" As an alternative, the Office of State Ethics should consider making the frequency of reporting consistent for legislative and administrative lobbyists, by requiring quarterly reporting for both.

We recognize that our concerns might very well go beyond your plans for this particular bill. We bring this to your attention because we believe that their operating efficiency and its associated costs are within your scope. It is in the public's interest that all ethics disclosures are made clearly and in a timely manner. The confusion that has been perpetuated by the statutorily mandated filing scheme serves neither the Office of State Ethics, nor the public.

Thank you very much for your consideration.