

S.93

An act relating to lobbying disclosures.

The House proposes to the Senate to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

(a) The effective public disclosure of the identity and extent of the efforts of registered lobbyists, lobbying firms, and lobbyist employers to influence Vermont's legislators during the legislative session will increase public confidence in the integrity of the governmental process.

(b) Responsible representative government requires public awareness of the efforts of registered lobbyists, lobbying firms, and lobbyist employers to influence the public decision-making process in the Legislative Branch of Vermont's government.

(c) Requiring registered lobbyists, lobbying firms, and lobbyist employers to report significant advertisements and advertising campaigns that are intended, designed, or calculated to influence legislative action or to solicit others to influence legislative action enables the public and legislators to evaluate better the pressures and content of the message when considering that action.

(d) The lack of detail in current required lobbying disclosure filings does not provide the public and legislators with enough relevant information about

who is attempting to influence the legislative process through advertising, and the timing of current required lobbying disclosure filings prevents the public and legislators from evaluating the pressures and content of lobbying advertising at the time public policy is being debated. The requirement in this act to report significant lobbying advertisements and advertising campaigns within 48 hours provides the public and legislators with specific and timely information regarding who is spending money to influence the legislative process, and the amount being spent to do so.

(e) Requiring registered lobbyists, lobbying firms, and lobbyist employers to designate clearly the name of the lobbyist, lobbying firm, or lobbyist employer paying for an advertisement within the advertisement allows the public and legislators to determine who is attempting to influence the legislative process through advertising, to evaluate the pressures and content of lobbying advertising at the time when public policy is being debated, to trace coordinated advertising buys, and to track such spending over time.

(f) Prohibiting lobbyists, lobbying firms, and lobbyist employers from contributing to legislative leadership political committees while the General Assembly is in session ensures that the prohibition on contributions to legislators set forth in 2 V.S.A. § 266 (prohibited conduct) is not circumvented, since legislative leadership political committees are intertwined with legislators in those political committees' support of legislators.

Sec. 2. 2 V.S.A. § 264c is added to read:

§ 264c. IDENTIFICATION IN AND REPORT OF CERTAIN LOBBYING

ADVERTISEMENTS

(a) Identification.

(1) An advertisement that is intended, designed, or calculated to influence legislative action or to solicit others to influence legislative action and that is made at any time prior to final adjournment of a biennial or adjourned legislative session shall contain the name of any lobbyist, lobbying firm, or lobbyist employer that made an expenditure for the advertisement and language that the advertisement was paid for, or paid in part, by the lobbyist, lobbying firm, or lobbyist employer; provided, however:

(A) if there are more than three such names, only the three lobbyists, lobbying firms, or lobbyist employers that made the largest expenditures for the advertisement shall be required to be identified; and

(B) if a lobbyist or lobbying firm made the expenditure on behalf of a lobbyist employer, the identification information set forth in subdivision (1) of this subsection shall be in the name of that lobbyist employer.

(2) This identification information shall appear prominently and in a manner such that a reasonable person would clearly understand by whom the expenditure has been made.

(b) Report.

(1) In addition to any other reports required to be filed under this chapter, a lobbyist, lobbying firm, or lobbyist employer shall file an advertisement report with the Secretary of State if he, she, or it makes an expenditure or expenditures:

(A) for any advertisement that is described in subsection (a) of this section and that has a cost totaling \$1,000.00 or more; or

(B) for any advertising campaign that contains advertisements described in subsection (a) of this section and that has a cost totaling \$1,000.00 or more.

(2) The report shall be made for each advertisement or advertising campaign described in subdivision (1) of this subsection and shall identify the lobbyist, lobbying firm, or lobbyist employer that made the expenditure; the amount and date of the expenditure and to whom it was paid; and a brief description of the advertisement or advertising campaign.

(3) The report shall be filed within 48 hours of the expenditure or the advertisement or advertising campaign, whichever occurs first.

(4) If a lobbyist or lobbying firm made an expenditure described in subdivision (1) of this subsection on behalf of a lobbyist employer and that lobbyist or lobbying firm filed the report required by this subsection, the report

shall specifically identify the employer on whose behalf the expenditure was made.

(c) Definitions. As used in this section:

(1) "Advertisement" means a television commercial, radio commercial, mass mailing, mass electronic or digital communication, literature drop, newspaper or periodical advertisement, banner, sign, robotic phone call, or telephone bank. As used in this subdivision, "telephone bank" means more than 500 telephone calls of an identical or substantially similar nature that are made to the general public within any 30-day period.

(2) "Advertising campaign" means advertisements substantially similar in nature, regardless of the media in which they are placed.

Sec. 3. 2 V.S.A. § 264 is amended to read:

§ 264. REPORTS OF EXPENDITURES, COMPENSATION, AND GIFTS;
EMPLOYERS; LOBBYISTS

(a) Every employer and every lobbyist registered or required to be registered under this chapter shall file disclosure reports with the Secretary of State as follows:

(1) on or before January 15, for the preceding period beginning on September 1 and ending with December 31;

(2) on or before February 15, for the preceding period beginning on January 1 and ending with January 31;

(3) on or before March 15, for the preceding period beginning on February 1 and ending with the last day of February;

(4) on or before April 25 15, for the preceding period beginning on January 1 March 1 and ending with March 31;

(2)(5) on or before May 15, for the preceding period beginning on April 1 and ending with April 30;

(6) on or before June 15, for the preceding period beginning on May 1 and ending with May 31; and

(7) on or before July 25 September 15, for the preceding period beginning on April June 1 and ending with June 30 August 31;

(3) on or before January 25, for the preceding period beginning on July 1 and ending with December 31.

(b) An employer shall disclose for the period of the report the following information:

(1) A total of all lobbying expenditures made by the employer in each of the following categories:

(A) Advertising, including television, radio, print, and electronic media.

(B) Expenses incurred for telemarketing, polling, or similar activities if the activities are intended, designed, or calculated, directly or indirectly, to influence legislative or administrative action. The report shall specify the

amount, the person to whom the amount was paid, and a brief description of the activity.

(C) Contractual agreements in excess of \$100.00 per year or direct business relationships that are in existence or were entered into within the previous 12 months between the employer and:

(i) a legislator or administrator;

(ii) a legislator's or administrator's spouse; or

(iii) a legislator's or administrator's dependent household

member.

(D) The total amount of any other lobbying expenditures.

* * *

~~(4) Contractual agreements in excess of \$100.00 per year or direct business relationships that are in existence or were entered into within the previous 12 months between the employer and:~~

~~(A) a legislator or administrator;~~

~~(B) a legislator's or administrator's spouse; or~~

~~(C) a legislator's or administrator's dependent household member.~~

[Repealed.]

(c) A lobbyist shall disclose for the period of the report the following information:

(1) A total of all lobbying expenditures made by the lobbyist in each of the following categories:

(A) Advertising, including television, radio, print, and electronic media.

(B) Expenses incurred for telemarketing, polling, or similar activities if the activities are intended, designed, or calculated, directly or indirectly, to influence legislative or administrative action. The report shall specify the amount, the person to whom the amount was paid, and a brief description of the activity.

(C) Contractual agreements in excess of \$100.00 per year or direct business relationships that are in existence or were entered into within the previous 12 months between the lobbyist and:

(i) a legislator or administrator;

(ii) a legislator's or administrator's spouse; or

(iii) a legislator's or administrator's dependent household

member.

(D) The total amount of any other lobbying expenditures.

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~~(4) Contractual agreements in excess of \$100.00 per year or direct business relationships that are in existence or were entered into within the previous 12 months between the lobbyist and:~~

- ~~(A) a legislator or administrator;~~
- ~~(B) a legislator's or administrator's spouse; or~~
- ~~(C) a legislator's or administrator's dependent household member.~~

[Repealed.]

* * *

~~(h) Disclosure reports shall be made on forms published by the Secretary of State and shall be signed by the employer or lobbyist. The Secretary of State shall make those forms available to registered employers and lobbyists on the Secretary's website not later than 30 days before each filing deadline.~~

[Repealed.]

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Sec. 4. 2 V.S.A. § 264b is amended to read:

§ 264b. LOBBYING FIRM LISTINGS; REPORTS OF EXPENDITURES,
COMPENSATION, AND GIFTS; LOBBYING FIRMS

* * *

(b) Every lobbying firm shall file a disclosure report on the same day as lobbyist disclosure reports are due under subsection 264(a) of this title which shall include:

(1) A total of all lobbying expenditures made by the lobbying firm in each of the following categories:

(A) Advertising, including television, radio, print, and electronic media.

(B) Expenses incurred for telemarketing, polling, or similar activities if the activities are intended, designed, or calculated, directly or indirectly, to influence legislative or administrative action. The report shall specify the amount, the person to whom the amount was paid, and a brief description of the activity.

(C) Contractual agreements in excess of \$100.00 per year or direct business relationships that are in existence or were entered into within the previous 12 months between the lobbying firm and:

(i) a legislator or administrator;

(ii) a legislator's or administrator's spouse; or

(iii) a legislator's or administrator's dependent household

member.

(D) The total amount of any other lobbying expenditures.

* * *

~~(4) Contractual agreements in excess of \$100.00 per year or direct business relationships that are in existence or were entered into within the previous 12 months between the lobbying firm and:~~

~~(A) a legislator or administrator;~~

~~(B) a legislator's or administrator's spouse or civil union partner; or~~

~~(C) a legislator's or administrator's dependent household member.~~

[Repealed.]

Sec. 5. 2 V.S.A. § 265 is amended to read:

§ 265. ~~PUBLIC ACCESS; REGISTRATION STATEMENTS; REPORTS~~

SUBMISSION OF AND ACCESS TO LOBBYING DISCLOSURES

~~The secretary of state shall maintain copies of all lobbyist and employer registration statements and disclosure reports and all lobbying firm disclosure reports arranged alphabetically, which shall be a public record available for public inspection during ordinary business hours. The secretary of state shall also compile and maintain a separate report for each reporting period for each legislator or administrative official indicating the gifts reported to have been given to that legislator or official during the reporting period by employers, lobbyists, or lobbying firms, which shall be a public record available for public inspection during ordinary business hours. On January 1 of each odd-numbered year, the secretary may discard statements and reports that have been maintained for a period of four years.~~

(a) The Secretary of State shall provide on his or her website an online database of the lobbying disclosures required under this chapter.

(1) In this database, the Secretary shall provide digital access to each form he or she shall provide to enable a person to file the statements or reports required under this chapter. Digital access shall enable such a person to file

these lobbying disclosures by completing and submitting the disclosure to the Secretary of State online.

(2) The Secretary shall maintain on the online database all disclosures that have been filed digitally on it so that any person may have direct machine-readable electronic access to the individual data elements in each disclosure and the ability to search those data elements as soon as a disclosure is filed.

(b) Any person required to file a disclosure with the Secretary of State under this chapter shall sign it, declare that it is made under the penalties of perjury, and file it digitally on the online database.

Sec. 6. 2 V.S.A. § 267 is amended to read:

~~§ 267. VERIFICATION OF STATEMENTS AND REPORTS~~

~~Any statement or report required to be made under any provision of this chapter shall contain or be verified by a written declaration that it is made under the penalties of perjury. [Repealed.]~~

Sec. 7. TRANSITIONAL PROVISION; SECRETARY OF STATE;

MAINTENANCE OF PRIOR LOBBYING DISCLOSURES

(a) The Secretary of State shall maintain copies of the lobbying reports and registration statements filed with him or her on paper prior to the effective date of this act and the separate report of gifts to legislators and administrative officials he or she compiled under the provisions of 2 V.S.A. § 265 in effect

prior to the effective date of this act, and shall make those disclosures available for public inspection during ordinary business hours.

(b) On January 1 of each odd-numbered year, the Secretary may discard the disclosures described in subsection (a) of this section that he or she has maintained for a period of at least four years.

Sec. 8. 2 V.S.A. § 266 is amended to read:

§ 266. PROHIBITED CONDUCT

(a) It shall be prohibited conduct:

(1) to employ a lobbyist or lobbying firm, or accept employment as a lobbyist or lobbying firm, for compensation that is dependent on a contingency;

(2) for a legislator or administrative official to solicit a gift, other than a ~~political~~ contribution, from a registered employer or registered lobbyist or a lobbying firm engaged by an employer, except that charitable contributions for nonprofit organizations qualified under ~~Section 26~~ 26 U.S.C. § 501(c)(3) ~~of the federal Internal Revenue Code~~ may be solicited from registered employers and registered lobbyists or lobbying firms engaged by an employer; or

(3)(A) when the ~~general assembly~~ General Assembly is in session, until adjournment sine die;

(i) for a legislator, a legislator's candidate's committee, a legislative leadership political committee, or an administrative official to

solicit a ~~political campaign~~ contribution as ~~defined in 17 V.S.A. § 2801~~ from a registered lobbyist, a registered employer, or a lobbying firm engaged by an employer ~~or registered employer~~; or

(ii) for a registered lobbyist ~~or~~ registered employer, or a lobbying firm engaged by an employer to make or promise a ~~political campaign~~ contribution to ~~any member of the general assembly or any member's campaign~~ a legislator, a legislator's candidate's committee, or a legislative leadership political committee.

(b) As used in this section, "candidate's committee," "contribution," and "legislative leadership political committee" shall have the same meanings as in 17 V.S.A. § 2901.

Sec. 9. 17 V.S.A. § 2901 is amended to read:

§ 2901. DEFINITIONS

As used in this chapter:

* * *

(13) "Political committee" or "political action committee" means any formal or informal committee of two or more individuals or a corporation, labor organization, public interest group, or other entity, not including a political party, which accepts contributions of \$1,000.00 or more and makes expenditures of \$1,000.00 or more in any two-year general election cycle for the purpose of supporting or opposing one or more candidates, influencing an

election, or advocating a position on a public question in any election, and includes an independent expenditure-only political committee and a legislative leadership political committee.

* * *

(19) “Legislative leadership political committee” means a political committee established by or on behalf of a political party caucus within a chamber of the General Assembly.

Sec. 10. 17 V.S.A. § 2922 is amended to read:

§ 2922. POLITICAL COMMITTEES; REGISTRATION; CHECKING

ACCOUNT; TREASURER

(a)(1) Each political committee shall register with the Secretary of State within 10 days of making expenditures of \$1,000.00 or more and accepting contributions of \$1,000.00 or more stating its full name and address; the name and address of the bank in which it maintains its campaign checking account; and the name and address of the treasurer responsible for maintaining the checking account.

(2)(A) In addition to the requirements of subdivision (1) of this subsection, a legislative leadership political committee shall designate in its registration that it is established as a legislative leadership political committee.

(B) The Secretary of State shall provide on his or her website a list of all legislative leadership political committees that have been designated as provided in this subdivision (2).

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Sec. 11. TRANSITIONAL PROVISION; EXISTING LEGISLATIVE
LEADERSHIP POLITICAL COMMITTEES

(a) A legislative leadership political committee in existence immediately prior to the effective date of this act shall update its registration with the Secretary of State as provided in Sec. 10, 17 V.S.A. § 2922(a)(2), of this act on or before July 15, 2015.

(b) As used in this section, “legislative leadership political committee” shall have the same meaning as set forth in Sec. 9, 17 V.S.A. § 2901(19), of this act.

Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2015.