

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 14-0040.02 Bob Lackner x4350

SENATE BILL 14-217

SENATE SPONSORSHIP

Carroll and Cadman,

HOUSE SPONSORSHIP

Hullinghorst and DelGrosso,

Senate Committees

State, Veterans, & Military Affairs
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING METHODS TO PROMOTE TRANSPARENCY IN CONNECTION**
102 **WITH PUBLIC DISCLOSURE BY LOBBYISTS, AND, IN CONNECTION**
103 **THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill makes the following modifications to existing statutory provisions governing lobbying:

- ! Adds a definition of "client" that replaces the term "principal" in the existing statute;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
3rd Reading Unamended
May 5, 2014

SENATE
Amended 2nd Reading
May 2, 2014

- ! In the case of a single-member lobbying firm, if a monthly disclosure statement filed by a lobbyist with the secretary of state includes the name of the professional lobbyist and the name of a lobbying firm that solely employs the lobbyist, specifies that a single disclosure statement may be filed with the secretary on behalf of both the professional lobbyist and the lobbying firm;
- ! If a professional lobbyist receives business from another professional lobbyist on a subcontract basis, requires the lobbyist receiving such business to describe in an annual disclosure statement the total gross income received from the professional lobbyist under the subcontract who is contemporaneously reporting the subcontracting business on his or her annual disclosure statement;
- ! Requires a lobbyist to update his or her registration within 24 hours if he or she agrees to lobby for a client or other lobbyist on a subcontract basis who is not disclosed in the lobbyist's original registration statement;
- ! Clarifies that an attorney who is a lobbyist is required to disclose information about the clients for whom he or she lobbies in accordance with existing disclosure requirements to the same extent as a lobbyist who is not an attorney;
- ! Requires a professional lobbyist's registration statement to include information about any other professional lobbyist for whom he or she is lobbying on a subcontract basis; and
- ! Expands the information available on the existing web site maintained by the secretary of state to allow the public to cross-reference and review information, in a form such as hyperlinks, concerning the client of a professional lobbyist or the bill number of legislation on which he or she is lobbying that is contained in a registration or disclosure statement filed by a professional lobbyist.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-6-301, **amend** (1),
3 (1.9) (a) (I), (1.9) (a) (X), (1.9) (a) (XI), (2.5), and (6); **repeal** (5.5); and
4 **add** (1.3) and (3.6) as follows:

5 **24-6-301. Definitions - legislative declaration.** As used in this
6 part 3, unless the context otherwise requires:

7 (1) "~~Communication~~" ~~includes but is not limited to a transmittal~~

1 ~~of information, data, ideas, opinions, or anything of a similar nature,~~
2 ~~either oral, written, or by any other means, to a covered official "CLIENT"~~
3 MEANS THE PERSON WHO EMPLOYS THE PROFESSIONAL SERVICES OF A
4 LOBBYIST. FOR THE PURPOSES OF THIS PART 3, A PROFESSIONAL LOBBYIST
5 IS NOT A CLIENT OF ANOTHER LOBBYIST FOR WHOM HE OR SHE
6 UNDERTAKES LOBBYING ON A SUBCONTRACT BASIS NOR IS THE
7 PROFESSIONAL LOBBYIST A CLIENT OF A LOBBYING FIRM. WHERE THE
8 CLIENT IS AN ORGANIZATION OR ENTITY, NOTHING IN THIS SUBSECTION (1)
9 REQUIRES THE ORGANIZATION OR ENTITY TO PROVIDE THE NAMES OF ANY
10 OF ITS SHAREHOLDERS, INVESTORS, BUSINESS PARTNERS, COALITION
11 PARTNERS, MEMBERS, DONORS, OR SUPPORTERS, AS APPLICABLE.

12 (1.3) "COMMUNICATION" INCLUDES BUT IS NOT LIMITED TO A
13 TRANSMITTAL OF INFORMATION, DATA, IDEAS, OPINIONS, OR ANYTHING OF
14 A SIMILAR NATURE, EITHER ORAL, WRITTEN, OR BY ANY OTHER MEANS, TO
15 A COVERED OFFICIAL.

16 (1.9) (a) "Disclosure statement" means a written statement that
17 contains:

18 (I) The name and address of each ~~person~~ CLIENT OR OTHER
19 PROFESSIONAL LOBBYIST who has made a contribution totaling one
20 hundred dollars or more ~~to or for the disclosing person for lobbying~~
21 ~~during the fiscal year, together with the amount thereof~~ LOBBYING AND
22 THE AMOUNT PAID SINCE THE PREVIOUS DISCLOSURE REPORT;

23 (X) The nature of the legislation, standards, rules, or rates for
24 which the disclosing person is ~~receiving contributions or making~~
25 ~~expenditures~~ for lobbying and, where known, the specific legislation,
26 standards, rules, or rates. In the case of specific legislation, ~~disclosure~~
27 ~~shall include, during a regular or special session of the general assembly,~~

1 THE PROFESSIONAL LOBBYIST SHALL INCLUDE the bill number of the
2 legislation, and whether ~~the disclosing person's principal~~ SUCH LOBBYIST'S
3 CLIENT is supporting, opposing, amending, or monitoring the legislation
4 ~~identified as of~~ AT the time a OF THE disclosure statement. ~~is required to~~
5 ~~be filed pursuant to section 24-6-302 (3), after the disclosing person is~~
6 ~~retained to advocate or monitor in connection with the legislation.~~ The
7 ~~disclosure statement~~ PROFESSIONAL LOBBYIST shall specify that the
8 ~~disclosing person's~~ HIS OR HER representation is accurate as of the date of
9 disclosure only and that ~~such~~ THE representation is not binding ~~on the~~
10 ~~disclosing person after such date~~ and is subject to change ~~subsequent to~~
11 ~~such~~ AFTER THE date and ~~prior to~~ BEFORE the time the next disclosure
12 statement is due. If a ~~disclosure statement from a disclosing person during~~
13 ~~a regular or special session of the general assembly~~ PROFESSIONAL
14 LOBBYIST fails to show any bill numbers or nature of the legislation, as
15 applicable, the ~~disclosing person shall be required to make an affirmative~~
16 ~~statement~~ SUCH LOBBYIST SHALL AFFIRM that he or she was not retained
17 in connection with any legislation. Nothing in this subparagraph (X) ~~shall~~
18 ~~require~~ REQUIRES any additional disclosure on the part of a ~~disclosing~~
19 ~~person~~ LOBBYIST before the next applicable reporting deadline pursuant
20 to section 24-6-302 (3). For purposes of this subparagraph (X),
21 "legislation" means the process of making or enacting law in written form
22 in the form of codes, statutes, or rules. NOTHING IN THIS SUBPARAGRAPH
23 (X) REQUIRES A LOBBYIST TO AMEND A PREVIOUSLY FILED DISCLOSURE
24 STATEMENT UPON LEARNING THE BILL NUMBER OF A PREVIOUSLY
25 DISCLOSED PIECE OF LEGISLATION.

26 (XI) If the ~~disclosing person's principal~~ CLIENT OR _____
27 PROFESSIONAL LOBBYIST is an individual, the name and address of the

1 individual and a description of the business activity in which the
2 individual is engaged. If the ~~disclosing person's principal~~ CLIENT OR
3 PROFESSIONAL LOBBYIST is a business entity, a description of the business
4 entity in which the ~~principal~~ CLIENT OR LOBBYIST is engaged and the
5 name or names of the entity's chief executive officer, ~~or~~ partners, OR
6 OTHER DESIGNATED CONTACT PERSON, as applicable. If the ~~disclosing~~
7 ~~person's principal~~ CLIENT OR LOBBYIST is an industry, trade,
8 organization or group of persons, or professional association, a
9 description of the industry, trade, organization or group of persons, or
10 profession that the ~~disclosing person~~ LOBBYIST represents.

11 (2.5) "Gross income for lobbying" means the total ~~income~~
12 AMOUNT RECEIVED FROM A CLIENT, including compensation for services,
13 fees, and similar payments, before any deductions are made, ~~received by~~
14 a professional lobbyist for lobbying or by a LOBBYING firm. ~~organized for~~
15 ~~professional lobbying purposes that employs a professional lobbyist.~~

16 (3.6) "LOBBYING FIRM" MEANS A PERSON OR ENTITY EMPLOYING
17 ONE OR MORE PROFESSIONAL LOBBYISTS TO LOBBY ON BEHALF OF A
18 CLIENT THAT IS NOT THE PERSON OR ENTITY. "LOBBYING FIRM" INCLUDES
19 A SELF-EMPLOYED PROFESSIONAL LOBBYIST.

20 (5.5) "~~Principal~~" ~~means any person who employs a lobbyist. If an~~
21 ~~association, corporation, limited liability company, partnership, or any~~
22 ~~other organization or group of persons or form of business entity engages~~
23 ~~a lobbyist, a person serving as an officer, employee, member, shareholder,~~
24 ~~or partner of the association, corporation, limited liability company,~~
25 ~~partnership, or other organization or group of persons or form of business~~
26 ~~entity shall not be considered a principal.~~

27 (6) "Professional lobbyist" means ~~any individual who engages~~

1 himself or is engaged by any other person for pay or for any consideration
2 for lobbying A PERSON, BUSINESS ENTITY, INCLUDING A SOLE
3 PROPRIETORSHIP, OR AN EMPLOYEE OF A CLIENT, WHO IS COMPENSATED BY
4 A CLIENT OR ANOTHER PROFESSIONAL LOBBYIST FOR LOBBYING.
5 "Professional lobbyist" does not include any volunteer lobbyist, any state
6 official or employee acting in his official capacity, except as provided in
7 section 24-6-303.5, any elected public official acting in his official
8 capacity, or any individual who appears as counsel or advisor in an
9 adjudicatory proceeding.

10 **SECTION 2.** In Colorado Revised Statutes, 24-6-302, **amend**
11 (2.5) (a), (3), (4), and (6) (b); and **add** (8) as follows:

12 **24-6-302. Disclosure statements - required.** (2.5) (a) A
13 professional lobbyist and any LOBBYING firm ~~organized for professional~~
14 ~~lobbying purposes that employs such lobbyist~~ shall file A MONTHLY
15 ~~disclosure statements in accordance with this section~~ Such a disclosure
16 ~~statement, in lieu of the contributions described in section 24-6-301 (1.9)~~
17 ~~(a) (I), (1.9) (a) (II), and (1.9) (a) (III), shall contain the gross income for~~
18 ~~lobbying since the prior month's disclosure statement and the name and~~
19 ~~address of any person from whom gross income for lobbying is received~~
20 ~~totaling one hundred dollars or more~~ STATEMENT WITH THE SECRETARY
21 OF STATE NO LATER THAN THE FIFTEENTH DAY AFTER THE END OF THE
22 FIRST CALENDAR MONTH, AND EACH SUBSEQUENT MONTH, IN WHICH THE
23 LOBBYIST RECEIVED ANY INCOME OR MADE ANY EXPENDITURES FOR
24 LOBBYING. IN THE CASE OF A SINGLE-MEMBER LOBBYING FIRM, IF A
25 DISCLOSURE STATEMENT INCLUDES THE NAME OF THE PROFESSIONAL
26 LOBBYIST AND THE NAME OF A LOBBYING FIRM THAT SOLELY EMPLOYS
27 THE LOBBYIST, A SINGLE DISCLOSURE STATEMENT MAY BE FILED WITH THE

1 SECRETARY OF STATE ON BEHALF OF BOTH THE PROFESSIONAL LOBBYIST
2 AND THE LOBBYING FIRM.

3 (3) (a) ~~A disclosure statement shall be filed within fifteen days~~
4 ~~after the end of the first calendar month in which any contribution or~~
5 ~~gross income for lobbying is received or any expenditure is made or~~
6 ~~incurred for lobbying and shall be filed within fifteen days after the end~~
7 ~~of each subsequent month during the fiscal year.~~

8 (b) ~~A cumulative~~ IN ADDITION TO THE MONTHLY DISCLOSURE
9 STATEMENT, A PROFESSIONAL LOBBYIST SHALL FILE WITH THE SECRETARY
10 OF STATE AN ANNUAL disclosure statement for the entire fiscal year ~~shall~~
11 ~~be filed by a professional lobbyist or a firm organized for professional~~
12 ~~lobbying purposes on or before~~ NO LATER THAN July 15 ~~covering~~ THAT
13 ~~COVERS~~ the fiscal year immediately preceding ~~the date on which the~~
14 ~~cumulative disclosure statement is due.~~ Such FISCAL YEAR. THE ANNUAL
15 disclosure statement shall MUST contain the name of and total gross
16 income for lobbying received from each person for RECEIVED FROM EACH
17 CLIENT OR OTHER PROFESSIONAL LOBBYIST FOR WHOM THE LOBBYIST
18 LOBBIED DURING the previous fiscal year. ~~If a firm organized for~~
19 ~~professional lobbying purposes subcontracts lobbying business to another~~
20 ~~such firm or professional lobbyist, or if a professional lobbyist~~
21 ~~subcontracts lobbying business to another such firm or lobbyist, only the~~
22 ~~firm or professional lobbyist that receives the business on a subcontract~~
23 ~~shall report the information required to be disclosed pursuant to this~~
24 ~~subsection (3).~~ The firm or professional lobbyist that subcontracted the
25 ~~business to another firm or professional lobbyist~~ IF A PROFESSIONAL
26 LOBBYIST RECEIVES BUSINESS FROM ANOTHER PROFESSIONAL LOBBYIST
27 ON A SUBCONTRACT BASIS, THE LOBBYIST RECEIVING SUCH BUSINESS shall

1 describe in an addendum or a supplement to the report required to be filed
2 pursuant to the provisions of this subsection (3) AN ANNUAL DISCLOSURE
3 STATEMENT the total gross income received from lobbying that is being
4 THE PROFESSIONAL LOBBYIST UNDER THE SUBCONTRACT WHO IS
5 contemporaneously reported by another firm or professional lobbyist
6 REPORTING THE SUBCONTRACTING BUSINESS ON HIS OR HER ANNUAL
7 DISCLOSURE STATEMENT.

8 (4) ~~If a person adopts the statement set out in section 24-6-301~~
9 ~~(1.9) (b) (II), he or she shall at the same time file a cumulative disclosure~~
10 ~~statement for the fiscal year to date and thereafter shall not have to file~~
11 ~~monthly disclosure statements unless he or she subsequently becomes~~
12 ~~required to do so by virtue of subsection (3) of this section~~ IF A
13 PROFESSIONAL LOBBYIST DETERMINES AT ANY TIME DURING A FISCAL
14 YEAR THAT HE OR SHE WILL NOT LOBBY OR RECEIVE LOBBYING INCOME
15 FOR THE REMAINDER OF THE FISCAL YEAR, THE LOBBYIST MAY FILE AN
16 ANNUAL DISCLOSURE STATEMENT AT SUCH TIME, AND THEREAFTER NEED
17 NOT FILE SUBSEQUENT MONTHLY DISCLOSURE STATEMENTS UNTIL HE OR
18 SHE RESUMES LOBBYING.

19 (6) (b) A professional lobbyist who provides the notification under
20 paragraph (a) of this subsection (6) shall file, concurrently with the next
21 disclosure statement due after such notification, a signed written
22 statement that contains:

23 (I) The name and address of the person described in such
24 notification; AND

25 (II) A summary of the terms related to lobbying under the
26 agreement between such person and the professional lobbyist. A
27 PROFESSIONAL LOBBYIST SHALL ALSO UPDATE HIS OR HER REGISTRATION

1 WITHIN TWENTY-FOUR HOURS IF HE OR SHE AGREES TO LOBBY FOR A
2 CLIENT OR OTHER LOBBYIST ON A SUBCONTRACT BASIS WHO IS NOT
3 DISCLOSED IN THE LOBBYIST'S ORIGINAL REGISTRATION STATEMENT.

4 ~~(HH) (Deleted by amendment, L. 2001, p. 147, § 1, effective July~~
5 ~~1, 2001.)~~

6 (8) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 3, AN
7 ATTORNEY WHO IS A PROFESSIONAL LOBBYIST IS REQUIRED TO DISCLOSE
8 INFORMATION ABOUT THE CLIENTS FOR WHOM HE OR SHE LOBBIES IN
9 ACCORDANCE WITH THIS PART 3 TO THE SAME EXTENT AS A PROFESSIONAL
10 LOBBYIST WHO IS NOT AN ATTORNEY.

11 **SECTION 3.** In Colorado Revised Statutes, 24-6-303, **amend** (1)
12 and (3) as follows:

13 **24-6-303. Registration as professional lobbyist - filing of**
14 **disclosure statements - certificate of registration - legislative**
15 **declaration.** (1) ~~Any professional lobbyist, Before engaging in lobbying,~~
16 A PROFESSIONAL LOBBYIST shall ~~register with the secretary of state and~~
17 ~~file a written or~~ AN electronic registration statement WITH THE SECRETARY
18 OF STATE that ~~shall contain~~ CONTAINS:

19 (a) His or her full legal name, business address, and business
20 telephone number;

21 (b) The name, address, and telephone number of ~~any person by~~
22 ~~whom he or she is employed~~ HIS OR HER EMPLOYER, IF APPLICABLE;

23 (c) The name, address, and telephone number of any ~~person~~ THE
24 CLIENT for whom he or she will be lobbying; and

25 (d) The name, address, and telephone number of any ~~person by~~
26 ~~whom the professional lobbyist or firm organized for professional~~
27 ~~lobbying is paid or is to be paid for such lobbying~~ OTHER PROFESSIONAL

1 LOBBYIST FOR WHOM HE OR SHE IS LOBBYING ON A SUBCONTRACT BASIS.

2 (3) Consistent with the requirements of subsection (6.3) of this
3 section, a hard copy of all registration statements and disclosure
4 statements of professional lobbyists and LOBBYING firms ~~organized for~~
5 ~~lobbying purposes shall~~ MUST be compiled by the secretary of state within
6 thirty days after the end of the calendar month for which such information
7 is filed and shall be organized alphabetically according to the names of
8 the lobbyists and firms.

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10 **SECTION 4.** In Colorado Revised Statutes, 24-6-305, **amend**
11 (1.5) as follows:

12 **24-6-305. Powers of the secretary of state - granting and**
13 **revoking of certificates - barring from registration - imposition of**
14 **penalties - notification of substantial violation.** (1.5) (a) In the case of
15 ~~misconduct by an individual culminating in the~~ revocation of a certificate
16 of registration in accordance with the provisions of paragraph (b) or (e)
17 of subsection (1) of this section, the secretary of state shall additionally
18 indicate the revocation of the individual's certificate of registration on the
19 web site ~~maintained by the secretary~~ and shall send written notice of the
20 revocation by United States mail to each ~~principal~~ CLIENT OR OTHER
21 LOBBYIST for whom the individual lobbies as shown on the individual's
22 registration statement filed pursuant to section 24-6-303 (1).

23 (b) In the case of ~~misconduct by an individual culminating in a~~
24 ~~resolution of~~ censure that has been adopted by the general assembly, ~~in~~
25 ~~accordance with its rules on lobbying practices~~ the secretary of state shall
26 send a copy of the resolution by United States mail to each ~~principal~~
27 CLIENT OR OTHER LOBBYIST for whom the individual lobbies as shown on

1 the individual's registration statement filed pursuant to section 24-6-303
2 (1).

3 **SECTION 5.** In Colorado Revised Statutes, 24-6-308, **amend** (1)
4 (e) as follows:

5 **24-6-308. Prohibited practices.** (1) No person engaged in
6 lobbying shall:

7 (e) Knowingly represent an interest adverse to the lobbyist's
8 ~~principal~~ CLIENT without first obtaining the consent of the ~~principal~~
9 CLIENT after full disclosure by the lobbyist of the adverse interest;

10 **SECTION 6. Appropriation.** In addition to any other
11 appropriation, there is hereby appropriated, out of any moneys in the
12 department of state cash fund created in section 24-21-104 (3) (b),
13 Colorado Revised Statutes, not otherwise appropriated, to the department
14 of state, for the fiscal year beginning July 1, 2014, the sum of \$12,360, or
15 so much thereof as may be necessary, to be allocated to information
16 technology services for personal services related to the implementation
17 of this act.

18 **SECTION 7. Effective date.** This act takes effect July 1, 2015.

19 **SECTION 8. Safety clause.** The general assembly hereby finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, and safety.