
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 269 Session of
2021

INTRODUCED BY SHUSTERMAN, HANBIDGE, CIRESI, DeLUCA, KENYATTA,
WEBSTER, O'MARA, WARREN, McNEILL, LEE AND FREEMAN,
JANUARY 26, 2021

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JANUARY 26, 2021

AN ACT

1 Amending Title 65 (Public Officers) of the Pennsylvania
2 Consolidated Statutes, in lobbying disclosure, further
3 providing for definitions, for reporting and for penalties.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. The definition of "State official or employee" in
7 section 13A03 of Title 65 of the Pennsylvania Consolidated
8 Statutes is amended and the section is amended by adding
9 definitions to read:

10 § 13A03. Definitions.

11 The following words and phrases when used in this chapter
12 shall have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 * * *

15 "Client." An individual or organization that retains,
16 employs or designates an individual or organization to carry on
17 lobbying activities on behalf of the individual or client. With
18 respect to an organization, the term client also includes high-

1 level individuals of the organization.

2 * * *

3 "High-level individual." A proprietor, partner, director,
4 trustee or person within the executive management of a client.

5 * * *

6 "Reportable business relationship." A relationship that
7 meets all the criteria listed in section 13A05(f)(1)(relating to
8 reporting).

9 "Reportable business relationship form." The reportable
10 business relationship form available on the department's
11 publicly accessible Internet website.

12 * * *

13 "Requisite involvement in an entity." A State official or
14 employee who:

15 (1) is a proprietor, partner, director, officer or
16 manager of a nongovernmental entity; or

17 (2) owns or controls 10% or more of the stock of a
18 nongovernmental entity or 1% in the case of a corporation
19 whose stock is regularly traded on an established securities
20 exchange.

21 * * *

22 "State official or employee." [An individual elected or
23 appointed to a position in State government or employed by State
24 government, whether compensated or uncompensated, who is
25 involved in legislative action or administrative action.]

26 Includes:

27 (1) Statewide elected officials;

28 (2) members or employees of the General Assembly;

29 (3) officers and employees of Statewide elected
30 officials;

1 (4) officers and employees of State departments, boards,
2 bureaus, divisions, commissions, councils or other State
3 agencies; and

4 (5) employees of public authorities, public benefit
5 corporations and commissions if at least one of the members
6 of the public authority, public benefit corporation or
7 commission is appointed by the Governor and members or
8 directors of which are compensated other than on a per diem
9 basis. The provisions of this paragraph shall not apply to
10 employees of multistate authorities.

11 * * *

12 Section 2. Sections 13A05 and 13A09 of Title 65 are amended
13 by adding subsections to read:

14 § 13A05. Reporting.

15 * * *

16 (f) Disclosing a reportable business relationship.--
17 Notwithstanding any other provision of this act to the contrary,
18 the following apply:

19 (1) A reportable business relationship must be
20 disclosed, on a form developed by the department, regardless
21 of when the relationship commenced, if at any time during a
22 calendar year, all of the following criteria are met:

23 (i) A formal or informal agreement or understanding
24 exists in which a lobbyist or client of a lobbyist pays,
25 has paid or promises compensation to:

26 (A) An individual whom the lobbyist or client
27 knows or has reason to know is a State official or
28 employee. An individual shall be deemed to have
29 reason to know under this clause if a reasonable
30 person, based on the totality of the circumstances,

1 would conclude that a lobbyist or client should have,
2 or but for willful ignorance, would have known a
3 particular fact. The following factors may be
4 considered, individually or in totality, to determine
5 whether a lobbyist or client had reason to know:

6 (I) the origins of the relationship between
7 the parties;

8 (II) the length of the relationship of the
9 parties;

10 (III) the type and actual value of the
11 goods, services or items provided; or

12 (IV) whether the fact that the individual is
13 a State official or employee or the requisite
14 involvement of the State official or employee
15 with the entity at issue is generally known to
16 the public.

17 (B) A nongovernmental entity for which the
18 lobbyist or client knows or has reason to know that
19 the State official or employee has requisite
20 involvement.

21 (C) A third-party, as directed by the State
22 official or employee or as directed by the entity.

23 (ii) The payment or promise of compensation is or
24 was in exchange for goods, services or anything of value,
25 either performed or provided or intended to be performed
26 or provided by the State official or employee or an
27 entity in which the State official or employee has
28 requisite involvement.

29 (iii) The total value of the compensation paid to
30 the State official or employee or an entity in which the

1 State official or employee has requisite involvement,
2 which must be aggregated if applicable in accordance with
3 paragraph (2), exceeds \$1,000 within a calendar year. The
4 threshold is met once more if \$1,000 in compensation is
5 paid or owed to the State official or employee or entity
6 for services performed or provided or intended to be
7 performed or provided.

8 (2) If a lobbyist or client has multiple reportable
9 business relationships with the same State official or
10 employee or the same entity or entities in which a State
11 official or employee has the requisite involvement, the value
12 of the compensation paid for goods, services or anything of
13 value relating to the relationships must be aggregated. If
14 the aggregated value of compensation is more than \$1,000
15 within a calendar year, each relationship is a reportable
16 business relationship if all other criteria under this
17 subsection are satisfied.

18 (3) A lobbyist or client must complete a reportable
19 business relationship form and submit it to the commission
20 within 10 days of the reportable business relationship's
21 existence. For ongoing reportable business relationships,
22 lobbyists and clients must disclose on their reportable
23 business relationship form all calendar years in which the
24 reportable business relationship is in existence.

25 (4) A reportable business relationship form shall be
26 considered a part of the lobbyist's registration statement or
27 the client's semiannual report, as applicable. If an entity
28 files both lobbyist statements of registration and client
29 semiannual reports, the entities shall only be required to
30 file the lobbyist reportable business relationship form to

1 comply with the filing requirement under this paragraph.

2 (5) For each reportable business relationship, a
3 lobbyist or client must provide the following information on
4 the reportable business relationship form:

5 (i) the name and public office address of the State
6 official or employee or entity with which the State
7 official or employee has requisite involvement;

8 (ii) a description of the general subject or
9 subjects of the transactions between the lobbyist or
10 client and the State official or employee or entity with
11 which the State official or employee has requisite
12 involvement; and

13 (iii) the actual or anticipated amount of
14 compensation, including reimbursable expenses, to be paid
15 and paid to the State official or employee or entity with
16 which the State official or employee has requisite
17 involvement by virtue of the reportable business
18 relationship.

19 (6) For organizations that constitute a client of a
20 lobbyist, each reportable business relationship of its high-
21 level individuals must be reported by the client organization
22 if:

23 (i) the high-level individual entered into the
24 reportable business relationship in the individual's
25 personal capacity; or

26 (ii) another entity entered into the reportable
27 business relationship at the direction or request of the
28 high-level individual.

29 (7) A lobbyist or client organization may use and rely
30 upon in good faith, the responses to a questionnaire provided

1 by the commission to send to equity partners, officers,
2 directors or high level individuals, as applicable, to
3 determine whether those individuals have reportable business
4 relationships that must be disclosed.

5 (8) If a material change occurs relating to information
6 reported in the reportable business relationship form after
7 the form has been submitted, including material changes in
8 the actual or anticipated amount of compensation paid, an
9 amended reportable business relationship form must be
10 submitted to the commission within 10 days of the change.

11 (9) Relationships between a lobbyist or client and a
12 State official or employee or entity in which a State
13 official or employee has requisite involvement that relate to
14 the following are excluded from reporting requirements:

15 (i) medical, dental and mental health services and
16 treatment; and

17 (ii) legal services with respect to investigation or
18 prosecution by law enforcement authorities, bankruptcy
19 and domestic relations matters.

20 (g) Annual report.--

21 (1) Each lobbyist shall make and certify the correctness
22 of a full annual report to the commission, of money, loans,
23 paid personal services or other items of value contributed to
24 the lobbyist and expenditures made, incurred or authorized by
25 the lobbyist for the purpose of communication with, or
26 providing benefits to, the Governor, Lieutenant Governor, the
27 Governor's staff, an officer or staff member of the Executive
28 Branch or any member or staff of the General Assembly, during
29 the previous year.

30 (2) The report shall include, but not be limited to, the

1 following expenditures which relate to communication with or
2 providing benefits to, the Governor, the Lieutenant Governor,
3 an officer or staff member of the Executive Branch or any
4 member or staff of the General Assembly:

5 (i) media, including advertising;

6 (ii) entertainment;

7 (iii) food and beverage;

8 (iv) travel and lodging;

9 (v) honoraria;

10 (vi) loans;

11 (vii) gifts; and

12 (viii) salary, fees, allowances or other
13 compensation paid to a lobbyist.

14 (3) The expenditures shall be reported whether made to
15 the intended recipient of the communication or benefit, to a
16 lobbyist or, in the case of a communication to the general
17 public, to the publisher of that communication.

18 (4) The expenditures shall be reported in the aggregate
19 by category, except that if the aggregate expenditures on
20 behalf of the Governor, the Lieutenant Governor, an officer
21 or staff member of the Executive Branch or a member or staff
22 of the General Assembly exceed \$25 per day, the expenditures
23 shall be detailed separately as to the name of the Governor,
24 the Lieutenant Governor, a member of the Governor's staff, an
25 officer or staff member of the Executive Branch or a member
26 or staff of the General Assembly, the date and type of
27 expenditure, the amount of expenditure and to whom paid.

28 (5) If the aggregate expenditures for the purpose of
29 communication with or providing benefits to the Governor, the
30 Lieutenant Governor, an officer or staff member of the

1 Executive Branch or any member or staff of the General
2 Assembly exceed \$200 per year, the expenditures, together
3 with the name of the intended recipient of the communication
4 or benefits, shall be stated in detail including the type of
5 each expenditure, amount of expenditure and to whom paid.

6 (6) If expenditures in the aggregate in excess of \$100,
7 the report shall include the date and type of expenditure,
8 amount of expenditure and to whom paid.

9 (7) The commission may permit joint reports by
10 lobbyists. No lobbyist shall be required to file a report
11 unless:

12 (i) all money, loans, paid personal services or
13 other things of value contributed to a lobbyist for the
14 purpose of communication with or making expenditures
15 providing a benefit to the Governor, the Lieutenant
16 Governor, an officer or staff member of the Executive
17 Branch, a member or staff of the General Assembly or, for
18 the purpose of communication with the general public,
19 exceed \$2,500 in any year; or

20 (ii) all expenditures made, incurred or authorized
21 by a lobbyist for the purpose of communication with or
22 providing benefits to the Governor, the Lieutenant
23 Governor, an officer or staff member of the Executive
24 Branch, a member or staff of the General Assembly or, for
25 the purpose of communication with the general public,
26 exceed \$2,500 in any year.

27 § 13A09. Penalties.

28 * * *

29 (j) Failure to disclose a reportable business
30 relationship.--A lobbyist, public corporation or client who

1 knowingly and willfully fails to file a statement or report
2 within the time required for the filing of a report shall be
3 subject to a civil penalty for each failure or violation, in an
4 amount not to exceed the greater of \$25,000 or three times the
5 amount the person failed to report properly or unlawfully
6 contributed, expended, gave or received, to be assessed by the
7 commission.

8 (k) Registration fees.--The statement of registration filed
9 biennially by each lobbyist for the calendar years 2021-2022 and
10 thereafter shall be accompanied by a registration fee of \$200,
11 except that no registration fee shall be required from any
12 lobbyist who in any year does not expend, incur or receive any
13 amount in excess of \$5,000 of reportable compensation and
14 expenses. A fee of \$200 shall be required for any subsequent
15 statement of registration filed by a lobbyist during the same
16 biennial period.

17 (l) Submission of false filings.--A lobbyist, public
18 corporation or client who knowingly and willfully fails to file
19 a statement or report under section 13A05(f) or (g) within the
20 time required for the filing of the report shall be subject to a
21 civil penalty for each failure or violation, in an amount not to
22 exceed the greater of \$25,000 or three times the amount the
23 individual failed to report properly or unlawfully contributed,
24 expended, gave or received, to be assessed by the commission.

25 Section 3. This act shall take effect in 120 days.