

FACT SHEET

SB 87 – Regulation of Lobbyists

by Sen. Pat Steadman & Rep. Larry Liston

What the Bill Does:

- Makes changes to lobbyist regulations and **fees** requested by the Secretary of State
- Increases the **late filing penalty** from a flat \$10 per day to: \$10 per day for the first ten business days and then \$100 per day for every day thereafter
- Permits the Secretary of State to **deny registration** to any lobbyist with outstanding late filing penalties
- **Aligns** certain lobbyist disclosure filings with the registration period, which is based on a fiscal year
- Allows the Secretary of State to set the annual registration fee by rule and removes the dollar figure cap in current statute
- **Gives volunteer lobbyists the option** to continue registering with the Chief Clerk of the House of Representatives (as they do now) or instead register with the Secretary of State and participate in the online database of lobbyist information
- Specifies that volunteer lobbyists that choose to register with the Secretary of State **shall not be charged a registration fee or be subject to late filing penalties**
- Requires the Secretary of State to **post information online and notify a lobbyist's clients** about discipline resulting in revocation of registration or a resolution of censure
- **Amends the list of prohibited practices for lobbyists to ensure ethical conduct and the integrity of the legislative process**

Reasons to Support SB 87:

- A 2007 audit of lobbyist regulation made several recommendations for enhanced oversight and transparency. To implement these recommendations, **the Secretary of State is requesting increases in late filing penalties and the power to deny registration to lobbyists with outstanding penalties.** Cash funds support the online database of lobbyist registrations and disclosure statements. Enhancements to this system, including the addition of volunteer lobbyist information, can be made from increased late penalties and greater flexibility to set registration fees.

- Lobbyists register on a fiscal year basis, but statutes regulating their practices still require certain disclosures of information on a calendar year basis. **SB 87 aligns these time periods.**
- **Volunteer lobbyists** provide minimal information upon registering and are not required to make monthly disclosures of their activities. **Greater transparency in this area is needed.** SB 87 is permissive and allows volunteer lobbyists to choose to participate in the online system and make disclosures, but provides no fee or penalty. Volunteer lobbyists objected to the original provisions of SB 87 and amendments to the bill give them the choice between the status quo and online transparency.
- **A \$10 per day late filing penalty is not a sufficient disincentive for lobbyists who wish to conceal information about their clients or their activities.** Under current law, a lobbyist who worked for a client throughout the legislative session and never disclosed the relationship, the income or the lobbying activity would face a modest late penalty. For a 120 day session, the penalty would be \$1,200 – a small price to pay to conceal a client contract that may easily be worth 10, 50 or 100 times that amount.
- **Ethical requirements for lobbyists are scarce in Colorado law.** Both statute and legislative rules regulate lobbyist activities, and SB 87 provides coordination between the Executive and Legislative Branch in the event of disciplinary action taken against a lobbyist.
- The prohibited practices SB 87 adds to Colorado law were taken from a 50-state review of statutory provisions governing lobbyists. Although most would agree that it would be unethical for a lobbyist to represent clients without informing them of conflicts of interest, or falsify the identity of their client, or attempt to influence a legislator by lobbying their employer, none of these practices are currently addressed in Colorado law. **SB 87 sets out clear boundaries to define unethical lobbying practices.**