

CHAPTER 398

GOVERNMENT - STATE

SENATE BILL 14-217

BY SENATOR(S) Carroll and Cadman, Aguilar, Guzman, Heath, Jones, Kefalas, Kerr, Newell, Steadman, Todd;
also REPRESENTATIVE(S) Hullinghorst and DelGrosso, Becker, Kraft-Tharp, Pabon, Schafer.

AN ACT

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

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

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

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

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

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

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

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

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

(X) The nature of the legislation, standards, rules, or rates for which the disclosing person is ~~receiving contributions or making expenditures for~~ lobbying and, where known, the specific legislation, standards, rules, or rates. In the case of specific legislation, ~~disclosure shall include, during a regular or special session of the general assembly,~~ THE PROFESSIONAL LOBBYIST SHALL INCLUDE the bill number of the legislation, and whether ~~the disclosing person's principal~~ SUCH LOBBYIST'S CLIENT IS supporting, opposing, amending, or monitoring the legislation ~~identified as of~~ AT the time a OF THE disclosure statement. ~~is required to be filed pursuant to section 24-6-302 (3), after the disclosing person is retained to advocate or monitor in connection with the legislation.~~ The disclosure statement PROFESSIONAL LOBBYIST shall specify that the ~~disclosing person's~~ HIS OR HER representation is accurate as of the date of disclosure only and that ~~such~~ THE representation is not binding ~~on the disclosing person after such date and is subject to change subsequent to such~~ AFTER THE date and ~~prior to~~ BEFORE the time the next disclosure statement is due. If a ~~disclosure statement from a disclosing person during a regular or special session of the general assembly~~ PROFESSIONAL LOBBYIST fails to show any bill numbers or nature of the legislation, as applicable, the ~~disclosing person shall be required to make an affirmative statement~~ SUCH LOBBYIST SHALL AFFIRM that he or she was not retained in connection with any legislation. Nothing in this subparagraph (X) ~~shall require~~ REQUIRES any additional disclosure on the part of a ~~disclosing person~~ LOBBYIST before the next applicable reporting deadline pursuant to section 24-6-302 (3). For purposes of this subparagraph (X), "legislation" means the process of making or enacting law in written form in the form of codes, statutes, or rules. NOTHING IN THIS SUBPARAGRAPH (X) REQUIRES A LOBBYIST TO AMEND A PREVIOUSLY FILED DISCLOSURE STATEMENT UPON LEARNING THE BILL NUMBER OF A PREVIOUSLY DISCLOSED PIECE OF LEGISLATION.

(XI) If the ~~disclosing person's principal~~ CLIENT OR PROFESSIONAL LOBBYIST is an individual, the name and address of the individual and a description of the business activity in which the individual is engaged. If the ~~disclosing person's principal~~ CLIENT OR PROFESSIONAL LOBBYIST is a business entity, a description of the business entity in which the ~~principal~~ CLIENT OR LOBBYIST is engaged and the name or names of the entity's chief executive officer, ~~or~~ partners, OR OTHER DESIGNATED CONTACT PERSON, as applicable. If the ~~disclosing person's principal~~ CLIENT OR LOBBYIST is an industry, trade, organization or group of persons, or professional association, a description of the industry, trade, organization or group of persons, or profession that the ~~disclosing person~~ LOBBYIST represents.

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

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

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

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

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

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

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

(b) ~~A cumulative~~ IN ADDITION TO THE MONTHLY DISCLOSURE STATEMENT, A PROFESSIONAL LOBBYIST SHALL FILE WITH THE SECRETARY OF STATE AN ANNUAL disclosure statement for the entire fiscal year ~~shall be filed by a professional lobbyist or a firm organized for professional lobbying purposes on or before~~ NO LATER THAN

July 15 ~~covering~~ THAT COVERS the fiscal year immediately preceding the date on which the cumulative disclosure statement is due. Such FISCAL YEAR. THE ANNUAL disclosure statement shall MUST contain the name of and total gross income for lobbying received from each person for RECEIVED FROM EACH CLIENT OR OTHER PROFESSIONAL LOBBYIST FOR WHOM THE LOBBYIST LOBBIED DURING the previous fiscal year. If a firm organized for professional lobbying purposes subcontracts lobbying business to another such firm or professional lobbyist, or if a professional lobbyist subcontracts lobbying business to another such firm or lobbyist, only the firm or professional lobbyist that receives the business on a subcontract shall report the information required to be disclosed pursuant to this subsection (3). The firm or professional lobbyist that subcontracted the business to another firm or professional lobbyist IF A PROFESSIONAL LOBBYIST RECEIVES BUSINESS FROM ANOTHER PROFESSIONAL LOBBYIST ON A SUBCONTRACT BASIS, THE LOBBYIST RECEIVING SUCH BUSINESS shall describe in an addendum or a supplement to the report required to be filed pursuant to the provisions of this subsection (3) AN ANNUAL DISCLOSURE STATEMENT the total gross income received from lobbying that is being THE PROFESSIONAL LOBBYIST UNDER THE SUBCONTRACT WHO IS contemporaneously reported by another firm or professional lobbyist REPORTING THE SUBCONTRACTING BUSINESS ON HIS OR HER ANNUAL DISCLOSURE STATEMENT.

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

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

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

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

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

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

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

24-6-303. Registration as professional lobbyist - filing of disclosure statements - certificate of registration - legislative declaration. (1) ~~Any professional lobbyist, before engaging in lobbying, a PROFESSIONAL LOBBYIST shall register with the secretary of state and file a written or an electronic registration statement with the secretary of state that shall contain~~ CONTAINS:

- (a) His or her full legal name, business address, and business telephone number;
- (b) The name, address, and telephone number of ~~any person by whom he or she is employed~~ HIS OR HER EMPLOYER, IF APPLICABLE;
- (c) The name, address, and telephone number of any ~~person~~ THE CLIENT for whom he or she will be lobbying; and
- (d) The name, address, and telephone number of any ~~person by whom the professional lobbyist or firm organized for professional lobbying is paid or is to be paid for such lobbying~~ OTHER PROFESSIONAL LOBBYIST FOR WHOM HE OR SHE IS LOBBYING ON A SUBCONTRACT BASIS.

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

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

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

(b) In the case of ~~misconduct by an individual culminating in a resolution of~~ censure that has been adopted by the general assembly, ~~in accordance with its rules on lobbying practices~~ the secretary of state shall send a copy of the resolution by United States mail to each ~~principal~~ CLIENT OR OTHER LOBBYIST for whom the individual lobbies as shown on the individual's registration statement filed pursuant to section 24-6-303 (1).

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

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

- (e) Knowingly represent an interest adverse to the lobbyist's ~~principal~~ CLIENT

without first obtaining the consent of the ~~principal~~ CLIENT after full disclosure by the lobbyist of the adverse interest;

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

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

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

Approved: June 6, 2014