

**New Ethics Rules for Legislators and Lobbyists:
Schmooze but Don't Lose**

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Utah Lobbyist Regulations
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Licensing Requirements

- File form with Lt. Governor's office with basic information:
 - Contact information
 - Disclose any elected officials the lobbyist employs or any elected office the lobbyist holds
 - Disclose types of expense the lobbyist will be reimbursed for
- Pay a \$100 licensing Fee
- Licensing must be renewed every two years
- Register for each principal you will be lobbying on behalf of
 - Must be updated for every new client

Financial Disclosure

- File quarterly financial report
 - Due in January, April, July, and October
 - Report total expenditures made to benefit any public official
- File a summary of all expenditures accrued in the previous calendar year
- For specifics see "Utah Lobbyist Disclosure and Regulation Act"

Campaign Contributions

- Campaign contributions may not be made or promised by anyone to a legislator, a legislator's personal campaign committee, or a PAC controlled by a legislator while the Legislature is in session. This includes special sessions and veto override sessions.
- Campaign contributions may not be made or promised by anyone to the governor, the governor's personal campaign committee, or a PAC controlled by the governor.

Other Rules and Regulations

A lobbyist:

- Must complete an online ethics training once a year
- May not be hired contingent on the passing, defeat or amendment of legislative action or the approval, modification, or denial of a certain executive action
- May not contact legislator's employer in an effort to influence a vote
- May not intentionally communicate false information to a public official when the information is related to matters within the official's responsibility

- May not represent a principal when there is a conflict of interest including:
 - The representation of a principal would be directly adverse to another principal
 - The representation of a principal would be limited by the lobbyist's responsibilities to another principal, a personal interest of the lobbyist

Except when:

- The lobbyist reasonably believes that the lobbyist will be able to provide competent and diligent representation to each principal or client
- The representation is not otherwise prohibited by law
- The representation does not require the lobbyist to assert a position on behalf of one principal or client that is opposed to the position of another principal or client represented by the lobbyist involving the same legislative issue
- *And* each affected principal or client gives informed consent to the conflict of interest in writing

Remember, lawyer lobbyists are also bound by the Utah Rules of Professional Conduct. Most lobbyists are not lawyers, and do not have to abide by these rules of conduct, which govern conflicts of interest and other issues of lobbying.

Utah Law-Lobbyist Disclosure and Regulation Act

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The 2010 Legislature adopted significant revisions to the process of how lobbyists/principals report expenditures in behalf of elected and appointed officials. These changes, especially in regards to reporting are significant and will impact how we interact with legislators.

Definition of Reportable Expenditures

- The definition of reportable expenditures was expanded from meals, travel expenses, and gifts provided to legislators, which must be disclosed by a lobbyist in his/her quarterly expenditure reports to include "money, real property, a ticket to sporting, recreational or artistic event". Public officials can no longer receive gifts if they are greater than \$10 in value.
- This is particularly significant, because there was a question as to whether Jazz Games and Symphony concerts were reportable.
- Except as noted, expenditures greater than \$10 must be reported and the recipient legislator identified.
- Campaign contributions, printed information, and gifts from relatives are not considered reportable expenditures

Exceptions

- Expenditures (i.e. food, gifts) with a value of less than \$10, or daily aggregate expenditures of less than \$10, are allowed and are not reportable by the lobbyist.
- Lobbyists can provide meals to legislators that exceed \$10 in value, and are not considered reportable expenditures, under the following conditions:
 - All members of the legislature are invited to the event
 - All members of the standing or interim committee are invited
 - All members of a task force are invited,
 - All members of a party caucus are invited
 - All attendees at a national organization (i.e. NCSL) are invited
- There are also exceptions for food and beverage provided at:
 - An event where the public official is speaking receiving an award
 - Campaign or charitable event
 - An "official" or "authorized" event
 - Please note that the House and Senate each have slightly different rules regarding " authorized" events that should be examined prior to sponsorship of events.

- A lobbyist can make expenditures that exceed \$10, if for food, travel, or lodging expenses. These are still reportable expenses and the lobbyists must identify by name the legislator who benefits. All other expenditures are prohibited.
- Awards or commendations under \$50 are permissible
- For the full list of permissible and prohibited items see the Utah Lobbyist Disclosure and Regulation Act in the Utah Code -- Title 36 -- Chapter 11

Impact and Recommendations

Lobbyists can still invite a legislator to lunch or breakfast, but you will need to report the event and the name of the recipient legislator if the value exceeds \$10. This is impacting the habits of lawmakers. When making an invitation to meet at a lunch or breakfast, we recommend asking a legislator if he or she is willing to eat at a place that exceeds \$10 (i.e. Alta club, Market St. Grill, etc.) or whether they prefer eating at a place that guarantees less than \$10 (i.e. Starbucks, small cafés, etc.). This may also push invitations to meet at their workplace or at your office.

Expenditure reporting is not required if you invite the entire committee to one or a series of lunches/breakfasts. This is an option you may want to pursue, if scheduling allows. Also, if the scheduled event is for fundraising or charitable purposes, the meal expenses are not reportable.

These changes will impact how you interact with legislators, and should be considered in your legislative strategy. Although you may have to adapt, these changes should not impair your ability to impact legislation.