

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 19-0958.01 Bob Lackner x4350

HOUSE BILL 19-1248

HOUSE SPONSORSHIP

Weissman and Cutter, Arndt, Froelich, Galindo, Gonzales-Gutierrez, Kennedy, Michaelson Jenet, Roberts, Sandridge, Singer, Sirota, Snyder

SENATE SPONSORSHIP

Foote,

House Committees

State, Veterans, & Military Affairs
Appropriations

Senate Committees

State, Veterans, & Military Affairs
Appropriations

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO PROMOTE TRANSPARENCY ABOUT THE**
102 **ACTIVITIES OF PERSONS LOBBYING STATE GOVERNMENT**
103 **OFFICIALS, AND, IN CONNECTION THEREWITH, MAKING AN**
104 **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://leg.colorado.gov>.)

Sections 2 and 3 of the bill clarify that the term "client" used in connection with statutory provisions regulating lobbyists means the person who employs or retains the professional services of one or more

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

SENATE
Amended 2nd Reading
April 26, 2019

HOUSE
3rd Reading Unamended
April 10, 2019

HOUSE
Amended 2nd Reading
April 9, 2019

lobbyists to undertake lobbying on behalf of that person. They also clarify that a professional lobbyist is not, for purposes of the statute, a client of either a lobbying firm or any other person that employs or retains one or more professional lobbyists to undertake lobbying on behalf of one or more clients.

Section 3 clarifies that existing provisions that require heightened disclosure when a lobbyist enters into an agreement to engage in lobbying apply when the general assembly is in regular or special session.

In addition to any other disclosure, during the period that the general assembly is in regular or special session, section 3 also requires a professional lobbyist to notify the secretary of state by means of the electronic filing system within 48 hours after:

- ! The lobbyist agrees to undertake lobbying in connection with new legislation, standards, rules, or rates for either a new or existing client of the lobbyist; or
- ! The lobbyist takes a new position on a new or existing bill for a new or existing client of the lobbyist.

During this period, where the lobbyist either agrees to undertake the expanded representation, the disclosure required by the bill includes the bill number of the legislation at issue and whether the lobbyist's client is supporting, opposing, amending, or monitoring the legislation at the time the lobbyist agrees to undertake lobbying in connection with the legislation or takes a new position.

The bill also states that an attorney who is a professional lobbyist may not decline to disclose his or her lobbying as such lobbying is required to be disclosed on the grounds that the lobbying is protected against disclosure as confidential matters between an attorney and a client.

In connection with any requirement under existing law to disclose the identity of a client, a professional lobbyist who is a natural person and who is employed or retained by a lobbying firm or any other firm or entity may disclose the name of the lobbying firm or other person or entity by means of which, or under the name of which, a professional lobbyist does business, but to satisfy such disclosure requirement the lobbyist is also required to disclose the name of the client who employs or retains the professional services of the lobbyist, or a lobbying firm or any other person or entity that employs or retains the lobbyist, to undertake lobbying on its behalf.

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

2 **SECTION 1. Short title.** This short title of this act is the

3 "Lobbyist Transparency Act".

1 **SECTION 2.** In Colorado Revised Statutes, 24-6-301, **amend** (1)
2 as follows:

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

5 (1) "Client" means the person who employs OR RETAINS the
6 professional services of ~~a lobbyist~~ ONE OR MORE LOBBYISTS TO
7 UNDERTAKE LOBBYING ON BEHALF OF THAT PERSON. For the purposes of
8 this part 3, a professional lobbyist is not a client of another lobbyist for
9 whom he or she undertakes lobbying on a subcontract basis nor is the
10 professional lobbyist a client of EITHER a lobbying firm OR ANY OTHER
11 PERSON THAT EMPLOYS OR RETAINS ONE OR MORE PROFESSIONAL
12 LOBBYISTS TO UNDERTAKE LOBBYING ON BEHALF OF ONE OR MORE
13 CLIENTS. Where the client is an organization or entity, nothing in this
14 subsection (1) requires the organization or entity to provide the names of
15 any of its shareholders, investors, business partners, coalition partners,
16 members, donors, or supporters, as applicable.

17 **SECTION 3.** In Colorado Revised Statutes, 24-6-302, **amend**
18 (6)(a) and (8); and **add** (6.5) and (9) as follows:

19 **24-6-302. Disclosure statements - required - definition.**

20 (6) (a) During the period that the general assembly is not in REGULAR OR
21 SPECIAL session, a professional lobbyist shall notify the secretary of state
22 in writing within five ~~working~~ BUSINESS days after an oral or written
23 agreement to engage in lobbying for any person OR CLIENT not disclosed
24 in the registration statement filed pursuant to section 24-6-303 (1). During
25 the period that the general assembly is in REGULAR OR SPECIAL session, a
26 professional lobbyist shall notify the secretary of state after an agreement
27 to engage in lobbying for any person OR CLIENT not disclosed in the

1 registration statement filed pursuant to section 24-6-303 (1), either by
2 means of the electronic filing system created in section 24-6-303 (6.3) or
3 by facsimile transmission in accordance with the following:

4 (I) In the case of a written agreement to engage the lobbyist,
5 disclosure shall be made within twenty-four hours after the date of the
6 agreement; and

7 (II) In the case of an oral agreement to engage the lobbyist, the
8 disclosure shall be made within twenty-four hours after the date of a
9 subsequent written agreement between the parties, the commencing of
10 lobbying activities, or the date the lobbyist receives any payment on the
11 agreement, whichever occurs first.

12 (6.5) (a) IN ADDITION TO ANY OTHER DISCLOSURE REQUIRED BY
13 THIS PART 3, DURING THE PERIOD THAT THE GENERAL ASSEMBLY IS IN
14 REGULAR OR SPECIAL SESSION, A PROFESSIONAL LOBBYIST SHALL NOTIFY
15 THE SECRETARY OF STATE BY MEANS OF THE ELECTRONIC FILING SYSTEM
16 CREATED IN SECTION 24-6-303 (6.3) WITHIN SEVENTY-TWO HOURS AFTER:

17 (I) THE LOBBYIST AGREES TO UNDERTAKE LOBBYING IN
18 CONNECTION WITH NEW LEGISLATION, STANDARDS, RULES, OR RATES FOR
19 EITHER A NEW OR EXISTING CLIENT OF THE LOBBYIST; OR

20 (II) THE LOBBYIST TAKES A NEW POSITION ON A NEW OR EXISTING
21 BILL FOR A NEW OR EXISTING CLIENT OF THE LOBBYIST.

22 (b) DURING THE PERIOD THAT THE GENERAL ASSEMBLY IS IN
23 REGULAR OR SPECIAL SESSION, WHERE THE LOBBYIST AGREES TO
24 UNDERTAKE LOBBYING IN CONNECTION WITH NEW OR EXISTING
25 LEGISLATION FOR EITHER A NEW OR EXISTING CLIENT, THE DISCLOSURE
26 REQUIRED BY SUBSECTION (6.5)(a) OF THIS SECTION INCLUDES THE BILL
27 NUMBER OF THE LEGISLATION AT ISSUE AND WHETHER THE LOBBYIST'S

1 CLIENT IS SUPPORTING, OPPOSING, AMENDING, OR MONITORING THE
2 LEGISLATION AT THE TIME THE LOBBYIST AGREES TO UNDERTAKE
3 LOBBYING IN CONNECTION WITH THE LEGISLATION OR TAKES A NEW
4 POSITION.

5 (8) Notwithstanding any other provision of this part 3, an attorney
6 who is REGISTERED AS a professional lobbyist is required to disclose
7 information about the clients for whom he or she lobbies in accordance
8 with this part 3 to the same extent as a professional lobbyist who is not an
9 attorney. AN ATTORNEY WHO IS REGISTERED AS A PROFESSIONAL LOBBYIST
10 MAY NOT DECLINE TO DISCLOSE HIS OR HER LOBBYING AS SUCH LOBBYING
11 IS REQUIRED TO BE DISCLOSED IN ACCORDANCE WITH THIS PART 3 ON THE
12 GROUNDS THAT THE LOBBYING IS PROTECTED AGAINST DISCLOSURE AS
13 CONFIDENTIAL MATTERS BETWEEN AN ATTORNEY AND A CLIENT.

14 (9) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 3, IN
15 CONNECTION WITH ANY REQUIREMENT TO DISCLOSE THE IDENTITY OF A
16 CLIENT IN THIS SECTION OR SECTION 24-6-303, "CLIENT" MEANS, IN
17 ACCORDANCE WITH SECTION 24-6-301 (1), THE NAME OF THE PERSON WHO
18 EMPLOYS OR RETAINS THE PROFESSIONAL SERVICES OF A LOBBYIST, A
19 LOBBYING FIRM, OR ANY OTHER PERSON OR ENTITY TO UNDERTAKE
20 LOBBYING ON ITS BEHALF. IN CONNECTION WITH ANY REQUIREMENT IN THIS
21 SECTION OR SECTION 24-6-303 TO DISCLOSE THE IDENTITY OF A CLIENT, A
22 PROFESSIONAL LOBBYIST WHO IS A NATURAL PERSON AND WHO IS
23 EMPLOYED OR RETAINED BY A LOBBYING FIRM OR ANY OTHER FIRM OR
24 ENTITY MAY DISCLOSE THE NAME OF THE LOBBYING FIRM OR OTHER PERSON
25 OR ENTITY BY MEANS OF WHICH, OR UNDER THE NAME OF WHICH, A
26 PROFESSIONAL LOBBYIST DOES BUSINESS, BUT TO SATISFY SUCH
27 DISCLOSURE REQUIREMENT THE LOBBYIST SHALL ALSO DISCLOSE THE NAME

1 OF THE CLIENT WHO EMPLOYS OR RETAINS THE PROFESSIONAL SERVICES OF
2 THE LOBBYIST, OR A LOBBYING FIRM OR ANY OTHER PERSON OR ENTITY
3 THAT EMPLOYS OR RETAINS THE LOBBYIST, TO UNDERTAKE LOBBYING ON
4 ITS BEHALF.

5 **SECTION 4.** In Colorado Revised Statutes, 24-6-303, **add (7)** as
6 follows:

7 **24-6-303. Registration as professional lobbyist - filing of**
8 **disclosure statements - certificate of registration - legislative**
9 **declaration - repeal.** (7) (a) NOT LATER THAN JULY 1, 2019, THE
10 SECRETARY OF STATE, REFERRED TO IN THIS SUBSECTION (7) AS THE
11 "SECRETARY", SHALL CONVENE A WORKING GROUP TO CONSIDER UPGRADES
12 TO THE ELECTRONIC FILING SYSTEM REQUIRED BY SUBSECTION (6.3) OF THIS
13 SECTION. THE WORKING GROUP SHALL CONSIDER WAYS TO IMPROVE THE
14 USE OF THE SYSTEM BY MEMBERS OF THE PUBLIC AND BY INDIVIDUALS
15 COVERED BY THIS PART 3 AS WELL AS WAYS TO INCREASE OVERALL
16 TRANSPARENCY AND THE EASE OF THE USE OF DATA REPORTED INTO THE
17 ELECTRONIC FILING SYSTEM. THE WORKING GROUP MUST MEET AT LAST
18 ONCE PRIOR TO DECEMBER 31, 2019, AND MAY MEET AS OFTEN AS THE
19 SECRETARY DEEMS NECESSARY TO ACHIEVE THE PURPOSES OF THIS
20 SUBSECTION (7). THE WORKING GROUP SHALL INCLUDE REPRESENTATIVES
21 OF ORGANIZATIONS THAT ADVOCATE FOR GOVERNMENT TRANSPARENCY
22 AND INDIVIDUALS REQUIRED TO REGISTER AND MAKE DISCLOSURE UNDER
23 THIS PART 3. THE SECRETARY MAY PROMULGATE RULES TO GOVERN THE
24 WORKING GROUP ESTABLISHED BY THIS SUBSECTION (7)(a).

25 (b) THE SECRETARY SHALL REPORT THE CONCLUSIONS OF THE
26 WORKING GROUP AS PART OF THE PRESENTATION OF THE DEPARTMENT OF
27 STATE TO ITS COMMITTEE OF REFERENCE AT A HEARING HELD PURSUANT TO

1 SECTION 2-7-203 (2)(a) OF THE "STATE MEASUREMENT FOR
2 ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT
3 ACT".

4 (c) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE MARCH 1, 2020.

5 **SECTION 5. Appropriation.** For the 2019-20 state fiscal year,
6 \$38,160 is appropriated to the department of state for use by the
7 information technology division. This appropriation is from the
8 department of state cash fund created in section 24-21-104 (3)(b), C.R.S.
9 To implement this act, the division may use this appropriation for personal
10 services.

11 **SECTION 6. Effective date - applicability.** (1) This act takes
12 effect upon passage; except that section 24-6-302 (6.5), Colorado Revised
13 Statutes, as enacted in section 2 of this act, takes effect January 1, 2020.

14 (2) This act applies to the required disclosure of information on or
15 after the applicable effective date of this act.

16 **SECTION 7. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.