

Guidelines For Lobbying Activities



Virginia P. Sikes, Esquire
Montgomery, McCracken, Walker & Rhoads, LLP

Pennsylvania Lobbying Disclosure Law

- **The general rule:** With limited exceptions, the Pennsylvania Lobbying Disclosure Law requires registration and quarterly reporting by any person (including an attorney) or entity that gives or receives economic consideration to influence Pennsylvania legislative or administrative action. The state conducts regular audits, and there are penalties for noncompliance.

Pennsylvania Lobbying Disclosure Law

- What this means for PennFuture: PennFuture must:
 - Register as a principal because its total expenses for lobbying regularly exceed \$2,500 in a quarterly reporting period.
 - File quarterly expense reports when its total expenses for lobbying exceed \$2,500 in a quarterly reporting period (or a statement that expenses for the quarter do not exceed \$2,500 when they do not).
 - Provide advance written notice to state officials and employees listed in an expense report for gifts over \$250 per calendar year and reimbursement of transportation, hospitality and lodging expenses over \$650 per calendar year.
 - Retain receipts and other documents necessary to substantiate expense reports for four years.
 - Amend or terminate registration at the appropriate times.

Pennsylvania Lobbying Disclosure Law, cont'd.

■ What staff needs to know:

■ *What kinds of government bodies are included?*

- State legislature (House and Senate).
- The Governor and state administrative agencies, boards, commissions, authorities, or departments of the executive branch.

■ *What kinds of action are included?*

- Legislative action: state legislation (bills, resolutions, amendments and nominations); state legislative motions; gubernatorial vetoes; confirmations of gubernatorial appointments; appointments by state legislature.
- Administrative action: state agency regulations or statements of policy/guidelines; state agency contracts; gubernatorial approvals or vetoes of legislation; nominations or appointments of state officers or employees; gubernatorial executive orders.

Pennsylvania Lobbying Disclosure Law, cont'd.

- *What kinds of activities and expenditures are included?*
 - Direct communications: efforts directed to a state official or employee to influence legislative or administrative action.
 - Indirect communications: efforts to encourage others to take action to directly influence legislative or administrative action (includes advertising and educational campaigns on public issues but excludes regularly published periodic newsletters primarily designed for and distributed to members).
 - Expenditures related to gifts, hospitality (meals, beverages, recreation, entertainment), transportation and lodging to state officials and employees.

Pennsylvania Lobbying Disclosure Law, cont'd.

- **Note: Both direct and indirect communications include:**

- **Personnel expenses:** allocable portion of employee compensation (including benefits) in support of lobbying activities (for an individual for whom lobbying is incidental to regular employment, the term means a good faith prorated estimate based on the value of the time devoted to lobbying).
- **Office expenses:** allocable portions of office expenses in support of lobbying activities.

Pennsylvania Lobbying Disclosure Law, cont'd.

- *Which staff members must register?*
 - Those paid more than \$2,500 for lobbying activities during any quarterly reporting period.
 - Those whose lobbying exceeds 20 hours during any quarterly reporting period.
- **Note:** It is not clear that an employee has to meet both exemptions to be exempt, but that is a conservative and reasonable position to take.

Pennsylvania Lobbying Disclosure Law, cont'd.

■ *What activities need not be reported?*

- Preparing testimony and testifying before a committee of the General Assembly or participating in an administrative proceeding of an agency, including preparing and delivering comments on regulations or preparing and delivering comments at agency advisory meetings. (This exemption does not apply if the individual is otherwise required to register and report.)
- Serving on an advisory board, working group or task force at the request of the state legislature or a state agency, so long as the individual is not otherwise required to register.
- Activities by volunteers and nonpaid interns. (Paid interns must track and report their lobbying time.)

Pennsylvania Lobbying Disclosure Law, cont'd.

- Participating in an administrative adjudication.
- Seeking a state grant.
- Mere monitoring of legislative or administrative action.
- Communicating with the state judicial branch.
- Lobbying federal and local government bodies.

Pennsylvania Lobbying Disclosure Law, cont'd.

■ What staff needs to do:

- Track and report lobbying time and expenses, including, for each entry:
 - General subject matter or issue.
 - Which of these three categories the entry is properly classified as (must select one):
 - Gifts, hospitality, transportation, and lodging provided to state officials or employees (must identify the state official or employee if selecting this category).
 - Direct communication.
 - Indirect communication.

Pennsylvania Lobbying Disclosure Law, cont'd.

- Register within ten days of qualifying as a lobbyist (there is a \$200 biennial registration fee).
- Retain records for four years.

Philadelphia Lobbying Ordinance

- **The general rule:** With limited exceptions, the Philadelphia Lobbying Ordinance requires registration and quarterly reporting by any person (including an attorney) or entity that gives or receives economic consideration to influence the actions of any office or officer of the government of the City of Philadelphia, including elected officials. There are penalties for noncompliance. The ordinance is modeled after the Pennsylvania Lobbying Disclosure Law, but there are some critical differences, particularly with respect to the reporting requirements.

Philadelphia Lobbying Ordinance, cont'd.

- What this means for PennFuture: PennFuture must:
 - Register as a principal if:
 - its total expenses for lobbying exceeds \$2,500 in a quarterly reporting period.
 - an employee exceeds 20 hours spent lobbying in a quarterly reporting period.
 - Attend training for principals.
 - File quarterly expense reports when its total expenses for lobbying exceed \$2,500 in a quarterly reporting period (or a statement that expenses for the quarter do not exceed \$2,500 when they do not).

Philadelphia Lobbying Ordinance, cont'd.

- Provide advance written notice to city officials and employees listed in an expense report for gifts over \$250 per calendar year and reimbursement of transportation, hospitality and lodging expenses over \$650 per calendar year.
- Retain receipts and documents necessary to substantiate expense reports for four years.
- Amend or terminate registration at the appropriate times.

Philadelphia Lobbying Ordinance, cont'd.

- What staff needs to know:

- *What kinds of government bodies are included?*

- Mayor, City Council, City Controller, Sheriff, District Attorney, and City Commissioners.
- Any agency, office, department, board, commission or other entity that is part of the government of the City of Philadelphia.
- Philadelphia Industrial Development Corporation, Philadelphia Authority for Industrial Development, Redevelopment Authority of the City of Philadelphia, and any “City-related agency” (any authority or quasi-public corporation which either: receives appropriations from the City, has entered into a continuing contractual or cooperative relationship with the City or operates under legal authority granted by City ordinance).
- The School District of Philadelphia and its boards and instrumentalities.

Philadelphia Lobbying Ordinance, cont'd.

- *What kinds of action are included?*
 - Legislative action: an action by a City official or employee involving legislation (bills, resolutions, amendments, nominations, or any other matter that may become the subject of action by Council); legislative motions; mayoral vetoes; mayoral or council confirmations or appointments.
 - Administrative action: city agency action involving regulations or statements of policy/guidelines; city agency contracts or agreements involving disbursement of public monies; zoning or other real property determinations; city agency adjudications of claims, determinations of complaints, and imposition of fines or fees; mayoral approvals or vetoes of legislation; nominations or appointments of city officers or employees; mayoral executive orders.

Philadelphia Lobbying Ordinance, cont'd.

- *What kinds of activities and expenditures are included?*
 - **Direct communications:** efforts directed to a City official or employee to influence legislative or administrative action.
 - **Indirect communications:** efforts to encourage others to take action to directly influence legislative or administrative action (includes advertising and educational campaigns on public issues but excluding regularly published periodic newsletters primarily designed for and distributed to members).
 - **Expenditures** related to gifts, hospitality (meals, beverages, recreation, entertainment), transportation and lodging to state officials and employees; excludes certain receptions.

Philadelphia Lobbying Ordinance, cont'd.

- **Note: Both direct and indirect communications may include:**
 - **Personnel expenses:** allocable portion of employee compensation (including benefits) in support of lobbying activities (for an individual for whom lobbying is incidental to regular employment, the term means a good faith prorated estimate based on the value of the time devoted to lobbying).
 - **Office expenses:** allocable portions of office expenses in support of lobbying activities.

Philadelphia Lobbying Ordinance, cont'd.

- *Which staff members must register?*
 - Those paid more than \$2,500 for lobbying activities during any quarterly reporting period.
 - Those whose lobbying exceeds 20 hours during any quarterly reporting period.
 - Note: It is not clear that an employee must meet both exemptions to be exempt, but that is a conservative and reasonable position to take.

Philadelphia Lobbying Ordinance, cont'd.

- *What activities need not be reported?*
 - Preparing testimony and testifying before Council or a committee of Council or participating in an administrative proceeding of an agency.
 - Serving on an advisory board, working group or task force at the request of a City agency, so long as the individual is not a registered lobbyist.
 - Activities by volunteers (including attorneys working pro bono in activities to improve the law) and nonpaid interns. (Paid interns must track and report their lobbying time.)

Philadelphia Lobbying Ordinance, cont'd.

- Participating in an administrative adjudication.
- Routine, ministerial matters (like scheduling a meeting, requesting information, or filing a complaint seeking enforcement of existing laws or regulations).
- Lobbying federal and state government bodies.

Philadelphia Lobbying Ordinance, cont'd.

- What staff needs to do:
 - Track and report lobbying time and expenses, including:
 - Which of these three categories the entry is properly classified as (must select one):
 - Gifts, hospitality, transportation, and lodging provided to City officials or employees.
 - Direct communication.
 - Indirect communication.

Philadelphia Lobbying Ordinance, cont'd.

- **For direct communications:**
 - Specific subject matter, issue, administrative action or legislative action (including bill number) being lobbied.
 - Position taken (supported, opposed proposed, or amended).
 - Name of the city official or employee who was lobbied, along with department or agency.

Philadelphia Lobbying Ordinance, cont'd.

- **For indirect communications:**
 - Specific subject matter, issue, administrative action or legislative action (including bill number) being lobbied.
 - Position taken (supported, opposed proposed, or amended).
 - Description of the persons or groups to whom the indirect communication was directed.
 - Method used for the indirect communication (letter, billboard, telephone bank).

Philadelphia Lobbying Ordinance, cont'd.

- For gifts, hospitality, transportation, and lodging provided to City officials or employees:
 - Name of official or employee who received the value.
 - Position of the official or employee who received the value and his or her job title and unit of government.
 - Description of thing of value provided, including fair market value received.
 - Date and place provided.
 - Name and address of the source of each gift, payment or reimbursement.

Philadelphia Lobbying Ordinance, cont'd.

- Register within ten days of qualifying as a lobbyist (there is a \$100 annual registration fee).
- Attend training for lobbyists.
- Retain records for four years.