



## 2003 ASSEMBLY BILL 853

February 19, 2004 – Introduced by Representative BLACK. Referred to Committee on Campaigns and Elections.

1     **AN ACT to amend** 13.62 (3), 13.62 (10r), 13.62 (12), 13.621 (1) (a), 13.621 (5),  
2             13.625 (1) (a) and (d), 13.64 (1) (intro.), 13.64 (3), 13.67 (1), 13.68 (1) (a) 1., 3.  
3             and 5., 13.68 (1) (bn), 13.68 (1) (c) (intro.) and 2., 13.68 (1) (e), 13.68 (2) (a), 13.68  
4             (3), 13.68 (5) and 13.68 (6); and **to create** 13.62 (7), 13.62 (11n) and 13.64 (1)  
5             (f) of the statutes; **relating to:** registration and reporting by principals who  
6             employ lobbyists to attempt to influence certain actions of state agencies.

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### *Analysis by the Legislative Reference Bureau*

Currently, every principal (person who employs a lobbyist) must register with the State Ethics board and file semiannual reports of lobbying expenditures and certain other information concerning any attempts by the principal to influence state legislative action or rule making by state agencies, unless the principal is exempted from registration or reporting under a statutory exemption. Lobbyists must supply to their principals the information required for the principals to prepare their reports. Each principal must report, in addition to other information, the principal's reasonable estimate of the proportion of its lobbying time spent attempting to influence any particular legislative proposal, proposed administrative rule, budget bill subject or other topic that accounts for 10% or more of the principal's time during a reporting period.

This bill requires registration and reporting, in addition, by any principal, other than a state agency, who or which employs a lobbyist (person who attempts to

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influence state legislative action or rule making) to attempt to influence official action of a state agency with respect to a matter other than rule making, unless the principal is exempted from registration or reporting under a current statutory exemption. Under the bill, a person who or which does not attempt to influence state legislative action or rule making by state agencies is not subject to registration or reporting requirements. The bill also requires each principal who or which is subject to a reporting requirement under the bill to report the principal's reasonable estimate of the proportion of its time spent attempting to influence any official action of a state agency with respect to a matter other than rule making if that matter accounts for 10% or more of the principal's time during a reporting period.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 13.62 (3) of the statutes is amended to read:

2           13.62 (3) “Agency official” means a member, officer, employee, or consultant of  
3 any agency who as part of such person's official responsibilities participates in any  
4 administrative action or executive action in other than a solely clerical, secretarial,  
5 or ministerial capacity.

6           **SECTION 2.** 13.62 (7) of the statutes is created to read:

7           13.62 (7) “Executive action” means the proposal, development, drafting,  
8 consideration, modification, adoption, rejection, or review of any contract, lease,  
9 purchase, grant, license, award, expenditure, or other official action by an agency,  
10 but does not include administrative action.

11           **SECTION 3.** 13.62 (10r) of the statutes is amended to read:

12           13.62 (10r) “Lobbying expenditure” means an expenditure related to the  
13 performance of lobbying, or, in the case of a principal who employs a lobbyist to  
14 attempt to influence executive action, an expenditure related to attempting to  
15 influence executive action, whether received in the form of an advance or subsequent  
16 reimbursement. The term includes an expenditure for conducting research or for  
17 providing or using information, statistics, studies, or analyses in communicating

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1 with an official that would not have been incurred but for lobbying or attempting to  
2 influence executive action.

3 **SECTION 4.** 13.62 (11n) of the statutes is created to read:

4 13.62 (11n) "Obligation" means an obligation to make a lobbying expenditure.

5 **SECTION 5.** 13.62 (12) of the statutes is amended to read:

6 13.62 (12) "Principal" means any person who employs a lobbyist to engage in  
7 lobbying or attempting to influence executive action. If an association, corporation,  
8 limited liability company, or partnership engages a lobbyist, an officer, employee,  
9 member, shareholder, or partner of the association, corporation, limited liability  
10 company, or partnership shall not be considered a principal.

11 **SECTION 6.** 13.621 (1) (a) of the statutes is amended to read:

12 13.621 (1) (a) Lobbying or attempting to influence executive action through  
13 communications media or by public addresses to audiences made up principally of  
14 persons other than legislators or agency officials.

15 **SECTION 7.** 13.621 (5) of the statutes is amended to read:

16 13.621 (5) VERIFIED STATEMENTS. Any principal who or which anticipates  
17 making expenditures or incurring obligations debts in an aggregate amount not  
18 exceeding \$500 in a calendar year for the purpose of engaging in lobbying activities  
19 which are is not exempt under this section may so indicate on a verified statement  
20 filed with the board. The statement shall disclose the name, address, and telephone  
21 number of the principal and a brief description of each cause or interest for which the  
22 principal employs a lobbyist. The statement shall also disclose the name and  
23 business address of any lobbyist who is employed by such principal to engage in  
24 lobbying activities which are is not exempt under this section. A statement filed  
25 under this subsection expires at midnight on December 31 of each year, or upon

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1 revocation by the principal, whichever is earlier. Any principal and any lobbyist  
2 acting on behalf of a principal making such a statement is not subject to licensing  
3 under s. 13.63, registration under s. 13.64, or the reporting requirements under s.  
4 13.68, if the statement is true. The statement may be revoked at any time by the  
5 principal and the principal and any lobbyist employed by the principal are then  
6 subject to such requirements as of the date of revocation. The statement shall be  
7 revoked no later than 10 days after the date the aggregate expenditures or  
8 obligations debts in the calendar year for the purpose of engaging in such lobbying  
9 activities exceed \$500. The fee paid under s. 13.75 (3) for filing a statement under  
10 this subsection shall be credited toward payment of the fee under s. 13.75 (2) if the  
11 fee under s. 13.75 (2) is paid within the same year.

12 **SECTION 8.** 13.625 (1) (a) and (d) of the statutes are amended to read:

13 13.625 (1) (a) Instigate legislative ~~or~~, administrative, or executive action for the  
14 purpose of obtaining employment in support or opposition thereto.

15 (d) Contract to receive or receive compensation dependent in any manner upon  
16 the success or failure of any legislative ~~or~~, administrative, or executive action.

17 **SECTION 9.** 13.64 (1) (intro.) of the statutes is amended to read:

18 13.64 (1) (intro.) Every principal who makes expenditures or incurs obligations  
19 debts in an aggregate amount exceeding \$500 in a calendar year for the purpose of  
20 engaging in lobbying which is not exempt under s. 13.621 shall, within 10 days after  
21 exceeding \$500, cause to be filed with the board a registration statement specifying  
22 the principal's name, business address, the general areas of legislative and  
23 administrative action which the principal is attempting to influence, the names of  
24 any agencies in which the principal seeks to influence administrative action, and  
25 information sufficient to identify the nature and interest of the principal. The

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1 statement shall be signed, under the penalty for making false statements under s.  
2 13.69 (6m), by an individual identified under par. (e) who is authorized to represent  
3 the principal. The statement shall include:

4 **SECTION 10.** 13.64 (1) (f) of the statutes is created to read:

5 13.64 (1) (f) If the principal intends to attempt to influence executive action of  
6 an agency, the name of each such agency and the general areas of executive action  
7 that the principal is attempting to influence.

8 **SECTION 11.** 13.64 (3) of the statutes is amended to read:

9 13.64 (3) Each principal registered under this section shall, before the  
10 principal or a lobbyist for the principal attempts to influence legislative ~~or,~~  
11 administrative, or executive action in any general area or agency not previously filed  
12 with the board, provide written notice to the board of the general area or agency in  
13 which the principal or a lobbyist for the principal will attempt to influence legislative  
14 ~~or, administrative, or executive~~ action and in relation to which a lobbyist is employed.

15 **SECTION 12.** 13.67 (1) of the statutes is amended to read:

16 13.67 (1) Except as authorized under s. 13.621, no person may engage in  
17 lobbying or attempting to influence executive action as a lobbyist on behalf of a  
18 principal and no principal may authorize a lobbyist to engage in lobbying or  
19 attempting to influence executive action on its behalf unless the principal reports to  
20 the board, in such manner as the board may prescribe, each legislative proposal,  
21 budget bill subject, and proposed administrative rule number in connection with  
22 which the principal has made or intends to make a lobbying communication or, if the  
23 lobbying does not relate to a legislative proposal or proposed administrative rule that  
24 has been numbered or a budget bill subject, each topic of a lobbying communication  
25 made or intended to be made by the principal and each topic of a communication that

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1 attempts to influence executive action. A principal shall describe any topic of a  
2 lobbying communication or a communication that attempts to influence executive  
3 action with reasonable specificity, sufficient to identify the subject matter of the  
4 lobbying communication and whether the communication is an attempt to influence  
5 legislative ~~or~~, administrative, or executive action, ~~or both~~. The principal shall file the  
6 report no later than the end of the 15th day after the date on which the principal  
7 makes a lobbying communication with respect to a legislative proposal, proposed  
8 administrative rule, budget bill subject or other topic, or executive action not  
9 previously reported by the principal under this section during the biennial period for  
10 which the principal is registered. The report shall be made by a person who is  
11 identified by the principal under s. 13.64 (1) (e).

12 **SECTION 13.** 13.68 (1) (a) 1., 3. and 5. of the statutes are amended to read:

13 13.68 (1) (a) 1. Lobbying expenditures made and obligations incurred for  
14 lobbying shall include compensation to lobbyists ~~for lobbying~~, whether in cash or  
15 in-kind, and reimbursements to lobbyists and to the principal or officers or  
16 employees of the principal ~~for lobbying or expenses~~.

17 3. A reasonable estimate of lobbying expenditures made and obligations  
18 incurred for conducting, compiling, or preparing research, information, statistics,  
19 studies, or analyses ~~used in lobbying~~ shall be included in the aggregate total.  
20 Lobbying expenditures and obligations shall not be reported under this subdivision  
21 if the use in lobbying or attempting to influence executive action occurs more than  
22 3 years after the completion of the research or the compilation or preparation of the  
23 information, statistics, studies, or analyses. If the research, information, statistics,  
24 studies, or analyses are used by the principal both for lobbying or for attempting to  
25 influence executive action and for other purposes ~~other than lobbying~~, the principal

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1 shall allocate the lobbying expenditures and obligations among the purposes for  
2 which the research, information, statistics, studies, or analyses are used and include  
3 the portion allocated to lobbying and attempting to influence executive action in the  
4 aggregate total.

5 5. Lobbying expenditures made and obligations incurred for paid advertising  
6 and any other activities conducted for the purpose of urging members of the general  
7 public to attempt to influence legislative or, administrative, or executive action shall  
8 be included in the aggregate total, if the total amount of all such lobbying  
9 expenditures made and obligations incurred exceeds \$500 during the reporting  
10 period.

11 **SECTION 14.** 13.68 (1) (bn) of the statutes is amended to read:

12 13.68 (1) (bn) For each legislative proposal, proposed administrative rule,  
13 budget bill subject or other topic, or executive action that accounts for 10% or more  
14 of the principal's time spent in lobbying during the reporting period, the principal's  
15 reasonable estimate of the proportion of its time spent in lobbying associated or  
16 attempting to influence executive action with respect to that legislative proposal,  
17 proposed administrative rule, budget bill subject or other topic, or executive action.

18 **SECTION 15.** 13.68 (1) (c) (intro.) and 2. of the statutes are amended to read:

19 13.68 (1) (c) (intro.) A record disclosing the amount of time spent to influence  
20 legislative or administrative action, or executive action in the case of a principal who  
21 employs a lobbyist to attempt to influence executive action. The record shall be  
22 supplied on a form provided by the board and shall include a daily itemization of the  
23 time, except the time of a clerical employee, the time of an employee who is not a  
24 lobbyist and who devotes not more than 10 hours to lobbying during a reporting  
25 period, and the time of an unpaid volunteer, spent by the principal on:

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1           2. Research, preparation, and any other activity which includes lobbying or  
2           attempting to influence executive action.

3           **SECTION 16.** 13.68 (1) (e) of the statutes is amended to read:

4           13.68 (1) (e) The total lobbying expenditures made and obligations incurred for  
5           personal travel and living expenses, except for expenditures made or obligations  
6           incurred for the travel and living expenses of unpaid volunteers if the primary  
7           purpose of the travel is for reasons unrelated to lobbying or attempting to influence  
8           executive action.

9           **SECTION 17.** 13.68 (2) (a) of the statutes is amended to read:

10          13.68 (2) (a) If the principal compensates or reimburses a lobbyist or employee  
11          both for lobbying activities ~~or expenses~~ expenditures which are not exempt under s.  
12          13.621 and for other activities or expenses, for the purposes of sub. (1) (a) 1. or 6., the  
13          lobbyist or principal shall estimate and report the portion of the compensation and  
14          reimbursements paid for nonexempt lobbying ~~activities or expenses~~ expenditures or,  
15          if 85% or more of the total compensation and reimbursements paid to the lobbyist or  
16          employee ~~relate to~~ are for lobbying ~~or expenses~~ expenditures which are not exempt  
17          under s. 13.621, the lobbyist or principal may report the entire amount of the  
18          compensation and reimbursements paid to the lobbyist or employee.

19          **SECTION 18.** 13.68 (3) of the statutes is amended to read:

20          13.68 (3) EXEMPT ACTIVITIES. Lobbying expenditures made and obligations  
21          incurred for activities identified under s. 13.621 (1) (a) to (f) and (3) are not required  
22          to be reported under sub. (1), regardless of whether the principal or a lobbyist for the  
23          principal also engages in lobbying activities ~~which are not identified in s. 13.621 (1)~~  
24          ~~(a) to (f) and (3)~~ that are required to be reported under sub. (1).

25          **SECTION 19.** 13.68 (5) of the statutes is amended to read:



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1           13.68 (5) RECORDS. Each principal and each lobbyist engaged by a principal  
2 shall obtain, organize, and preserve all accounts, bills, receipts, books, papers, and  
3 other documents necessary to substantiate the expense statement, including an  
4 account identifying the amount of time that a principal and each of its authorized  
5 lobbyists spend each day on lobbying ~~each day~~ or attempting to influence executive  
6 action, for 3 years after the date of filing the expense statement. A principal may  
7 permit its authorized lobbyist to maintain any of the records identified in this  
8 subsection on its behalf.

9           **SECTION 20.** 13.68 (6) of the statutes is amended to read:

10           13.68 (6) SUSPENSION FOR FAILURE TO FILE A COMPLETE EXPENSE STATEMENT. If a  
11 principal fails to timely file a complete expense statement under this section, the  
12 board may suspend the privilege of any lobbyist to lobby or to attempt to influence  
13 executive action on behalf of the principal. Upon failure of a principal to file the  
14 required expense statement, the board shall mail written notices to the principal and  
15 to any lobbyist for whom a written authorization has been filed under s. 13.65 to act  
16 as a lobbyist for the principal informing them that unless the principal files the  
17 delinquent statement within 10 business days after the date of mailing of the notices,  
18 no lobbyist may lobby or attempt to influence executive action on behalf of the  
19 principal. The privilege of any lobbyist to lobby or attempt to influence executive  
20 action on behalf of the principal shall be restored immediately upon filing the  
21 delinquent statement. The notices shall be sent by certified mail to the last-known  
22 addresses of the principal and lobbyist. Any principal or lobbyist who is aggrieved  
23 by a suspension of lobbying privileges or the privilege of attempting to influence  
24 executive action under this subsection may request a hearing under s. 227.42  
25 regarding the suspension.

