

HOUSE RESEARCH

Bill Summary

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Subject: Economic Interest, Conduit funds, and Lobbyist Disclosures

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- 1 **Associated business.** Amends the definition of this term under chapter 10A, the campaign finance and public disclosure law. Provides that an associated business includes one for which an individual acts as independent contractor or consultant. Provides that if an individual is employed by an association to provide services to other individuals or associations as an independent contractor or consultant, "associated business" means both the employing association and the individuals or associations who receive services.
- 2 **Lobbyist.** Adds an employee of a public higher education system to the provision on nonelected local officials and local government employees who are defined as a lobbyist if the individual spends over 50 hours a month lobbying. Under current law, employees of a public higher education systems are completely excluded from the definition of lobbyist.
- 3 **Principal.** Adds a political subdivision or public higher education system to the definition of "principal" (i.e., the entities that must report if they spend specified amounts on lobbying during a calendar year).
- 4 **Conduit fund.** Adds a definition to chapter 10A. Provides that a conduit fund means money, a negotiable instrument, or a donation in kind collected by an association from its employees and contributed to a candidate or political committee only as directed by the employee.
- 5 **Conduit funds.** Requires an association that has a conduit fund to elect or appoint a treasurer of the fund. Prohibits the fund from accepting a contribution for transfer or from making a transfer if the treasurer's office is vacant. Prohibits commingling conduit funds with any other funds. Makes it a misdemeanor to knowingly violate this section.
- 6 **Information required.** Requires a lobbyist report to include (1) a list of issues on which the lobbyist lobbied for each principal, and (2) a list of the lobbyist's employees who worked as support personnel on behalf of each principal.
Requires each lobbyist to report the total income from the principal for lobbying for that principal. Must include amounts paid to cover the lobbyist's salary and administrative expenses.

Must include payments to the lobbyist by another person for lobbying on behalf of the principal.
Requires lobbyists to report contributions to candidates made by or at the direction of the lobbyist, and the name and address of each official to whom a contribution was made.

Requires each lobbyist to report the amount and date of each contribution by the lobbyist to a legislative caucus.

- 7** **Late filing.** Applies the current lobbyist report late filing fee to principals who file late. There is no late fee for principals in current law.
- 8** **Principal reports.** Requires a principal to report the total amount spent during a year on each of the following: legislative, administrative, and metropolitan government unit lobbying. Current law requires the principal to indicate within a \$50,000 range the total amount spent on all kinds of lobbying.
Requires a principal to report salaries and administrative expenses of a lobbyist engaged by a principal.
- 9** **Registration by treasurer.** Adds conduit fund to the list of entities whose treasurer must register with the Campaign Finance and Public Disclosure Board.
- 10** **Contents.** Adds conduit funds to the current statute on what a chapter 10A entity's statement of organization must include.
- 11** **First filing; duration.** Adds conduit funds to the statute on when an entity must begin to file under chapter 10A.
- 12** **Time for filing.** Provides for entities that report under chapter 10A to do so 15 days before a primary. Currently they report ten days before the primary. Adds conduit funds to the list of reporting entities under this section.
- 13** **Contents of report; political committees and political funds.** Limits this subdivision to covering political committees and political funds under current law.
- 14** **Contents of report; conduit funds.** Adds a new subdivision on reporting requirements for conduit funds. Requires disclosure of (1) the name of each candidate or party unit to whom aggregate transfers in excess of \$100 have been made within the year and the amount and date of each transfer and (2) the sum of all transfers to candidates and party units.
Requires reports of principal campaign committees and party units to disclose (1) the amount of transfers received through each conduit fund within the year in aggregate in excess of \$100, (2) the name and registration number of the conduit fund, and (3) the sum of all transfers received through conduit funds.
- 15** **Employee political fund solicitation.** Amends the fair campaign practices act provision on employee political fund solicitation to reference the proposed new definition of conduit fund.
- 16** **Repealer.** Eliminates the lobbyist "in lieu" report that can be submitted if reportable disbursements are below a stated minimum.