



TOM LEE
President of the Senate

THE FLORIDA LEGISLATURE



ALLAN BENSE
Speaker of the House of Representatives

MEMORANDUM

TO: Members of the Legislature and Legislative Employees

FROM: Tom Lee, Senate President
Allan G. Bense, Speaker of the House

SUBJECT: Interim Lobbying Guidelines for the House and Senate

DATE: January 20, 2006

Senate Bill 6-B, now Chapter 2005-359, Laws of Florida, amends existing provisions of the law relating to legislative and executive-branch lobbying at the state level in Florida and adds new and substantial obligations, prohibitions, and requirements.

This document provides interim assistance to persons seeking to comply with the letter and spirit of the new law as it applies in the legislative context by refining the law and providing Interim Lobbying Guidelines and answers to 25 Frequently Asked Questions. It also is intended to provide guidance to the legislative committees that will participate in enforcing the new law. These guidelines may be relied on until they are subsequently modified, or until changed by rule, joint rule, or amendment of the law.

Part One of the Guidelines refines and applies the new prohibition, with ten clearly-stated exceptions, so that members and employees of the Senate and House can no longer

directly or indirectly take any “expenditure” from a lobbyist or principal in either the public or private sector.

Part Two of the Guidelines refines and applies the underlying core requirement that “lobbying firms” must publicly disclose the compensation they receive for lobbying activities, and does so in a way that is narrowly-tailored, furthers the state’s compelling governmental interest in regulating legislative lobbying at the state level, and employs the least intrusive means available to do so.

This document sets out general principles. Outcomes depend heavily on underlying fact patterns that can vary greatly from case to case. Full disclosure of the operative facts must be provided and considered before a proper and correct answer can be derived.

A member of the House or Senate may request an informal advisory opinion from the general counsel of his or her respective house regarding the application of the new law to a specific situation, on which the legislator may reasonably rely.

The houses of the Legislature are responsible for the administration and enforcement of the legislative lobbying portions of the new law. The legislative lobbying expenditure prohibitions are not part of the Florida Code of Ethics for Public Officers and Employees. Neither the Florida Commission on Ethics nor the Florida courts have jurisdiction to interpret these internal matters of the Legislature.

PART ONE

EXPENDITURES

1. General Guidelines

a) The Expenditure Prohibition

The new law contains a prohibition against lobbyists and principals making direct or *indirect* lobbying expenditures for legislators and legislative employees. It provides:

... [N]o lobbyist or principal shall make, directly or indirectly, and no member or employee of the Legislature shall knowingly accept, directly or indirectly, any *expenditure*... (emphasis added).

The new expenditure prohibition applies only to expenditures made by lobbyists and principals. It applies whether or not the lobbyist, principal, legislator, or legislative employee is in Florida. Florida's gift law, section 112.3148, Florida Statutes, continues to apply to gifts to legislators and legislative employees from others.

Example: A legislator may accept a subscription to a newspaper or periodical that is neither published by, nor paid for, nor provided by a lobbyist or a principal.

Example: A legislator may not accept a free health screening or other personal service provided on behalf of an association that is a principal.

Example: A legislator may, as either a member or an invited guest, participate in meetings of, and partake of the food and beverage provided by a civic organization if the organization is not a principal.

The practical effect of this law is to prohibit expenditures for attempting to obtain the goodwill of a member or employee of the Legislature, and it is not designed to prohibit expenditures made in attempting to influence legislative action or non-action through oral or written communication.

b) Definitions

“*Expenditure*” is defined, essentially, as anything of value made by a lobbyist or principal *for the purpose of lobbying*.

“*Lobbying*,” in turn, means: (1) influencing or attempting to influence legislative action through oral or written communication (“active lobbying”); or, (2) attempting to obtain the *goodwill* of a member or employee of the Legislature (“goodwill”).

“*Goodwill expenditure*” is a gift, an entertainment, any food or beverage, lodging, travel, or any other item or service of personal benefit to a legislator or legislative employee.

Goodwill expenditures include contributions or donations from a lobbyist or a principal to a charitable organization that is, directly or indirectly, established by, organized by, operated primarily by, or controlled by a legislator or legislative employee, or any combination thereof.

A “*lobbyist*” is a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity.

“*Personal benefit*” means a profit or gain pertaining to, directed toward, or affecting a person.

A “*principal*” means the person, firm, corporation, or other entity that has employed or retained a lobbyist. When an association has employed or retained a lobbyist, the association is the principal; *the individual members of the association are not principals merely because of their membership in the association*.

c) Honorarium-related Expenses

It is no longer permissible to accept from a lobbyist or principal, directly or indirectly, payment or reimbursement of expenses for travel, food, lodging, or beverage, related to speaking engagements or other honorarium-type events.

d) Indirect Expenditures

An indirect expenditure is an expenditure that is not made directly to a legislator or legislative employee, but is made to another with the purpose that the expenditure be used for the personal benefit of a legislator or legislative employee.

The new expenditure prohibition *expressly* prohibits any lobbyist or principal from directing prohibited lobbying expenditures through a surrogate or through any person who by his or her actions or activities is obligated to register as a lobbyist but has failed to do so. Third party intermediaries, such as employees, members of associations and others, cannot be used to make prohibited expenditures.

Where an item or service (anything of value) is provided to a person *other* than a legislator or legislative employee by a lobbyist or principal and the item or service or the benefit attributable to the item or service ultimately is received by the legislator or employee, and where the item or service is provided with the intent to benefit the legislator or employee, such item or service constitutes a prohibited indirect expenditure to the legislator or employee.

Factors to be considered in determining whether a prohibited indirect expenditure has been made are set out on the following page in the joint functionality test:

TEST FOR DETERMINING LEGALITY OF AN INDIRECT EXPENDITURE

(1) The existence or nonexistence of communications by the lobbyist or principal indicating the lobbyist's or principal's intent to make or convey the item or service, or a personal benefit attributable to the item or service, to a legislator or employee rather than to the intervening third person;

(2) The existence or nonexistence of communications by the intervening third person indicating the intent to make or convey the lobbyist's or principal's item or service, or a personal benefit attributable to the item or service, to a legislator or employee rather than to the third person;

(3) The existence or nonexistence of any relationship between the lobbyist or principal and the third person, independent of the relationship between the lobbyist or principal and a legislator or employee, that would motivate the transfer to the third person;

(4) The existence or nonexistence of any relationship between the third person and a legislator or employee that would motivate the transfer;

(5) Whether the same or similar items or services have been or are being provided to other persons having the same relationship to the lobbyist or principal as the third person;

(6) Whether, under the circumstances, the third person had full and independent decision-making authority to determine whether a legislator or employee, or another, would receive the items or services, or a personal benefit attributable to the items or services;

(7) Whether the third person was acting with the knowledge or consent of, or under the direction of, the lobbyist or principal;

(8) Whether there were payments or the intention for any payments or bookkeeping transactions between the third person and the lobbyist or principal, reimbursing the third person for the items or services;

(9) The degree of ownership or control the lobbyist or principal had over the third person; and,

(10) Whether a lobbyist or principal knew, or should have known, that an item or service provided to a third-party would be used to provide a personal benefit to a legislator or employee, such as for the funding of a legislative reception or an event to be attended by legislators or employees.

The following examples illustrate some of the applications of the foregoing indirect expenditure criteria:

Example 1: A law firm which lobbies the Legislature invites all of its attorneys to attend a weekend retreat. The attorneys are encouraged to bring their spouses or significant others at the firm's expense. Legislator C is married to an attorney in the firm and has been asked by her spouse to attend the retreat. The lodging provided to Legislator C for the retreat, food and drink, firm t-shirts, and the like would be considered a gift to her from her spouse and thus not a prohibited indirect expenditure, because the firm's invitation was extended to Legislator C's spouse by virtue of his employment with the firm.

Example 2: Legislator D hosts a fox hunt attended by legislators and lobbyists. Lobbyists give money to a third person, who is not a legislator or a legislative employee, to pay for the food and beverages which will be served at the fox hunt. The third party orders and prepares the food and beverages. The money provided to the third person by the lobbyists would be a prohibited indirect expenditure to Legislator D, because it was given with the intent of benefiting him and his guests at the fox hunt.

Example 3: Legislator N and spouse have arranged to take a vacation trip together. A legislative lobbyist meets with Legislator N's spouse and offers to pay for the spouse's travel expenses. The lobbyist and Legislator N's spouse know each other only through the lobbyist's involvement with the legislator. This would constitute a prohibited indirect expenditure to Legislator N under the new law.

e) Equal or Greater Compensation

An expenditure is not prohibited when equal or greater value is given contemporaneously by the recipient to the donor.

Therefore, it is not an expenditure if:

1. The fair market value of the event, meeting, or other activity, including any food, beverage, transportation, lodging or any other thing of value, can readily be determined, and
2. The legislator or legislative employee pays his or her pro rata share of the total fair market value to the person or organization hosting the event contemporaneously with the time of attending or participating in the event.

Thus, if a lobbyist or principal provides \$35 worth of goods or services to a legislator or legislative employee but the legislator or legislative employee *contemporaneously* provides *equal or greater consideration*, the lobbyist or principal has not provided *anything of value*, thus, there is no “expenditure.”

f) Valuation

The law is silent as to the *valuation* of goods and services. *Fair market value* is the proper and applicable standard of valuation.

The retail price of an item or service is presumed to be its fair market value so long as it is reasonable in relation to the value of the item or service and the amount is not subsidized by a lobbyist or principal.

In valuing an expenditure, you may exclude the amount of additional expenses that are regularly required as a condition precedent to the donor’s eligibility to make the expenditure if the amount expended for the condition precedent is primarily intended to be for a purpose other than lobbying, and is either primarily for the benefit of the donor or is paid to a charitable organization. Initiation fees and membership fees are examples of additional expenses that are regularly required as conditions precedent for eligibility to make an expenditure. Transportation expenses incurred to bring a member to an out-of-town event are not.

Entrance fees, admission fees, or tickets are normally valued on the face value or on a daily or per event basis. The portion of a ticket attributable to a charitable contribution is not included in the value. Conversely, if the ticket is subsidized by contributions of lobbyists or principals, the pro rata subsidized amount must be attributed to the face value.

A person providing transportation in a private automobile shall be considered to be making an expenditure at the then-current statutory reimbursement rate, which is currently 29 cents per mile. The value of transportation provided in other private conveyances must be calculated on its fair market value.

g) Exceptions

1. Relatives

A relative is an individual who is related to the member or employee as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, grandparent, grandchild, great grandchild, step grandparent, step great grandparent, step grandchild, or step great grandchild; any person who is engaged to be married to the member or employee or who otherwise holds himself or herself out as or is generally known as the person whom the member or employee intends to marry or with whom the member or employee intends to form a household; or any other natural person having the same legal residence as the member or employee.

This definition of “relative” is taken from Joint Rule 1.4(4)(b) and has operated historically as an exception to the presumption that things of value given to a legislator or employee by a lobbyist or principal are intended for the purpose of engendering goodwill.

Example: A legislator is permitted to accept a Christmas gift from an aunt, even if she is a lobbyist. The gift is not deemed an expenditure made for the purpose of lobbying because of the family relationship between the donor and the donee.

2. Employment-related Compensation and Benefits

Salary, benefits, services, fees, commissions, gifts, or expenses associated primarily with the recipient’s employment, business, or service as an officer or director of a corporation or organization are not prohibited expenditures so long as they are given in an amount commensurate with other similarly situated employees, officers, or directors.

These sorts of expenditures are currently also excepted from the definition of a gift in s. 112.312(12)(b), F.S., and are a necessary exception in order for many legislators to continue their employment or continue their service on boards and continue to serve in Florida’s citizen Legislature.

Example: A legislator who is on the board of directors of an organization that has a lobbyist is nevertheless permitted to partake of food and beverage provided to the board members by the organization at its board meetings.

3. Political Organizations and Entities

An expenditure does not include contributions or expenditures reported pursuant to chapter 106, Florida Statutes, or its federal law counterpart, campaign-related personal services provided without compensation by individuals volunteering their time; any other contribution or expenditure made by a chapter 106 entity such as a candidate campaign, political committee, organization making electioneering communications, political party, or committee of continuous existence; or an entity qualified under section 501(c)4 or section 527 of the Internal Revenue Code.

Members are cautioned that these organizations or entities may not be used as a vehicle for skirting the new lobbying expenditure law. To the extent that funds come from lobbyists or principals, one should exercise great care that the expenditures are legal and appropriate for that particular organization or entity.

See Frequently Asked Question No. 6.

4. Communications Expenses

The expenditure prohibitions in the new law do not reach expenditures made by a lobbyist or principal for items such as “media advertising,” “publications,” “communications,” and “research.”

Expenditures for researching, gathering, collating, organizing, providing, or disseminating information for the *exclusive* purpose of “active lobbying” (influencing or attempting to influence legislative action through oral or written communication) are necessary for Floridians to be able to “instruct their representatives.”

5. Office and Personal Expenses of Lobbyists and Principals

“Office expenses” and personal expenses of the lobbyist or principal for “travel,” “lodging,” and “food and beverages” as those items were defined in legislative Joint Rule 1.4 are exempt from the prohibition on lobbying expenditures. This category does not include any expenses for legislators, legislative employees, or persons whose expenses would be attributed to them.

6. Government to Government Expenditures

Real property or a facility owned or operated by a state or local public agency or entity that is a lobbying principal, and transportation to, from, and at the location provided by that agency or entity may, with the prior approval of the respective state legislative presiding officer or his or her designee, be used without payment, by a member, committee, or staff of the Legislature for a public legislative purpose. Such purposes include publicly noticed legislative committee meetings and site visits to operations conducted by the public agency or entity. Allowable free uses also specifically include

legislative district offices and sub-offices and the normally attendant utilities, parking, janitorial services, building maintenance, and telecommunications equipment and services common to a government building in which the office is located. Allowable free use does not extend to sports or entertainment venues; does not include food, beverages, or entertainment; and does not include free parking privileges at any location other than a district office or sub-office.

7. Free and Open Public Events

Expenditures directly associated with events that are held within the Capitol complex, out-of-doors, or under temporary shelter, open to the general public, widely and publicly noticed, free to all, not ticketed, and for which equal and totally unobstructed access to the general public is provided, are not prohibited expenditures made by lobbyists or principals, or when accepted by legislators or legislative employees.

Example: Atlas County, Florida is holding Atlas Day in the plaza between the Capitol and the Historic Capitol. Lunch is served to all comers. The event was widely publicized and access to the event and the food and beverage is totally unobstructed. Legislators may partake as well.

8. Regional and National Legislative Organizations

The prohibition does not apply to expenditures made directly or indirectly by a state, regional, or national organization that promotes the exchange of ideas between, or the professional development of, governmental officials or employees, and whose membership is primarily composed of elected or appointed public officials or staff to members of that organization or to officials or staff of a the Legislature. This exception does not include extracurricular activities, entertainments, or items or services provided at conferences that are paid for or provided by a lobbyist or principal.

9. Monetary Value Impossible to Ascertain

The value of some items is *truly impossible* to quantify at the time of the expenditure. Expenditures for which a monetary value is not ascertainable at the time of the expenditure are not prohibited. Examples are: appearing on a news show or having a feature article about a legislator in a trade magazine or other medium, applause received by a legislator at an event, obtaining priority seating in a crowded restaurant or priority for obtaining services where there is an established queue, or the pro-rata portion of a host's monthly or annual membership in an exclusive supper club.

10. Plaques and Certificates

The prohibition does not apply to personalized wall plaques, personalized photographs, or personalized certificates, that have no substantial inherent value other than recognizing the donee's public, civic, charitable, or professional service.

h) Effect of Other Laws and Rules

To the extent that an expenditure is excluded or exempt from the new lobbying prohibition in s. 11.045, F.S., *it is still subject to the restrictions and requirements in other statutes: most notably, the gift law (s. 112.3148, F.S.) and the campaign finance law (ch. 106, F.S.).*

2. Frequently Asked Questions

LEGISLATIVE EVENTS/RECEPTIONS

1. *Question: Can a county legislative delegation or delegation office sponsor an annual event in Tallahassee on public grounds or in quarters belonging to either the Senate or the House of Representatives (i.e., "Flavors of Hillsborough")?*

ANSWER: A county legislative delegation may host an annual event in Tallahassee *provided* that no free food, beverages, or other personal benefits to a legislator or legislative employee are paid for or provided by a lobbyist or principal, either directly or indirectly.

Legislators and legislative staff may pay an amount established and published by the delegation as the per-person cost of the event, or they may "pop in" and not partake of any food, beverage, or other personal benefit at the event. Alternatively, the delegation may make the event a free, open public event as described in Paragraph 1.g)7. above.

2. *Question: Can a legislator or legislative employee go up to the 22nd floor of the Capitol and partake of free food and drink provided by an organization hosting a luncheon or event at the Capitol?*

ANSWER: It depends. Yes, *provided* the organization hosting the event is not a principal *and* none of the food and beverages are paid for or provided by a lobbyist or principal. Otherwise, the legislator or legislative employee could attend the event but could not partake of the free food or beverages or they can pay the fair market value of what they consume.

3. *Question: Can “legislative days” that provide food, beverages, entertainment, and other personal benefits to legislators or legislative employees during the session and are hosted by counties, cities, universities, and others that employ a lobbyist continue?*

ANSWER: “Legislative days” and other legislative events funded by lobbyist or principal dollars may continue *provided* no free food, drink, entertainment, or other personal benefit is provided to a legislator or legislative employee, either directly or indirectly. Any such benefit would be a prohibited goodwill expenditure.

Legislators and legislative staff may pay an amount established and published by the sponsor as the per-person cost of the event, or they may “pop in” and not partake of any food, beverage, or other personal benefit at the event. Alternatively, the sponsor may make the event a free, open public event as described in Paragraph 1.g)7. above.

4. *Question: Can a not-for-profit organization host receptions and events for legislators that provide food, beverages, entertainment, and other personal benefits to legislators or legislative employees through contributions solicited from lobbyists or principals who sponsor the reception or event?*

ANSWER: The charity may host a reception or event for legislators and legislative employees *provided* that no free food, beverages, entertainment, or other personal benefit is provided to a legislator or legislative employee from the funds of lobbyists or principals.

Legislators and legislative employees may pay an amount established and published by the sponsor as the per-person cost of the event, or they may “pop in” and not partake of any food, beverage, or other personal benefit at the event. Alternatively, the sponsor may make the event a free, open public event as described in Paragraph 1.g)7. above.

5. *Question: Can a lobbyist or principal host an event with food, beverages, entertainment, or other personal benefit for legislators or legislative employees and collect from each legislator or legislative employee, a flat, per-person entrance fee based on the total cost to plan, produce, stage, and clean up after the event, divided by the number of persons reasonably expected to attend?*

ANSWER: Yes.

6. *Question: Each year, a few associations host legislative receptions/BBQs and invite their members as well as legislators. They usually pass out campaign funds at these events to those who support their industry. Would it now be legal to host this event if it were called a “fundraiser?” Could legislators then accept free food and beverages at the event?*

ANSWER: Senate Rule 1.36 precludes a senator, and House Rule 15.3 precludes a representative, from accepting a campaign contribution during a regular or special session, in addition to prohibiting them from accepting contributions on behalf of a section 527 or section 501(c)(4) organization, a political committee, a committee of continuous existence, a political party, or the campaign of any other senatorial candidate or candidate for representative, respectively. Thus, any fundraiser held during a regular or special session would violate the rules of each house.

Fundraisers not held during a regular or special session are outside the purview of the expenditure prohibitions in the new law. A goodwill lobbying expenditure does not include contributions or expenditures reported pursuant to chapter 106, F.S. However, if the facts and circumstances demonstrate that calling the event a “fundraiser” is merely an artifice for lobbyists or principals to provide free gifts, food, beverages, and other items or services of personal benefit to a legislator, not associated with influencing the results of an election, then the fundraiser would violate the expenditure prohibition of the new law. Note, also, that fundraisers remain subject to the contribution restrictions and requirements of Florida’s campaign finance law (ch. 106, F.S.).

HONORARIA EXPENSES

7. *Question: Can a lobbyist or principal continue to pay or reimburse a legislator’s or legislative employee’s expenses for such items as food and beverages, travel, and lodging associated with an honorarium event?*

ANSWER: No.

GIFTS TO LEGISLATORS

8. *Question: Can a school child give a legislator a painting that he or she has made?*

ANSWER: Yes. The prohibition against lobbying expenditures only applies to lobbyists and principals, and those acting on their behalf.

9. *Question: Can a school student whose parent is a lobbyist or principal give a scarf that was purchased by the child’s parent to a legislator as a gift?*

ANSWER: It depends. The lobbying expenditure prohibition applies to all gifts from lobbyists or principals to legislators, directly or *indirectly*. A lobbyist or principal cannot use a third-party intermediary to circumvent

the lobbying expenditure prohibition. Thus, if the facts and circumstances demonstrate that the scarf is an indirect gift from the lobbyist or principal to the legislator, it would be prohibited.

10. Question: Can a legislator accept rent-free office space and associated building services from a city, county, or community college in his or her district that employs or retains a lobbyist?

ANSWER: Yes. See Paragraph 1.g)6. above for explanation and limitations.

11. Question: Can a legislator or legislative staff accept transportation services from another governmental entity?

ANSWER: Yes. See Paragraph 1.g)6. above for explanation and limitations.

12. Question: Are there any value limitations on the exceptions in the new law for “floral arrangements or other celebratory items given to legislators and displayed in chambers on the opening day of a regular session”?

ANSWER: Yes. All opening day flowers and floral arrangements are subject to the limitations and requirements of the gift law (s. 112.3148, F.S.). No other celebratory items will be allowed in either chamber on opening day of the regular session.

FOOD AND BEVERAGES/GIFTS

13. Question: Can a legislator or legislative employee and his or her spouse have dinner with a lobbyist friend the legislator or legislative employee has known for 30 years at the lobbyist’s home, whether or not active lobbying occurs?

ANSWER: Yes, *provided* the legislator or legislative employee contemporaneously provides the lobbyist with the pro rata share of the total fair market value of the cost of the food and beverages provided to the legislator or legislative employee and his or her spouse, either in cash or barter (i.e., bottle of wine, flowers). Otherwise, the expenditure for food and beverages would constitute a prohibited goodwill expenditure, irrespective of the extent of the legislator’s and lobbyist’s friendship.

14. Question: Can a lobbyist or principal and legislator or legislative employee have dinner at a public restaurant?

ANSWER: Yes, *provided* the dinner is “Dutch treat.”

15. *Question: Can a lobbyist or principal and a legislator or legislative employee have dinner “Dutch treat” at the Governor’s Club?*

ANSWER: Yes, *provided* the legislator or legislative employee pays the total cost of all food and beverage that he or she was served or consumed, or that was served to or consumed by a person whose expenditures are attributed to the legislator or legislative employee.

16. *Question: Can a lobbyist’s business partner, employee, spouse, or child, who is not a registered lobbyist, accompany the lobbyist and legislator or legislative employee to dinner and pay for all the food and beverages if the partner, employee, spouse, or child does not actively lobby?*

ANSWER: No. The lobbying expenditure prohibition applies to all food and beverages provided by lobbyists or principals to legislators or legislative employees, directly or *indirectly*. A lobbyist or principal cannot utilize a third-party intermediary to channel gifts to legislators to circumvent the lobbying expenditure prohibition.

17. *Question: If someone offers a legislator or legislative employee a drink at a bar, or any other gift or personal benefit, does the legislator or legislative employee have a duty to inquire if the donor is a lobbyist or principal?*

ANSWER: Yes. A legislator or legislative employee is liable for *knowingly* accepting an expenditure from a lobbyist or principal, or someone acting on behalf of a lobbyist or principal. “Knowingly” has many statutory definitions, including that a person: (1) has *actual knowledge* of the information; (2) acts in *deliberate ignorance* of the truth or falsity of the information; or, (3) acts in *reckless disregard* of the truth or falsity of the information. Therefore, prudence dictates that the legislator or legislative employee, at a minimum, make *reasonable inquiry* as to the source of the proposed expenditure to determine whether it is prohibited. *Reasonableness* will turn on the facts and circumstances of each individual situation.

For example, a legislator receiving an invitation to an event to be held the next week, from an organization he or she is not familiar with would likely require that the legislator, *at a minimum*, consult the online directory of legislative principals and lobbyists, and perhaps make further inquiry if facts or circumstances come to light indicating that the organization might be making the expenditure on behalf of a lobbyist or principal. Similarly, a legislator offered a drink from someone he or she doesn’t know in a Tallahassee bar or restaurant generally known to be frequented by lobbyists would probably be required, *at a minimum*, to ask whether the person is a lobbyist or principal or affiliated with a lobbyist or principal.

On the other hand, a Miami legislator on personal holiday with his or her spouse at Busch Gardens in Tampa, who strikes up a friendship with a couple they don't know visiting from Colorado and who subsequently offers to pay for the legislator's and spouse's dinner probably has less of a duty to inquire whether either member of the couple is a Florida lobbyist or principal.

CHARITIES

18. Question: Can a legislator or legislative employee raise funds from lobbyists or principals for charitable causes?

ANSWER: Yes, *provided* the charity for which funds are sought is not directly or indirectly established by, organized by, operated primarily by, or controlled by a legislator or legislative employee, or any combination thereof. Otherwise, such a contribution or donation would constitute a prohibited goodwill expenditure.

19. Question: Can a legislator or legislative employee establish or operate a charitable foundation that relies on lobbyist or principal support?

ANSWER: No. A legislator or legislative employee may establish or operate a charitable organization but none of the money contributed or donated to the charity may be from lobbyists or principals. Such a contribution or donation would constitute a prohibited goodwill expenditure.

20. Question: Can a legislator or legislative employee sit on the board of a charitable organization that is not established by, organized by, operated primarily by, or controlled by a legislator or legislative employee, or any combination thereof? Can he or she accept free food and beverages provided by the charity and be reimbursed by the charity for expenses associated with the work of the charity (i.e., travel, lodging)?

ANSWER: Yes. A legislator or legislative employee may sit on the board of a charitable organization that receives donations and contributions from lobbyists, and may partake of free food, beverages, and other personal benefits provided by the charity to board members in connection with their service, including reimbursement of personal expenses incurred by board members in furtherance of the charity's work. A goodwill expenditure does not include salary, benefits, services, fees, commissions, gifts, or expenses associated primarily with a legislator's or legislative employee's employment, business, or service as an officer or director of a corporation or organization. *However*, any such salary, benefit, services, fees, commissions, gifts or expenses cannot be from funds earmarked by lobbyists or principals to the charity for such purpose

and must be received only for the legislator's or legislative employee's service as a member of the board.

21. Question: Can a legislative caucus that is established as a nonprofit group raise funds from lobbyists for its charitable causes?

ANSWER: It depends. If the legislative caucus or the nonprofit group is directly or indirectly established by, organized by, operated primarily by, or controlled by a legislator or legislative employee, or any combination thereof, then the answer is no.

If the legislative caucus or the nonprofit group is not directly or indirectly established by, organized by, or operated primarily by, or controlled by a legislator or legislative employee, or any combination thereof, then the answer is yes.

22. Question: Can a legislative caucus that is established as a nonprofit group host its own charity golf tournament funded by lobbyist or principal "sponsors" at a private club, where the cost of sponsorship buys an opportunity to play golf with a member of the caucus, and to make a presentation to the caucus before and after the event?

ANSWER: Yes, provided the legislative caucus or the nonprofit group is not directly or indirectly established by, organized by, operated primarily by, or controlled by a legislator or legislative employee, or any combination thereof, and the legislators and legislative employees pay their own golf fees and the per-person cost for food and beverage.

OTHER

23. Question: What happens when a legislator is married to, related to, or living with a lobbyist? Can the lobbyist pay for meals, lodging, etc.?

ANSWER: Yes, *provided* the lobbyist does not use the expenditure to actively lobby the legislator. Expenditures by "relatives" of a legislator for food, lodging, travel, and the like are specifically exempt from the definition of a goodwill expenditure. The rule broadly defines "relative" to include most familiar categories of relations, as well as any person who is engaged to be married to the legislator or legislative employee or who otherwise holds himself or herself out or is generally known as the person whom the legislator or legislative employee intends to marry, or with whom the legislator or legislative employee intends to form a household, or any other natural person having the same legal residence as the legislator or legislative employee.

24. *Question: Can a legislator be employed by a lobbyist or principal? Can a legislator go to the employer's retreat and partake of food and beverages?*

ANSWER: Yes. A goodwill expenditure does not include salary, benefits, services, fees, commissions, gifts, or expenses *associated primarily with a legislator's or legislative employee's employment, business, or service as an officer or director of a corporation or organization.*

25. *Question: Where a lobbyist or principal leaves a gift, such as a box of chocolates, in a legislator's office, what should the legislator do with the item?*

ANSWER: When a legislator or legislative employee receives an item that they believe violates the prohibition against accepting an expenditure from a lobbyist or principal, the item must either be sent back to the donor or delivered to the Sergeant-at-Arms for disposal.

PART TWO

COMPENSATION

1. General Guidelines

Senate Bill 6-B, now Chapter 2005-359, Laws of Florida, for the first time, requires the reporting of *compensation* received by *lobbying firms* for each calendar quarter, both in the aggregate and for each individual principal. Much of the reporting is done in dollar categories; however, if compensation from a single principal is \$50,000 or more in a calendar quarter, the lobbying firm must report the specific dollar amount of the compensation, rounded to the nearest \$1,000.

A "lobbying firm" is any business entity with a lobbyist, or an individual contract lobbyist, who gets paid to lobby for a principal. It is the lobbying firm that must report, *not the individual lobbyists in the firm* (except in the case of an individual contract lobbyist, where the lobbyist also comprises the entire lobbying firm).

Reports are due no later than 45 days after the end of each calendar quarter. For 2006, compensation reports will be filed on paper forms designed by the Office of Legislative Services. Beginning with the first reporting period in 2007, compensation reports must be filed electronically using the online filing system of the Office of Legislative Services.

The new law requires the senior partner, officer, or owner of the lobbying firm to certify to the veracity and completeness of each compensation report. This requirement is designed to discourage the mischaracterization and thus omission of reportable

compensation through designations such as “media fees,” “consulting services,” “professional services,” “governmental services,” and other such artifices.

For example, if a law firm were paid a lump sum for rendering multiple types of services to a client, only one of which is lobbying, then the person certifying the report is responsible for properly and reasonably allocating the portion of the total fee received for lobbying activities and for activities other than lobbying. Only the compensation received for *lobbying* activities is to be reported on the compensation form.

The Legislature will use random audits supplemented by the lobbyist disciplinary process to hold the person certifying the compensation report and the lobbying firm accountable for making a true, complete, properly-allocated report as required by law. In addition, the certification brings every compensation report filer within the scope of potential criminal penalties in s. 837.06, F.S., for culpable violations.

For more detailed information concerning compensation filing requirements and forms, please contact the Office of Legislative Services’ Lobbyist Registration Office or click on the “Lobbyists” tab at the Florida Legislature’s Online Sunshine web site at <http://www.leg.state.fl.us>.

2. Frequently Asked Questions

1. Question: Is an in-house, salaried lobbyist for an association, a governmental entity, or a corporation that does not derive income from principals for lobbying required to report compensation?

ANSWER: No. An association, a governmental entity, a corporation or other business entity that does not derive income from principals for lobbying, and its employee lobbyists, are not a “lobbying firm” as defined in s. 11.045(1)(g), F.S. Only “lobbying firms” must report compensation as provided in s. 11.045(3)(a), F.S.

2. Question: Does the prohibition against providing compensation to an individual or business entity that is not a lobbying firm, mean that in-house lobbyists must either become a lobbying firm or cease lobbying?

ANSWER: No. The provision in question merely clarifies that reportable “compensation” under the law must be provided to a “lobbying firm,” and not contracted or subcontracted through some “straw man” to circumvent compensation reporting requirements. The provision in question clarifies and emphasizes the statutory definition of “compensation” in s. 11.045(1)(b), F.S., as “anything of value provided or owed to a *lobbying firm*.”

Appendix

(Former Joint Rule One, as it may be amended to conform to ch. 2005-359, L.O.F.)

1.1 Those Required to Register; Exemptions; Committee Appearance Records

- (1) All lobbyists before the Florida Legislature must register with the Lobbyist Registration Office in the Division of Legislative Information Services of the Office of Legislative Services. Registration is required for each principal represented.
- (2) As used in this rule, unless the context otherwise requires:
 - (a) “Legislative action” means introduction, sponsorship, testimony, debate, voting, or any other official action on any measure, resolution, amendment, nomination, appointment, or report of, or any matter which may be the subject of action by, either house of the Legislature or any committee thereof.
 - (b) “Lobby” or “lobbying” means influencing or attempting to influence legislative action or nonaction through oral or written communication or an attempt to obtain the goodwill of a member or employee of the Legislature.
 - (c) “Lobbyist” means a person who is employed and receives payment, or who contracts for economic consideration, for the purpose of lobbying, or a person who is principally employed for governmental affairs by another person or governmental entity to lobby on behalf of that other person or governmental entity. An employee of the principal is not a “lobbyist” unless the employee is principally employed for governmental affairs. “Principally employed for governmental affairs” means that one of the principal or most significant responsibilities of the employee to the employer is overseeing the employer’s various relationships with government or representing the employer in its contacts with government. Any person employed by the Governor, the Executive Office of the Governor, any executive, judicial, or quasi-judicial department of the state or any community college of the state who seeks to encourage the passage, defeat, or modification of any legislation by personal appearance or attendance before the House of Representatives or the Senate, or any member or committee thereof, is a lobbyist.
 - (d) “Payment” or “salary” means wages or any other consideration provided in exchange for services, but does not include reimbursement for expenses.
 - (e) “Principal” means the person, firm, corporation, or other entity that has employed or retained a lobbyist. When an association has employed or retained a lobbyist, the association is the principal; the individual members of the association are not principals merely because of their membership in the association.
 - (f) “Relative” means an individual who is related to the member or employee as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, grandparent, great grandparent, grandchild, great grandchild, step grandparent, step great grandparent, step grandchild, or step great grandchild, any person who is engaged to be married to

the member or employee or who otherwise holds himself or herself out as or is generally known as the person whom the member or employee intends to marry or with whom the member or employee intends to form a household, or any other natural person having the same legal residence as the member or employee.

(3) For purposes of this rule, the terms “lobby” and “lobbying” do not include any of the following:

- (a) Response to an inquiry for information made by any member, committee, or staff of the Legislature.
- (b) An appearance in response to a legislative subpoena.
- (c) Advice or services that arise out of a contractual obligation with the Legislature, a member, a committee, any staff, or any legislative entity to render the advice or services where such obligation is fulfilled through the use of public funds.
- (d) Representation of a client before the House of Representatives or the Senate, or any member or committee thereof, when the client is subject to disciplinary action by the House of Representatives or the Senate, or any member or committee thereof.

(4) For purposes of registration and reporting, the term “lobbyist” does not include any of the following:

- (a) A member of the Legislature.
- (b) A person who is employed by the Legislature.
- (c) A judge who is acting in that judge’s official capacity.
- (d) A person who is a state officer holding elective office or an officer of a political subdivision of the state holding elective office and who is acting in that officer’s official capacity.
- (e) A person who appears as a witness or for the purpose of providing information at the written request of the chair of a committee, subcommittee, or legislative delegation.
- (f) A person employed by any executive, judicial, or quasi-judicial department of the state or community college of the state who makes a personal appearance or attendance before the House of Representatives or the Senate, or any member or committee thereof, while that person is on approved leave or outside normal working hours, and who does not otherwise meet the definition of lobbyist.

(5) When a person, whether or not the person is registered as a lobbyist, appears before a committee of the Legislature, that person must submit a Committee Appearance Record on a form to be provided by the respective house.

1.2 Method of Registration

(1) Each person who is required to register must register on forms furnished by the Lobbyist Registration Office, on which that person must state, under oath, that person’s full legal name, business address and telephone number, the name and business address of each principal that person represents, and the extent of any direct business association

or partnership that person has with any member of the Legislature. In addition, if the lobbyist is a partner, owner, officer, or employee of a lobbying firm, the lobbyist must state the name, address, Federal Employer's Identification Number (FEID), contact name, and telephone number of each lobbying firm to which the lobbyist belongs. The Lobbyist Registration Office or its designee is authorized to acknowledge the oath of any person who registers in person. Any changes to the information provided in the registration form must be reported to the Lobbyist Registration Office in writing within 15 days on forms furnished by the Lobbyist Registration Office.

(2) Any person required to register must do so with respect to each principal prior to commencement of lobbying on behalf of that principal. At the time of registration, the registrant shall provide a statement, on a form provided by the Lobbyist Registration Office, signed by the principal or principal's representative that the registrant is authorized to represent the principal. The authorization must state the North American Industry Classification System (NAICS) six-digit numerical code that most accurately describes the principal's main business. Any person required to register must renew the registration annually for each calendar year.

(3) A lobbyist shall promptly send a notice to the Lobbyist Registration Office, on forms furnished by the Lobbyist Registration Office, canceling the registration for a principal upon termination of the lobbyist's representation of that principal. A notice of cancellation takes effect the day it is received by the Lobbyist Registration Office. Notwithstanding this requirement, the Lobbyist Registration Office may remove the name of a lobbyist from the list of registered lobbyists if the principal notifies the Lobbyist Registration Office that the lobbyist is no longer authorized to represent that principal.

(4) The Lobbyist Registration Office shall publish on the first Monday of each regular session and weekly thereafter through the end of that session a compilation of the names of persons who have registered and the information contained in their registrations.

(5) The Lobbyist Registration Office shall retain all original documents submitted under this rule.

(6) A person who is required to register under this rule, or who chooses to register, shall be considered a lobbyist of the Legislature for the purposes of sections 112.3148 and 112.3149, Florida Statutes, relating to the reporting of and the prohibited receipt of gifts and honoraria.

1.3 Registration Costs

(1) To cover the costs incurred in administering the legislative Lobbyist Registration Office, each person who registers must pay an annual registration fee to the Lobbyist Registration Office. The annual period runs from January 1 to December 31. These fees must be paid at the time of registration.

(2) The annual fee is up to \$50 per each house for a person to register to represent one principal and up to an additional \$10 per house for each additional principal that the person registers to represent. The amount of each fee shall be established annually by the President of the Senate and the Speaker of the House of Representatives. The fees set shall be adequate to ensure operation of the lobbyist registration and reporting operations of the Lobbyist Registration Office. The fees collected by the Lobbyist Registration Office under this joint policy shall be deposited in the State Treasury and credited to the Legislative Lobbyist Registration Trust Fund specifically to cover the costs incurred in administering the legislative Lobbyist Registration Office.

1.4 Expenditure Prohibitions and Exemptions

- (1) For purposes of prohibiting lobbying expenditures, the following definitions apply:
- (a) “Entertainment” means amusement or recreation, including, but not limited to, sporting, hunting, fishing, theatrical, artistic, cultural, and musical activities or events.
 - (b) “Food and Beverages” means meals, snacks, or other edible substances, or liquids for drinking, including services associated therewith.
 - (c) “Lodging” means sleeping or living accommodations for an individual for one or more nights.
 - (d) “Travel” means transporting an individual from one place to another, regardless of the means used.
- (2) (a) The term “expenditure” does not include the following items if they are intended to influence or attempt to influence legislative action or non-action through oral or written communication:
- 1. “Communications,” which includes any means of disseminating information, such as:
 - a. Audio-visual materials; and,
 - b. Signs, placards, banners, buttons, promotional materials, and other display materials;together with any associated production services.
 - 2. “Media advertising,” which includes newspaper and magazine advertising, radio and television advertising, and outdoor advertising, including production services and copyrighting services.
 - 3. “Publications,” such as mass-produced, printed materials, including, but not limited to, magazines, newsletters, brochures, or pamphlets, which expressly encourage persons to communicate with members or employees of the Legislature to influence the official actions of members or employees of the Legislature or which are designed to communicate with members or employees of the Legislature.
 - 4. “Research,” which includes the procurement of information relating to a specific issue, regardless of the form or medium in which that information is provided,

- including, but not limited to, surveys, bill-tracking services, information services, periodicals, and consultants or consultant services to gather data or statistics.
- (b) The term “expenditure” also does not include:
1. Contributions or expenditures reported pursuant to chapter 106, Florida Statutes; campaign-related personal services provided without compensation by individuals volunteering their time; or any other contribution or expenditure by a political party.
 2. A lobbyist’s or principal’s salary, office expenses, and personal expenses for lodging, meals, and travel. If the principal is a firm, corporation, association, or person, other than a natural person, the office expenses of the entity and the salaries of the officers of the entity, as well as expenses for their lodging, meals, and travel, are not lobbying expenditures. Office expenses include, but are not limited to, payment or obligation for rent or mortgage, utilities, postage, telephone service, employees’ salaries, furniture, copies, computers, software, paper supplies, and custodial or maintenance services.
 3. Hosting or attending and receiving food, beverages, or entertainment at an open public event that is readily accessible to the general public, that does not require an admission ticket, that is widely advertised as being open to the general public, and that does not provide any special benefits or recognition to either members of the Legislature or its employees.
 4. Benefits provided directly or indirectly by a state, regional, or national organization which promotes the exchange of ideas between, or the professional development of, governmental officials or employees, and whose membership is primarily composed of elected or appointed public officials or staff, to members of that organization or officials or staff of a governmental agency that is a member of that organization.
 5. Salary, benefits, services, fees, commissions, gifts, or expenses associated primarily with a legislator’s or legislative employee’s employment, business, or service as an officer or director of a corporation or organization.
 6. Real property or a facility owned or operated by a state or local public agency or entity; and transportation to, from, and at the location provided by that agency or entity may, with the prior approval of the presiding officer or his or her designee, be used without payment, by a member, committee, or staff of the Legislature for a public legislative purpose.

1.5 Appeal of Fines; Hearings; Unusual Circumstances

(1) A lobbying firm wishing to appeal or dispute a fine imposed under section 11.045(3), Florida Statutes, shall file with the Lobbyist Registration Office a notice of appeal within 30 days after the notice of payment due is transmitted by the Lobbyist Registration Office, setting out with specificity the unusual circumstances surrounding the failure to file on the designated due date. A request for a hearing on the matter before the General Counsel of the Office of Legislative Services must be made within the same 30-day period. The notice of appeal must be accompanied by any documentation or evidence

supporting the claim. Failure to timely file a notice of appeal as described in this subsection shall constitute a waiver of the right to appeal or to dispute a fine.

(2) The President of the Senate and the Speaker of the House of Representatives may waive the fine in whole or in part for good cause shown based on the unusual circumstances presented by the lobbying firm.

(3) The term “unusual circumstances” for the purposes of this rule means uncommon, rare, or sudden events over which the person has no control and which directly result in the failure to meet the filing requirements.

(4) The Department of Banking and Finance shall collect any fine that is not timely paid.

1.5 Open Records

All of the lobbyist registration and compensation reports received by the Lobbyist Registration Office shall be available for public inspection and for duplication at reasonable cost.

1.6 Records Retention and Inspection and Complaint Procedure

(1) Each lobbying firm and each principal shall preserve for a period of 4 years all accounts, bills, receipts, computer records, books, papers, and other documents and records necessary to substantiate compensation reports.

(2) Upon receipt of a complaint based upon the personal knowledge of the complainant made pursuant to the Senate Rules or Rules of the House of Representatives, any such documents and records may be inspected when authorized by the President of the Senate or the Speaker of the House of Representatives, as applicable. The person authorized to perform the inspection shall be designated in writing and shall be a member of The Florida Bar or a certified public accountant licensed in Florida. Any information obtained by such an inspection may only be used for purposes authorized by law, this rule, Senate Rules, or Rules of the House of Representatives, which purposes may include the imposition of sanctions against a person subject to this rule or Senate Rules or the Rules of the House of Representatives. Any employee who uses that information for an unauthorized purpose is subject to discipline. Any member who uses that information for an unauthorized purpose is subject to discipline under the applicable rules of each house.

(3) The right of inspection may be enforced by appropriate writ issued by any court of competent jurisdiction.