

17100695D

SENATE BILL NO. 1157

Offered January 11, 2017

Prefiled January 9, 2017

A BILL to amend and reenact § 2.2-419 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 2.2-421.1, relating to lobbying by certain political subdivisions; reporting requirements.

Patron—Reeves (By Request)

Referred to Committee on Rules

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-419 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 2.2-421.1 as follows:

§ 2.2-419. Definitions.

As used in this article, unless the context requires a different meaning:

"Anything of value" means:

- 1. A pecuniary item, including money, or a bank bill or note;
 - 2. A promissory note, bill of exchange, order, draft, warrant, check, or bond given for the payment of money;
 - 3. A contract, agreement, promise, or other obligation for an advance, conveyance, forgiveness of indebtedness, deposit, distribution, loan, payment, gift, pledge, or transfer of money;
 - 4. A stock, bond, note, or other investment interest in an entity;
 - 5. A receipt given for the payment of money or other property;
 - 6. A right in action;
 - 7. A gift, tangible good, chattel, or an interest in a gift, tangible good, or chattel;
 - 8. A loan or forgiveness of indebtedness;
 - 9. A work of art, antique, or collectible;
 - 10. An automobile or other means of personal transportation;
 - 11. Real property or an interest in real property, including title to realty, a fee simple or partial interest, present or future, contingent or vested within realty, a leasehold interest, or other beneficial interest in realty;
 - 12. An honorarium or compensation for services;
 - 13. A rebate or discount in the price of anything of value unless the rebate or discount is made in the ordinary course of business to a member of the public without regard to that person's status as an executive or legislative official, or the sale or trade of something for reasonable compensation that would ordinarily not be available to a member of the public;
 - 14. A promise or offer of employment; or
 - 15. Any other thing of value that is pecuniary or compensatory in value to a person.
- "Anything of value" does not mean a campaign contribution properly received and reported pursuant to Chapter 9.3 (§ 24.2-945 et seq.) of Title 24.2.
- "Compensation" means:
- 1. An advance, conveyance, forgiveness of indebtedness, deposit, distribution, loan, payment, gift, pledge, or transfer of money or anything of value; or
 - 2. A contract, agreement, promise or other obligation for an advance, conveyance, forgiveness of indebtedness, deposit, distribution, loan, payment, gift, pledge, or transfer of money or anything of value, for services rendered or to be rendered.
- "Compensation" does not mean reimbursement of expenses if the reimbursement does not exceed the amount actually expended for the expenses and it is substantiated by an itemization of expenses.
- "Council" means the Virginia Conflict of Interest and Ethics Advisory Council established in § 30-355.
- "Executive action" means the proposal, drafting, development, consideration, amendment, adoption, approval, promulgation, issuance, modification, rejection, or postponement by an executive agency or official of legislation or executive orders issued by the Governor. "Executive action" includes procurement transactions.
- "Executive agency" means an agency, board, commission, or other body in the executive branch of state government. "Executive agency" includes the State Corporation Commission, the Virginia Workers' Compensation Commission, and the Virginia Lottery.
- "Executive official" means:

INTRODUCED

SB1157

- 59 1. The Governor;
60 2. The Lieutenant Governor;
61 3. The Attorney General;
62 4. Any officer or employee of the office of the Governor, Lieutenant Governor, or Attorney General
63 other than a clerical or secretarial employee;
64 5. The Governor's Secretaries, the Deputy Secretaries, and the chief executive officer of each
65 executive agency; or
66 6. Members of supervisory and policy boards, commissions and councils, as defined in § 2.2-2100,
67 however selected.
- 68 "Expenditure" means:
- 69 1. A purchase, payment, distribution, loan, forgiveness of a loan or payment of a loan by a third
70 party, advance, deposit, transfer of funds, a promise to make a payment, or a gift of money or anything
71 of value for any purpose;
72 2. A payment to a lobbyist for salary, fee, reimbursement for expenses, or other purpose by a person
73 employing, retaining, or contracting for the services of the lobbyist separately or jointly with other
74 persons;
75 3. A payment in support of or assistance to a lobbyist or the lobbyist's activities, including the direct
76 payment of expenses incurred at the request or suggestion of the lobbyist;
77 4. A payment that directly benefits an executive or legislative official or a member of the official's
78 immediate family;
79 5. A payment, including compensation, payment, or reimbursement for the services, time, or expenses
80 of an employee for or in connection with direct communication with an executive or legislative official;
81 6. A payment for or in connection with soliciting or urging other persons to enter into direct
82 communication with an executive or legislative official; or
83 7. A payment or reimbursement for categories of expenditures required to be reported pursuant to
84 this chapter.
- 85 "Expenditure" does not mean a campaign contribution properly received and reported pursuant to
86 Chapter 9.3 (§ 24.2-945 et seq.) of Title 24.2.
- 87 "Fair market value" means the price that a good or service would bring between a willing seller and
88 a willing buyer in the open market after negotiations. If the fair market value cannot be determined, the
89 actual price paid for the good or service shall be given consideration.
- 90 "Gift" means anything of value, including any gratuity, favor, discount, entertainment, hospitality,
91 loan, forbearance, or other item having monetary value, and includes services as well as gifts of
92 transportation, local travel, lodgings, and meals, whether provided in-kind or by purchase of a ticket,
93 payment in advance, or reimbursement after the expense has been incurred.
- 94 "Gift" does not mean:
- 95 1. Printed informational or promotional material;
96 2. A gift that is not used and, no later than 60 days after receipt, is returned to the donor or
97 delivered to a charitable organization and is not claimed as a charitable contribution for federal income
98 tax purposes;
99 3. A devise or inheritance;
100 4. A gift of a value of less than \$20;
101 5. Any offer of a ticket, coupon, or other admission or pass unless the ticket, coupon, admission, or
102 pass is used;
103 6. Any food or beverages provided to an individual at an event at which the individual is performing
104 official duties related to his public service;
105 7. Any food and beverages received at or registration or attendance fees waived for any event at
106 which the individual is a featured speaker, presenter, or lecturer;
107 8. An unsolicited award of appreciation or recognition in the form of a plaque, trophy, wall
108 memento, or similar item that is given in recognition of public, civic, charitable, or professional service;
109 9. Any gift to an individual's spouse, child, uncle, aunt, niece, nephew, or first cousin; a person to
110 whom the donee is engaged to be married; the donee's or his spouse's parent, grandparent, grandchild,
111 brother, sister, step-parent, step-grandparent, step-grandchild, step-brother, or step-sister; or the donee's
112 brother's or sister's spouse;
113 10. Travel provided to facilitate attendance by a legislator at a regular or special session of the
114 General Assembly, a meeting of a legislative committee or commission, or a national conference where
115 attendance is approved by the House Committee on Rules or its Chairman or the Senate Committee on
116 Rules or its Chairman; or
117 11. Travel related to an official meeting of the Commonwealth, its political subdivisions, or any
118 board, commission, authority, or other entity, or any charitable organization established pursuant to
119 § 501(c)(3) of the Internal Revenue Code affiliated with such entity, to which such person has been
120 appointed or elected or is a member by virtue of his office or employment.

121 "Immediate family" means (i) the spouse and (ii) any other person who resides in the same
122 household as the executive or legislative official and who is a dependent of the official.

123 "Legislative action" means:

124 1. Preparation, research, drafting, introduction, consideration, modification, amendment, approval,
125 passage, enactment, tabling, postponement, defeat, or rejection of a bill, resolution, amendment, motion,
126 report, nomination, appointment, or other matter by the General Assembly or a legislative official;

127 2. Action by the Governor in approving, vetoing, or recommending amendments for a bill passed by
128 the General Assembly; or

129 3. Action by the General Assembly in overriding or sustaining a veto by the Governor, considering
130 amendments recommended by the Governor, or considering, confirming, or rejecting an appointment of
131 the Governor.

132 "Legislative official" means:

133 1. A member or member-elect of the General Assembly;

134 2. A member of a committee, subcommittee, commission, or other entity established by and
135 responsible to the General Assembly or either house of the General Assembly; or

136 3. Persons employed by the General Assembly or an entity established by and responsible to the
137 General Assembly.

138 "Lobbying" means:

139 1. Influencing or attempting to influence executive or legislative action through oral or written
140 communication with an executive or legislative official; or

141 2. Solicitation of others to influence an executive or legislative official.

142 "Lobbying" does not mean:

143 1. Requests for appointments, information on the status of pending executive and legislative actions,
144 or other ministerial contacts if there is no attempt to influence executive or legislative actions;

145 2. Responses to published notices soliciting public comment submitted to the public official
146 designated in the notice to receive the responses;

147 3. The solicitation of an association by its members to influence legislative or executive action; or

148 4. Communications between an association and its members and communications between a principal
149 and its lobbyists.

150 "Lobbyist" means:

151 1. An individual who is employed and receives payments, or who contracts for economic
152 consideration, including reimbursement for reasonable travel and living expenses, for the purpose of
153 lobbying;

154 2. An individual who represents an organization, association, or other group for the purpose of
155 lobbying; or

156 3. A local government employee who lobbies.

157 "Lobbyist's principal" or "principal" means the entity on whose behalf the lobbyist influences or
158 attempts to influence executive or legislative action. An organization whose employees conduct lobbying
159 activities on its behalf is both a principal and an employer of the lobbyists. In the case of a coalition or
160 association that employs or retains others to conduct lobbying activities on behalf of its membership, the
161 principal is the coalition or association and not its individual members.

162 "Local government" means:

163 1. Any county, city, town, or other local or regional political subdivision;

164 2. Any school division;

165 3. Any organization or entity that exercises governmental powers that is established pursuant to an
166 interstate compact; or

167 4. Any organization, *association, or nonstock corporation* composed of, *or managed or controlled*
168 *by*, members representing entities listed in ~~subdivisions~~ *subdivision* 1, 2, or 3 of this definition.

169 "Local government employee" means a public employee of a local government.

170 "Person" means an individual, proprietorship, firm, partnership, joint venture, joint stock company,
171 syndicate, business trust, estate, company, corporation, association, club, committee, organization, or
172 group of persons acting in concert.

173 "Procurement transaction" means all functions that pertain to obtaining all goods, services, or
174 construction on behalf of an executive agency, including description of requirements, selection and
175 solicitation of sources, preparation and award of contract, and all phases of contract administration
176 where the stated or expected value of the contract is \$5 million or more.

177 "Secretary" means the Secretary of the Commonwealth.

178 "Value" means the actual cost or fair market value of an item or items, whichever is greater. If the
179 fair market value cannot be determined, the actual amount paid for the item or items shall be given
180 consideration.

181 "Widely attended event" means an event at which at least 25 persons have been invited to attend or

182 there is a reasonable expectation that at least 25 persons will attend the event and the event is open to
183 individuals (i) who share a common interest, (ii) who are members of a public, civic, charitable, or
184 professional organization, (iii) who are from a particular industry or profession, or (iv) who represent
185 persons interested in a particular issue.

186 **§ 2.2-421.1. Reporting requirements for associations or other nonstock corporations established by**
187 **political subdivisions of the Commonwealth; prohibition on use of public funds.**

188 *A. The governing body of any association or other nonstock corporation that is established by a*
189 *political subdivision or combination of political subdivisions shall file a separate registration statement*
190 *with the Secretary of the Commonwealth on behalf of the officers and employees who will be engaged in*
191 *lobbying as defined in § 2.2-419. Such registration statement shall be in addition to any statement filed*
192 *by any of the political subdivision's component members in compliance with § 2.2-421. The association*
193 *or nonstock corporation shall comply with the provisions of this article requiring lobbyists to register*
194 *with the Secretary of the Commonwealth and adhere to the registration requirements as set forth in*
195 *§ 2.2-422.*

196 *B. A political subdivision and any of its related associations or nonstock corporations covered by*
197 *this section shall be prohibited from using public funds to support lobbying efforts on behalf of such*
198 *political subdivision. Funding for lobbying activities shall be segregated from public funds and held in a*
199 *separate bank account labeled and designated solely for such purpose.*

200 *C. Elected officials of the political subdivision or subdivisions making up the membership of the*
201 *association or nonstock corporation who are not officers on the boards of directors of the associations*
202 *or nonstock corporations created by those political subdivisions of the state shall be exempt from the*
203 *requirements of this section.*

204 *D. Elected officials of the political subdivision or subdivisions making up the membership of the*
205 *association or nonstock corporation who are on the boards of directors of those associations and*
206 *nonstock corporations created by political subdivisions of the state shall be exempt from these*
207 *requirements provided such individuals do not lobby on behalf of the association or nonstock*
208 *corporation.*