
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1606 Session of
2021

INTRODUCED BY GROVE, CUTLER, KERWIN, B. MILLER, PENNYCUICK,
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HERSHEY, OWLETT, MENTZER, BERNSTINE, THOMAS, ROWE AND GLEIM,
JUNE 10, 2021

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JUNE 10, 2021

AN ACT

1 Amending Title 65 (Public Officers) of the Pennsylvania
2 Consolidated Statutes, in lobbying disclosure, further
3 providing for registration, for reporting, for exemption from
4 registration and reporting, for administration and for
5 registration fees, fund established, system and regulations;
6 and making editorial changes.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. The definitions of "fund" and "personnel expense"
10 in section 13A03 of Title 65 of the Pennsylvania Consolidated
11 Statutes are amended to read:

12 § 13A03. Definitions.

13 The following words and phrases when used in this chapter
14 shall have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 * * *

17 "Fund." The Lobbying Disclosure Fund established in section
18 13A10(b) (relating to [registration fees;] fees and fund

1 established; system; regulations).

2 * * *

3 "Personnel expense." An expenditure for salaries or other
4 forms of compensation, benefits, vehicle allowances, bonuses and
5 reimbursable expenses paid to lobbyists, lobbying staff,
6 research and monitoring staff, consultants, publications and
7 public relations staff, technical staff, clerical and
8 administrative support staff and includes individuals who engage
9 in lobbying but are exempt from reporting under section 13A06
10 (relating to exemption from [registration and] reporting). For
11 an individual for whom lobbying is incidental to regular
12 employment, the term means a good faith prorated estimate based
13 on the value of the time devoted to lobbying.

14 * * *

15 Section 2. Sections 13A04(a), 13A05, 13A06 and 13A08(f) and
16 (j) of Title 65 are amended to read:

17 § 13A04. Registration.

18 (a) General rule.--[Unless excluded under section 13A06
19 (relating to exemption from registration and reporting), a
20 lobbyist, lobbying firm or a principal must register with the
21 department electronically using the computerized filing system
22 developed by the department that is consistent with the purposes
23 of this chapter within ten days of acting in any capacity as a
24 lobbyist, lobbying firm or principal.] Registration shall be
25 biennial and shall begin January 1, 2007. Unless excluded under
26 section 13A06 (relating to exemption from reporting), the
27 following shall apply:

28 (1) A lobbyist, lobbying firm or a principal that is
29 registered at the end of a biennial term shall be
30 automatically registered for the next biennial term, unless a

1 notice of termination under subsection (e) is filed with the
2 department by January 10 of the next biennial term.

3 (2) A lobbyist, lobbying firm or a principal that is not
4 registered at the end of a biennial term or which has filed a
5 notice of termination under paragraph (1) or previously, must
6 register within 10 days of acting in any capacity as a
7 lobbyist, lobbying firm or a principal.

8 * * *

9 § 13A05. Reporting.

10 (a) General rule.--A registered [principal] lobbying firm or
11 lobbyist who is not affiliated with a lobbying firm shall,
12 subject to the penalties under 18 Pa.C.S. § 4904 (relating to
13 unsworn falsification to authorities), file quarterly expense
14 reports with the department electronically using the
15 computerized filing system developed by the department that is
16 consistent with the purpose of this chapter no later than 30
17 days after the last day of the quarter.

18 (b) Content.--

19 (1) Each expense report must list the names and
20 registration numbers when available of all [lobbyists by
21 whom] principals on whose behalf lobbying is conducted on
22 behalf of the principal and the general subject matter or
23 issue being lobbied.

24 (2) Each expense report shall include the total costs
25 incurred by the lobbying firm or lobbyist of all lobbying for
26 the period. The total shall include all office expenses,
27 personnel expenses, expenditures related to gifts,
28 hospitality, transportation and lodging to State officials or
29 employees, and any other lobbying costs. The total amount
30 reported under this paragraph shall be allocated in its

1 entirety among the following categories:

2 (i) The costs for gifts, hospitality, transportation
3 and lodging given to or provided to State officials or
4 employees or their immediate families.

5 (ii) The costs for direct communication.

6 (iii) The costs for indirect communication.

7 (iv) Expenses required to be reported under this
8 subsection shall be allocated to one of the three
9 categories listed under this section and shall not be
10 included in more than one category.

11 (2.1) For purposes of filing an expense report under
12 this subsection, a registrant may use any reasonable methods
13 of estimation and allocation.

14 (2.2) The expense report shall identify the amount of
15 the total reported expenditures that the reporting party or
16 entity charged to the account of each principal and allocate
17 the amount attributable to each category listed in paragraph
18 (2) (i), (ii) and (iii).

19 (3) The following apply:

20 (i) In addition to reporting the totals required
21 under this subsection, the expense report must identify,
22 by name, position and each occurrence, a State official
23 or employee who receives from a principal or lobbyist
24 anything of value which must be included in the statement
25 under section 1105(b) (6) or (7) (relating to statement of
26 financial interests) as implemented by section 1105(d).

27 (ii) For purposes of this chapter, the amount
28 referred to in section 1105(b) (7) shall be considered an
29 aggregate amount per year.

30 (iii) For purposes of this chapter, the amount

1 referred to in section 1105(b)(7) shall not include the
2 cost of a reception which the State official or employee
3 attends in connection with public office or employment.

4 (iv) Written notice must be given to each State
5 official or employee who is listed in an expense report
6 under this paragraph at least seven days prior to the
7 report's submission to the department. Notice under this
8 subparagraph shall include the information which will
9 enable the State official or employee to comply with
10 section 1105(b)(6) and (7). For purposes of this chapter
11 and Chapter 11 (relating to ethics standards and
12 financial disclosure), section 1105(b)(6) and (7) shall
13 constitute mutually exclusive categories. For each
14 category enumerated in paragraph (2)(i), each notice
15 shall include both the amount incurred during the quarter
16 and the cumulative amount incurred from January 1 through
17 the end of the applicable quarter.

18 (v) This paragraph shall not apply to anything of
19 value received from immediate family when the
20 circumstances make it clear that motivation for the
21 action was the personal or family relationship.

22 (vi) In determining whether an expense must identify
23 the State official or employee as required by
24 subparagraph (i), the total amount expended shall be
25 considered, regardless of whether the cost or expenditure
26 was allocated among one or more principals, or whether
27 all or any portion of the total is paid directly by one
28 or more of the reporting party's principals.

29 (4) A [lobbying firm or a lobbyist not associated with a
30 lobbying firm] principal shall sign the reports

1 electronically submitted by each [principal] lobbying firm or
2 lobbyist for whom the [lobbying firm or lobbyist] principal
3 is registered to attest to the validity and accuracy of the
4 cost attributed in the report to the principal to the best of
5 the attestor's knowledge. A [lobbying firm or lobbyist]
6 principal may attach a statement to the electronic report of
7 [a principal] the lobbying firm or a lobbyist, describing the
8 limits of the knowledge of the [lobbying firm or lobbyist]
9 principal concerning the information contained in the expense
10 report.

11 (5) The [expense report] attestation of the principal
12 shall also include the name, permanent business address and
13 daytime telephone number of any individual, association,
14 corporation, partnership, business trust or other business
15 entity which contributed more than 10% of the total resources
16 received by the lobbying firm or lobbyist from the principal
17 during the reporting period.

18 (6) A [lobbying firm or a lobbyist not associated with a
19 lobbying firm] principal shall submit an expense report
20 electronically using the computerized filing system developed
21 by the department that is consistent with the purpose of this
22 chapter if during the reporting period the [lobbying firm or
23 lobbyist] principal engaged in lobbying which was not
24 contained in any expense report filed by a [principal or
25 principals represented] lobbying firm or lobbyist not
26 associated with a lobbying firm that represented the
27 principal.

28 (7) A registered principal that attempts or that retains
29 a lobbying firm or lobbyist to attempt to influence an
30 agency's preparing, bidding, entering into or approving a

1 contract shall ensure that the related expenses are included
2 under paragraph (2).

3 (8) A lobbying firm or a lobbyist not associated with a
4 lobbying firm shall [submit a report] include in its report
5 filed electronically using the computerized filing system
6 developed by the department that is consistent with the
7 purpose of this chapter if the lobbying firm or lobbyist
8 engaged in lobbying on behalf of any entity that is exempt
9 under section 13A06(7), (8), (9) or (10) (relating to
10 exemption from [registration and] reporting).

11 (c) Records retention.--A registrant shall retain all
12 documents reasonably necessary to substantiate the reports to be
13 made under this section for four years from the date of filing
14 the subject report. Upon request by the Office of Attorney
15 General, the board, the commission or the department, these
16 materials shall be made available for inspection within a
17 reasonable period of time.

18 (d) Thresholds for reporting.--An expense report required
19 under this section shall be filed electronically using the
20 computerized filing system developed by the department that is
21 consistent with the purpose of this chapter when total expenses
22 for lobbying exceed \$2,500 for a registered [principal] lobbying
23 firm or a lobbyist not associated with a lobbying firm in a
24 reporting period. In a reporting period in which total expenses
25 are \$2,500 or less, a statement to that effect shall be filed
26 electronically using the computerized filing system developed by
27 the department that is consistent with the purpose of this
28 chapter.

29 (e) Indirect communication disclosure.--Whenever any person
30 makes an expenditure for indirect communication under this

1 chapter, for the purpose of disseminating or initiating a
2 communication, such as a mailing, telephone bank, print or
3 electronic media advertisement, billboard, publication or
4 education campaign, the communication shall clearly and
5 conspicuously state the name of the person who made or financed
6 the expenditure for the communication.

7 § 13A06. Exemption from [registration and] reporting.

8 The following persons and activities shall be exempt from
9 [registration under section 13A04 (relating to registration)
10 and] reporting under section 13A05 (relating to reporting):

11 (1) An individual who limits lobbying to preparing
12 testimony and testifying before a committee of the General
13 Assembly or participating in an administrative proceeding of
14 an agency.

15 (2) An individual who is an employee of an entity
16 engaged in the business of publishing or broadcasting while
17 engaged in the gathering and dissemination of news and
18 comment on the news to the general public in the ordinary
19 course of business.

20 (3) An individual who does not receive economic
21 consideration for lobbying.

22 [(4) An individual whose economic consideration for
23 lobbying, from all principals represented, does not exceed
24 \$2,500 in the aggregate during any reporting period.]

25 [(5) An individual who engages in lobbying on behalf of
26 the individual's employer if the lobbying represents less
27 than 20 hours during any reporting period.]

28 [(6) Except as required under section 13A05(d), a
29 principal whose total expenses for lobbying purposes do not
30 exceed \$2,500 during any reporting period.]

1 (7) An elected State official who acts in an official
2 capacity.

3 (8) An appointed State official acting in an official
4 capacity.

5 (9) An elected or appointed official of a political
6 subdivision who is acting in an official capacity for the
7 political subdivision.

8 (10) An employee of the Commonwealth or an agency of the
9 Commonwealth who is acting in an official capacity for the
10 Commonwealth or agency.

11 (11) An individual representing a bona fide church or
12 bona fide religious body of which the individual is a member
13 where the lobbying is solely for the purpose of protecting
14 the constitutional right to the free exercise of religion.

15 (12) An individual who is not a registered lobbyist and
16 who serves on an advisory board, working group or task force
17 at the request of an agency or the General Assembly.

18 (13) Participating as a party or as an attorney at law
19 or representative of a party, case or controversy in any
20 administrative adjudication pursuant to 2 Pa.C.S. (relating
21 to administrative law and procedure).

22 (14) Expenditures and other transactions subject to
23 reporting under Article XVI of the act of June 3, 1937
24 (P.L.1333, No.320), known as the Pennsylvania Election Code.

25 (15) Vendor activities under 62 Pa.C.S. §§ 514 (relating
26 to small procurements), 516 (relating to emergency
27 procurements) and efforts directly related to responding to
28 publicly advertised invitations to bid and requests for
29 proposals.

30 § 13A08. Administration.

1 * * *

2 (f) Audits.--The following shall apply:

3 (1) Every two years the Secretary of the Commonwealth
4 shall contract for the services of one or more certified
5 public accountants or certified public accounting firms. The
6 contract shall be awarded in a manner consistent with the
7 provisions of 62 Pa.C.S. Pt. I (relating to Commonwealth
8 Procurement Code), and no certified public accountant or
9 certified public accounting firm shall be eligible to obtain
10 a contract for more than two successive contract periods.

11 (2) The secretary shall [randomly select, at a public
12 drawing 60 days following the close of each fourth quarter
13 reporting period, 3% of all] establish a process for
14 selecting completed registrations and expense reports filed
15 with the department under this chapter based on factors that
16 focus on risk of noncompliance and shall select audit
17 candidates consistent with that process.

18 (3) The certified public accountant shall conduct [the]
19 financial and performance audits in accordance with generally
20 accepted auditing standards and shall test as to whether each
21 registration or expense report is materially correct.

22 [(4) The audit report and findings shall be
23 confidential, except that the department shall make an audit
24 report and findings available to the commission if the
25 commission is investigating an alleged violation of this
26 chapter involving the audited registration or expense report.
27 The commission shall include the relevant portion of an audit
28 as part of its findings of fact in a commission order which
29 results from an investigation arising out of an audit.]

30 (4.1) The audit reports and findings shall be made

1 public. The commission shall determine whether a report of
2 adverse findings warrants enforcement or remedial action
3 under the provisions of this chapter.

4 (5) Nothing in this subsection shall limit the authority
5 of the Department of Revenue under Article IV of the act of
6 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
7 1971, to conduct audits to determine compliance with
8 applicable tax laws.

9 * * *

10 (j) Inflation adjustment.--On a biennial basis commencing in
11 January 2009, the department shall review the threshold under
12 section 13A06 (relating to exemption from [registration and]
13 reporting) for registration under section 13A04 (relating to
14 registration) and the threshold for reporting under section
15 13A05(d) (relating to reporting) and shall increase these
16 amounts to rates deemed reasonable for assuring appropriate
17 disclosure. [On a biennial basis commencing in January 2009, the
18 department shall review the filing fee established under section
19 13A10 (relating to registration fees; fund established; system;
20 regulations) and may by regulation adjust this amount if the
21 department determines that a higher fee is needed to cover the
22 costs of carrying out the provisions of this chapter. The
23 department shall publish adjusted amounts in the Pennsylvania
24 Bulletin by June 1, 2009, and by June 1 every two years
25 thereafter as necessary.]

26 * * *

27 Section 3. Section 13A10 heading, (a) and (b) of Title 65
28 are amended and the section is amended by adding a subsection to
29 read:

30 § 13A10. [Registration fees;] Fees and fund established;

1 system; regulations.

2 [(a) Registration fees.--At the time of registration, a
3 person required to be registered under this chapter shall pay a
4 biennial registration fee of \$100 to the department.]

5 (b) Fund.--

6 (1) The Lobbying Disclosure Fund is established as a
7 special fund in the State Treasury.

8 (2) Money received from registration fees under
9 subsection (a) shall be deposited in the fund. Money
10 remaining in the fund established under former 65 Pa.C.S. §
11 1310(b) shall be transferred to the fund.

12 (3) Money deposited in the fund is appropriated to the
13 department as a continuing appropriation for the exclusive
14 purpose of carrying out this chapter.]

15 (a.1) Fund.--The following shall apply:

16 (1) The Lobbying Disclosure Fund is established as a
17 special fund in the State Treasury.

18 (2) The following shall apply:

19 (i) Each individual or entity required to report and
20 remit sales and use tax for lobbying service, as defined
21 in section 201(k)(11) of the act of March 4, 1971 (P.L.6,
22 No.2), known as the Tax Reform Code of 1971, shall
23 concurrently pay an additional 1.8% fee on the amount
24 subject to the tax under Article II of the Tax Reform
25 Code of 1971.

26 (ii) The fee shall be separately reported and paid
27 to the Department of Revenue on forms established by the
28 Department of Revenue at the same time the tax under
29 Article II of the Tax Reform Code of 1971 is due.

30 (iii) The Department of Revenue shall submit a

1 report to the department identifying any individual or
2 entity which has failed to file the report or to remit
3 the fee established under subparagraph (i), within 14
4 days of the due date.

5 (3) Money received from fees under paragraph (2)(i)
6 shall be deposited into the fund. Money remaining in the fund
7 established under former subsection (b) shall be transferred
8 to the fund.

9 (4) Money deposited into the fund is appropriated to the
10 department as a continuing appropriation for the exclusive
11 purpose of carrying out this chapter.

12 * * *

13 Section 4. This act shall take effect in 60 days.