

# Lobbyist & Lobbyist Employer Reporting

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# Washington State Open Government Act

**“The public’s right to know of the financing of political campaigns and lobbying and the financial affairs of elected officials and candidates far outweighs any right that these matters remain secret and private.”**

RCW 42.17A.001(10)

# Overview of Reports

- L-1: registration for direct lobbying
- L-2: monthly expense report for direct lobbying
- L-2 memo: contributions and other items of value (provided to recipient, not PDC)
- L-3: annual summary report for employers of registered lobbyists
- L-3c: political contributions by lobbyist employers
- L-6: grass roots lobbying report

# 2021 Legislature

## Regular Session Freeze Period

- Begins Saturday, December 12, 2020.
- Ends at 11:59 PM on the day of adjournment.
- A separate session freeze period is in effect during any special session.
- Any person holding state elected office -- or anyone employed by or acting on behalf of such an official – may not solicit or accept contributions during session freeze. RCW 42.17A.560.
- Information on WAC 390-17-400 can be found on the PDC website at *www.pdc.wa.gov*.

# Statutory Definitions - Lobbying

RCW 42.17A.005(34) "**Lobby**" and "**lobbying**" each mean attempting to influence the passage or defeat of any **legislation** by the legislature of the state of Washington, or the adoption or rejection of any rule, standard, rate, or other **legislative enactment of any state agency under the state Administrative Procedure Act**, chapter 34.05 RCW. Neither "lobby" nor "lobbying" includes an association's or other organization's act of communicating with the members of that association or organization.

## Statutory Definitions – Lobbying (cont'd)

RCW 42.17A.005(32) "**Legislation**" means bills, resolutions, motions, amendments, nominations, and other matters pending or proposed in either house of the state legislature, and includes any other matter that may be the subject of action by either house or any committee of the legislature and all bills and resolutions that, having passed both houses, are pending approval by the governor.

## **Statutory Definitions – Lobbying (cont'd)**

RCW 42.17A.005(35) "**Lobbyist**" includes any person who lobbies either on his or her own or another's behalf.

RCW 42.17A.005(36) "**Lobbyist's employer**" means the person or persons by whom a lobbyist is employed and all persons by whom he or she is compensated for acting as a lobbyist.

# **Direct Lobbying**

**Includes contact (in connection with lobbying effort) with:**

- **Governor Inslee,**
- **governor's staff,**
- **state legislators,**
- **legislative staff, and/or**
- **state officials and/or employees**

**Lobbyists report their activity, whether the contact is made:**

- **in person,**
- **by telephone, or**
- **in writing.**



# Registration by Direct Lobbyists

- File **L-1** within 30 days of being hired to lobby, or before doing any lobbying, whichever is first.
- **L-1** is joint requirement of lobbyist and his or her employer, and must contain the approval/certification of both the lobbyist and employer.

# **Exempt from** **Registering & Reporting:**

- Lobby no more than 4 days or parts of 4 days during any 3 consecutive months and limit total expenditures during that time to no more than \$35.
- Receive no compensation for lobbying activity and spend no \$\$ on behalf of elected officials, public officers or state employees in connection w/ lobbying.
- Working members of the print or broadcast media preparing news reports.

## **Exemptions - continued**

- Lobbying activity limited to appearances before public sessions of legislative committees or public hearings of state agencies.
- At the request of a state agency, participate in that agency's efforts to reach consensus on possible rulemaking.

Demonstrating the  
PDC Electronic Filing System  
for  
Lobbyist/Firms and Employers

# Legislative Code of Conduct Training

- All lobbyists are now required to complete the Legislative Code of Conduct training.
- Must be completed prior to training for new biennium.
- Video instructions are available at the PDC website.
- Once completed, update the lobbyist profile to certify completion.
- Training is at [www.walegtrainings.com](http://www.walegtrainings.com).

# Monthly L-2 Reporting

- For any month in which a lobbyist is registered, an **L-2 report is due** by the 15<sup>th</sup> of the following month.
- The L-2 report discloses compensation, and other lobbying-related expenses such as entertainment expenses or contributions.
- Reports are due even for months in which there was no activity, the L-2 report would list \$0 compensation.
- When finished lobbying, terminate your registration.

# Entertainment Expenses

## Itemized Entertainment, Travel and Enrollment or Course Fees:

Whenever the bill for a lobbying entertainment occasion amounts to over \$50, you must itemize the event, unless all officials, employees and their family members present fully pay their own way and none of the amount you pay is attributable to them.

Itemize all entertainment occasions costing over \$50 and any enrollment and course fees, travel, lodging and subsistence expenses incurred for or provided to an official, employee of their immediate family members.

## Entertainment Expenses-Cont.

For each entertainment occasion costing over \$50, including expenses for your own participation, show:

- the date of event;
- who attended and the amount attributable to each;
- a description of the entertainment (name and city where it occurred);
- the sponsoring employer's identity; and
- the total spent.



## **Entertainment Expenses-Cont.**

- If, as part of an entertainment occasion, the actual or prorated cost for food and beverages for a state elected official (either singly or in conjunction with immediate family members) exceeds \$50, the official must be given notice of the entertainment.

# Entertainment Expenses-Cont.

- **Travel:** Also itemize, as called for on the form, all expenses associated with providing a state official, employee or a member of their family with travel, lodging, meals, field trips and other excursions, and other travel-related items.
- Include:
  - the date of event;
  - who attended and the amount attributable to each;
  - a description of the event (plus name and city where the event occurred);
  - the sponsoring employer's identity; and
  - the total spent.

# Entertainment Expenses-Cont.

- **Enrollment and Course Fees:** The following types of payments for educational programs are permitted:
- Payment of enrollment and course fees and reasonable travel expenses attributable to attending seminars and educational programs sponsored by a bona fide nonprofit professional, educational, or trade association, or charitable institution.
- As used in this subsection, "reasonable expenses" are limited to travel, lodging, and subsistence expenses incurred the day before through the day after the event.

# Entertainment Expenses-Cont.

- Typically, entertainment, travel and enrollment and course fee expenditures include, but are not limited to the following:
- Meals and refreshments purchased for legislators, state officials and staff (also include your own expenses related to this entertainment);
- Tickets to sporting events or theater performances;
- Entertainment sponsored jointly with other lobbyists (report your share of the overall expense);
- Home entertainment, dinners;
- Golf outings;

# Entertainment Expenses-Cont.

- Transportation, lodging and other travel-related costs for legislators, legislative staff, state officials, state employees and their families;
- Company vehicle or air transport provided legislators, officials, legislative staff or other employees;
- Tuition, fees, travel, lodging and subsistence costs associated with a legislator, legislative staff, state official or employee attending a seminar or other training.

## **Entertainment Expenses-Cont.**

When a lobbyist draws upon the resources of the members of an association (or any other employer organization) to provide any of the above items, benefits and services, the lobbyist must report the value of the resources utilized and the identity of the member(s) who made them available.

# L-2 Memo Report

## **Notify officials of the value when providing:**

- Contributions
- Food and beverages costing over \$50 per occasion, either singly or in conjunction with family members.
- Any travel-related expenses or reimbursements, including field trips and other excursions.
- Any admission fees and other costs associated with attending seminars, educational programs or training provide that official with a copy of your L-2 report or the L-2 Memo Report itemizing the expenditures or benefits granted.

# Itemized Contributions

- **Itemized Contributions:** Itemize each contribution that was over \$25 and was given to:
  - A candidate for state or local office or a committee supporting or opposing a candidate for one of these offices;
  - A local or state official or employee or a committee supporting or opposing a state official or employee;
  - A legislative caucus committee;
  - A political party committee;
  - A political committee supporting or opposing a state or local ballot measure;
  - A grass roots lobbying campaign.



## Itemized Contributions (cont'd)

- If the lobbyist transmits or delivers a contribution from one of his or her employers and that contribution is over \$25, it is reported on the Contributions tab of the electronic application with the source being the employer.
- Personal contributions made by the lobbyist of more than \$25 to any candidates, committees or campaigns are also required to be disclosed and itemized on the Contributions tab with the source listed as Self.

## Itemized Contributions (cont'd)

- The registered lobbyist must report on the L-2 reports, contributions over which they exercise **direction or control** over the contribution.
- If the lobbyist decides who is to receive a contribution from the employer or the employer's political committee.

OR

- If the lobbyist has the ability to execute or authorize payment of a contribution by the employer or the employer's political committee.

# Lobbyist Employer Reporting

- For any year in which an employer had a registered lobbyist, it will file an **L-3** report by the last day of February in the following year.
- L-3 summarizes lobbyist compensation, expenses, and various other reportable activity sponsored by the lobbyist employer during the entire previous year.
- Report is due even if registered lobbyist had no activity in the previous year.

# Lobbyist Employer Political Contribution Reporting

- If registered lobbyist directs or transmits a political contribution, it must be disclosed on the lobbyist's monthly L-2 report.
- Otherwise, lobbyist employer files **L-3c** by the 15<sup>th</sup> of the following month, after making contributions in excess of \$110 to any state or local candidate or committee.
- Lobbyists may relieve their employers of L-3c requirement by voluntarily disclosing contributions on L-2.

# Grass Roots Lobbying (Indirect Lobbying)

- A program addressed to the general public, a substantial portion of which is intended, designed or calculated primarily to influence state legislation;
- Includes signature gathering efforts for initiatives to the legislature;
- Does not include an organization that is communicating with its own members.

# Grass Roots Lobbying

- A sponsor of a GRL campaign begins reporting when expenditures exceed \$700 in one month, or \$1,400 in any 3-month period.
- File initial L-6 within 30 days of becoming a sponsor of a GRL campaign, as above. File monthly L-6 reports until GRL activity ends.
- “Expenditures” are not itemized but are reported by category and include orders placed, debts or other obligations.
- Contributions of \$25 or more are itemized with name and address of donor provided.
- If sponsor has a registered lobbyist, and only existing funds are used for GRL campaign, activity may be disclosed on L-2 report.

# Prohibitions & Restrictions

- Lobbying without registering (unless exempt).
- Knowingly deceiving or attempting to deceive legislator re: pending or proposed legislation.
- Directly or indirectly introducing legislation for the purpose of being employed to secure its defeat.
- Knowingly representing an interest adverse to client's without first notifying client and getting written permission.

## Prohibitions & Restrictions (continued)

- Engaging in undue influence, extortion, or unlawful retaliation upon a legislator because of his/her position or vote on any pending or proposed legislation.
- Entering into any kind of agreement or understanding that all or some compensation is contingent upon the success of any attempt to influence legislation.
- Contributing to incumbent legislative or state executive candidates during “session freeze” period.



# Contacting PDC staff

- [www.pdc.wa.gov](http://www.pdc.wa.gov)
  - forms
  - manuals
  - electronic filing
- [pdc@pdc.wa.gov](mailto:pdc@pdc.wa.gov)
- (877) 601-2828 or (360) 753-1111