## ASSEMBLY BILL NO. 142—COMMITTEE ON ELECTIONS, PROCEDURES, ETHICS, AND CONSTITUTIONAL AMENDMENTS

## FEBRUARY 21, 2007

Referred to Committee on Elections, Procedures, Ethics, and Constitutional Amendments

SUMMARY—Makes various changes concerning ethics in government. (BDR 23-169)

FISCAL NOTE: Effect on Local Government: Increases or Newly
Provides for Term of Imprisonment in County or City
Jail or Detention Facility.
Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to ethics in government; requiring certain public officers and lobbyists to attend a course on ethics in government; requiring lobbyists who lobby the Executive Department of the State Government to file a registration statement and periodic reports with the Secretary of State; requiring the Secretary of State to handle all reports and filings and make investigations under certain circumstances; providing a penalty; and providing other matters properly relating thereto.

## **Legislative Counsel's Digest:**

**Section 1** of this bill requires newly elected or appointed public officers who are required to file statements of financial disclosure, and newly registered lobbyists, to take a course on governmental ethics that is conducted by the Commission on Ethics.

Existing law sets forth requirements for persons who lobby the Legislature. The lobbyists must register with the Director of the Legislative Counsel Bureau and file certain disclosure reports. (NRS 218.900-218.944) In addition to those reports, section 5 of this bill requires legislative lobbyists to file disclosure reports at the end of each calendar quarter in which the Legislature is not in session. Legislative lobbyists must also include in each monthly disclosure report filed while the Legislature is in session, a list of any legislation of which he opposed or urged introduction, passage or amendment during the previous month.





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Sections 8-31 of this bill set forth requirements for persons who lobby the Executive Department of the State Government. Such executive lobbyists must register with the Secretary of State and file certain disclosure reports. The requirements for executive lobbyists parallel those for legislative lobbyists in chapter 218 of NRS.

## THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 281 of NRS is hereby amended by adding thereto a new section to read as follows:

Each:

- 1. Public officer who is required to file a statement of financial disclosure pursuant to NRS 281.541, 281.559 or 281.561 shall, within 6 months after his initial election or appointment to his office; and
- 2. Lobbyist who has filed a registration statement pursuant to NRS 218.918 or section 17 of this act shall, within 30 days after filing the registration statement,
- $\rightarrow$  attend a course on ethics in government that is taught or 12 otherwise conducted by the Commission.
  - **Sec. 2.** NRS 281.411 is hereby amended to read as follows:
  - 281.411 NRS 281.411 to 281.581, inclusive, *and section 1 of this act* may be cited as the Nevada Ethics in Government Law.
    - **Sec. 3.** NRS 281.431 is hereby amended to read as follows:
  - 281.431 As used in NRS 281.411 to 281.581, inclusive, *and* section 1 of this act, unless the context otherwise requires, the words and terms defined in NRS 281.432 to 281.4375, inclusive, have the meanings ascribed to them in those sections.
    - **Sec. 4.** NRS 218.906 is hereby amended to read as follows:
  - 218.906 "Expenditure" means any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, pledge or subscription of money or anything of value, including *the* cost of entertainment, except the payment of [a membership fee] *membership dues* otherwise exempted pursuant to NRS 218.926 and any contract, agreement, promise or other obligation, whether or not legally enforceable, to make any expenditure. [while the Legislature is in session.]
    - Sec. 5. NRS 218.926 is hereby amended to read as follows:
  - 218.926 1. Each registrant shall file with the Director within 30 days after the close of the legislative session a final report signed under penalty of perjury concerning his lobbying activities. In addition, each registrant shall file with the Director between the 1st and 10th day of the month [after]:





- (a) After each month that the Legislature is in session, a report signed under penalty of perjury concerning his lobbying activities during the previous month, whether or not any expenditures were made.
- (b) After the end of each calendar quarter that the Legislature is not in session, a report signed under penalty of perjury concerning his lobbying activities during the previous quarter, whether or not any expenditures were made.
- 2. Each report *filed pursuant to subsection 1* must be on a form prescribed by the Director and must include the total of all expenditures, if any, made by the registrant on behalf of a Legislator or an organization whose primary purpose is to provide support for Legislators of a particular political party and House, including expenditures made by others on behalf of the registrant if the expenditures were made with the registrant's express or implied consent or were ratified by the registrant. Except as otherwise provided in subsection [4,] 6, the report must identify each Legislator and each organization whose primary purpose is to provide support for Legislators of a particular political party and House on whose behalf expenditures were made and must be itemized with respect to each such Legislator and organization. An expenditure on behalf of a person other than a Legislator or an organization whose primary purpose is to provide support for Legislators of a particular political party and House need not be reported pursuant to this section unless the expenditure is made for the benefit of a Legislator or such an organization.
- [2.] 3. In addition to the requirements set forth in subsection 2, a report filed pursuant to paragraph (a) of subsection 1 must include a list of any legislation of which the registrant opposed or urged introduction, passage or amendment during the previous month.
- **4.** If expenditures made by or on behalf of a registrant during the previous month *or quarter*, *as applicable*, exceed \$50, the report must include a compilation of expenditures, itemized in the manner required by the regulations of the Legislative Commission, in the following categories:
  - (a) Entertainment;
- (b) Expenditures made in connection with a party or similar event hosted by the organization represented by the registrant;
- (c) Gifts and loans, including money, services and anything of value provided to a Legislator, to an organization whose primary purpose is to provide support for Legislators of a particular political party and House, or to any other person for the benefit of a Legislator or such an organization; and





- (d) Other expenditures directly associated with legislative action, not including personal expenditures for food, lodging and travel expenses or membership dues.
- [3.] 5. The Legislative Commission may authorize an audit or investigation by the Legislative Auditor that is proper and necessary to verify compliance with the provisions of this section. A lobbyist shall make available to the Legislative Auditor all books, accounts, claims, reports, vouchers and other records requested by the Legislative Auditor in connection with any such audit or investigation. The Legislative Auditor shall confine his requests for such records to those which specifically relate to the lobbyist's compliance with the reporting requirements of this section.
- [4.] 6. A report filed pursuant to this section must not itemize with respect to each Legislator an expenditure if the expenditure is the cost of a function to which every Legislator was invited. For the purposes of this subsection, "function" means a party, meal or other social event.
  - **Sec. 6.** NRS 218.932 is hereby amended to read as follows:
  - 218.932 1. The Legislative Commission [shall]:
- (a) Shall adopt regulations to carry out the provisions of NRS 218.900 to 218.944, inclusive [, may];
- (b) Shall require fees for registration, payable into the Legislative Fund, and [may] fees for the course on ethics in government that is required pursuant to section 1 of this act, payable to the Commission on Ethics; and
- (c) May classify lobbyists for [this purpose.] the purpose of establishing a schedule of fees.
  - 2. The Director shall:
- (a) Prepare and furnish forms for the statements and reports required to be filed.
- (b) Prepare and publish uniform methods of accounting and reporting to be used by persons required to file such statements and reports, including guidelines for complying with the reporting requirements of NRS 218.900 to 218.944, inclusive.
- (c) Accept and file any information voluntarily supplied that exceeds the requirements of NRS 218.900 to 218.944, inclusive.
- (d) Develop a filing, coding and cross-indexing system consistent with the purposes of NRS 218.900 to 218.944, inclusive.
- (e) Make the statements and reports available for public inspection during regular office hours.
- (f) Preserve the statements and reports for a period of 5 years **[from]** *after* the date of filing.
- (g) Compile and keep current an alphabetical list of registrants, including their address, the name and address of each person for whom the registrant is lobbying and the principal areas of interest on





which he expects to lobby. A copy of the list must be furnished to each Legislator, to the clerks of the respective counties for preservation and public inspection, and to any person who requests a copy and pays the cost of reproduction.

Sec. 7. Title 18 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 8 to 31,

inclusive, of this act.

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Sec. 8. Sections 8 to 31, inclusive, of this act may be cited as the Nevada Executive Department Lobbying Disclosure Act.

Sec. 9. The Legislature declares that the operation of responsible government requires that the fullest opportunity be afforded to the people to petition their government for redress of grievances and to express freely to members of the Executive Department of the State Government their opinions on current issues and the management of government affairs.

Sec. 10. As used in sections 8 to 31, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 11 to 16, inclusive, of this act, have the meanings ascribed to them in those sections.

Sec. 11. "Executive action" means any official action or duty for which the Executive Department is responsible.

Sec. 12. "Executive Department" means the Executive Department of the State Government and includes, without limitation, a constitutional officer or a member of the staff of a constitutional officer, an agency, a bureau, a board, a commission, a department, a division, an officer or employee thereof, an agent or any other unit of the Executive Department of the State Government.

Sec. 13. "Expenditure" means any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, pledge or subscription of money or anything of value, including the cost of entertainment, except the payment of membership dues otherwise exempted pursuant to section 21 of this act and any contract, agreement, promise or other obligation, whether or not legally

34 35 enforceable, to make any expenditure.

Sec. 14. 1. "Gift" means a payment, subscription, advance, forbearance, rendering or deposit of money, services or anything of value unless consideration of equal or greater value is received.

"Gift" does not include a political contribution of money or services relating to a political campaign, a commercially reasonable loan made in the ordinary course of business, the cost of entertainment, including the cost of food or beverages, or anything of value received from a member of the recipient's immediate family or from a relative of the recipient or his spouse





within the third degree of consanguinity or from the spouse of any such relative.

Sec. 15. 1. "Lobbyist" means, except as limited by subsection 2, a person who:

(a) Appears in person in a state building or any other building in which the Executive Department conducts business or holds meetings; and

(b) Communicates directly with the Executive Department on behalf of someone other than himself to influence executive action, and who receives compensation for the communication.

2. "Lobbyist" does not include:

(a) Persons who confine their activities to formal appearances before the Executive Department and who clearly identify themselves and the interest or interests for whom they are testifying.

(b) Employees of a bona fide news medium who meet the definition of "lobbyist" only in the course of their professional duties and who contact the Executive Department for the sole

purpose of carrying out their news gathering function.

(c) Employees or members of any branch of State Government, or of any political subdivision of this State, who confine their lobbying activities to issues directly relating to the scope of their office or employment.

Sec. 16. "Person" includes a group of persons acting in concert, whether or not formally organized.

Sec. 17. Every person who acts as a lobbyist shall, not later than 2 days after the beginning of that activity, file a registration statement with the Secretary of State in such form as the Secretary of State prescribes.

Sec. 18. The registration statement of a lobbyist must contain the following information:

1. The registrant's full name, permanent address, place of business and temporary address, if any, while lobbying.

2. The full name and complete address of each person, if any, by whom the registrant is retained or employed or on whose behalf the registrant appears.

3. A listing of any direct business associations or partnerships involving the Executive Department and the registrant or any person by whom the registrant is retained or employed. The listing must include any such association or partnership constituting a source of income or involving a debt or interest in real estate required to be disclosed in a statement of financial disclosure made by a candidate for public office or a public officer pursuant to NRS 281.571.

4. The name of any constitutional officer for whom:





(a) The registrant; or

(b) Any person by whom the registrant is retained or employed, 

→ has, in connection with a political campaign of the constitutional officer, provided consulting, advertising or other professional services.

5. A description of the principal areas of interest on which

7 the registrant expects to lobby.

6. If the registrant lobbies or purports to lobby on behalf of members, a statement of the number of members.

7. A declaration under penalty of perjury that none of the registrant's compensation or reimbursement is contingent, in whole or in part, upon the production of any executive action.

Sec. 19. Each person required to register shall file a notice of termination with the Secretary of State within 30 days after he ceases the activity that required his registration, but this does not relieve him of the reporting requirement for that reporting period.

Sec. 20. Each person required to register shall file a supplementary registration statement with the Secretary of State not later than 5 days after any change in the registrant's last registration statement. The supplementary registration statement must include complete details concerning the changes that have occurred.

Sec. 21. 1. Each registrant shall file with the Secretary of State between the 1st and 10th day of the month after the end of each calendar quarter a report signed under penalty of perjury concerning his lobbying activities during the previous quarter, whether or not any expenditures were made.

2. Each report filed pursuant to subsection 1 must be on a form prescribed by the Secretary of State and must include the total of all expenditures, if any, made by the registrant on behalf of the Executive Department, including expenditures made by others on behalf of the registrant if the expenditures were made with the registrant's express or implied consent or were ratified by the registrant. Except as otherwise provided in subsection 5, the report must be itemized and identify the constitutional officer, agency, bureau, board, commission, department, division, officer, employee, agent or other unit of the Executive Department on whose behalf expenditures were made. An expenditure on behalf of a person other than the Executive Department or an organization whose primary purpose is to provide support for the Executive Department need not be reported pursuant to this section unless the expenditure is made for the benefit of the Executive Department or such an organization.

3. If expenditures made by or on behalf of a registrant during the previous quarter exceed \$50, the report must include a





compilation of expenditures, itemized in the manner required by the regulations of the Secretary of State, in the following categories:

(a) Entertainment;

 (b) Expenditures made in connection with a party or similar event hosted by the organization represented by the registrant;

(c) Gifts and loans, including money, services and anything of value provided to the Executive Department, to an organization whose primary purpose is to provide support for the Executive Department, or to any other person for the benefit of the Executive Department or such an organization; and

(d) Other expenditures directly associated with executive action, not including personal expenditures for food, lodging and travel expenses or membership dues.

4. The Secretary of State may authorize an audit or investigation by the Attorney General that is proper and necessary to verify compliance with the provisions of this section. A lobbyist shall make available to the Attorney General all books, accounts, claims, reports, vouchers and other records requested by the Attorney General in connection with any such audit or investigation. The Attorney General shall confine his requests for such records to those which specifically relate to the lobbyist's compliance with the reporting requirements of this section.

5. A report filed pursuant to this section must not itemize with respect to each constitutional officer, agency, bureau, board, commission, department, division, officer, employee, agent or other unit of the Executive Department an expenditure if the expenditure is the cost of a function to which any of those persons or agencies were invited. For the purposes of this subsection, "function" means a party, meal or other social event.

Sec. 22. 1. The Secretary of State shall furnish an appropriate identification badge to each lobbyist who files a registration statement under this chapter.

2. The identification badge must be worn by the lobbyist whenever he appears in a state building or other building in which the Executive Department conducts business or holds meetings.

Sec. 23. 1. The Secretary of State shall:

(a) Inspect each statement and report filed within 10 days after its filing.

(b) Immediately notify the person who has filed:

(1) If the information filed does not conform to law.

(2) If a written complaint has been filed with the Secretary of State by any person alleging an irregularity or lack of truth as to the information filed.





2. The Secretary of State may notify any person of the filing requirement who the Secretary of State has reason to believe has failed to file any statement or report as required.

Sec. 24. 1. The Secretary of State:

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(a) Shall adopt regulations to carry out the provisions of sections 8 to 31, inclusive, of this act;

- (b) Shall require fees for registration, payable to the State General Fund, and fees for the course on ethics in government that is required pursuant to section 1 of this act, payable to the Commission on Ethics; and
- (c) May classify lobbyists for the purpose of establishing a schedule of fees.

The Secretary of State shall:

(a) Prepare and furnish forms for the statements and reports required to be filed.

(b) Prepare and publish uniform methods of accounting and reporting to be used by persons required to file such statements and reports, including guidelines for complying with the reporting requirements of sections 8 to 31, inclusive, of this act.

(c) Accept and file any information voluntarily supplied that exceeds the requirements of sections 8 to 31, inclusive, of this act.

- (d) Develop a filing, coding and cross-indexing system consistent with the purposes of sections 8 to 31, inclusive, of this act.
- (e) Make the statements and reports available for public inspection during regular office hours.

(f) Preserve the statements and reports for a period of 5 years

after the date of filing.

(g) Compile and keep current an alphabetical list of registrants, including their addresses, the name and address of each person for whom the registrant is lobbying and the principal areas of interest on which he expects to lobby.

Sec. 25. The Secretary of State may:

- 1. Prepare and publish such reports concerning lobbying activities as he deems appropriate.
- 2. Release to the public the name of any lobbyist who fails to 36 file any activity report within 14 days after the date it is required to 38 be filed.
  - 3. Revoke the registration of any lobbyist who fails to file any activity report within 30 days after the date it is required to be filed or fails to file two or more activity reports within the time required.

Sec. 26. 1. The Secretary of State shall:

(a) Make investigations on his own initiative with respect to any irregularities which he discovers in the statements and reports filed and with respect to the failure of any person to file a required





statement or report and shall make an investigation upon the written complaint of any person alleging a violation of any provision of sections 8 to 31, inclusive, of this act.

(b) Report suspected violations of law to the Attorney General who shall investigate and take any action necessary to carry out

the provisions of sections 8 to 31, inclusive, of this act.

2. If an investigation by the Secretary of State reveals a violation of any provision of sections 8 to 31, inclusive, of this act, by a lobbyist, the Secretary of State may suspend the lobbyist's registration for a specified period or revoke his registration. The Secretary of State shall cause notice of his action to be given to each person who employs or uses the lobbyist.

3. A lobbyist whose registration is suspended or revoked by

the Secretary of State may:

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- (a) Request a hearing on the matter before the Secretary of State; and
- (b) Appeal to the Attorney General from any adverse decision of the Secretary of State.
- 4. A lobbyist whose registration is revoked may, with the consent of the Secretary of State, renew his registration if he:
- (a) Files a registration statement in the form required by section 18 of this act;
- (b) Pays any fee for late filing owed pursuant to section 28 of this act, plus the fee for registration prescribed by the Secretary of State; and
- (c) If the revocation occurred because of his failure to file an activity report, files that report.
- Sec. 27. The district courts may issue injunctions to enforce the provisions of sections 8 to 31, inclusive, of this act upon application by the Attorney General.
- Sec. 28. 1. Except as otherwise provided in this subsection, a registrant who files an activity report after the time provided in section 21 of this act shall pay to the Secretary of State a fee for late filing of \$10 for each day that it was late, but the Secretary of State may reduce or waive this fee upon a finding of just cause. The Secretary of State may by regulation exempt a classification of lobbyist from the fee for late filing.
- 38 An activity report with respect to which a late filing fee has been paid by the registrant or waived by the Secretary of State 39 shall be deemed timely filed, and the late filing is not a public 40 41 offense. 42
  - Sec. 29. 1. A lobbyist shall not:
  - (a) Indicate that he has authorization from the Executive Department to request professional services from an officer or employee of state government unless he has such authority; or





(b) Misrepresent the scope of the authorization that he has from the Executive Department to request professional services from an officer or employee of state government.

2. As used in this section, "professional services" means engaging in work for which an officer or employee is

6 professionally trained or qualified.

Sec. 30. 1. A lobbyist shall not knowingly or willfully make any false statement or misrepresentation of facts:

(a) To the Executive Department in an effort to persuade or

influence executive action.

(b) In a registration statement or report concerning lobbying activities filed with the Secretary of State.

2. A lobbyist shall not give to a member of the Executive Department or a member of his immediate family gifts that exceed

\$100 in value in the aggregate in any calendar year.

3. A member of the Executive Department or a member of his immediate family shall not solicit anything of value from a registrant or accept any gift that exceeds \$100 in aggregate value in any calendar year.

4. A person who employs or uses a lobbyist shall not make that lobbyist's compensation or reimbursement contingent in any

manner upon the outcome of any executive action.

5. Except during the period permitted by section 17 of this act, a person shall not knowingly act as a lobbyist without being registered as required by that section.

6. Except as otherwise provided in subsection 7, a member of the Legislative Branch of the State Government or the Executive Department and an elected officer or employee of a political subdivision shall not receive compensation or reimbursement other than from the State or the political subdivision for personally engaging in lobbying.

7. An elected officer or employee of a political subdivision may receive compensation or reimbursement from any organization whose membership consists of elected or appointed

public officers.

8. A lobbyist shall not instigate any executive action for the purpose of obtaining employment to lobby in opposition thereto.

9. A lobbyist shall not make, commit to make or offer to make a monetary contribution to a member of the Legislature, the Lieutenant Governor, the Lieutenant Governor-elect, the Governor or the Governor-elect during the period beginning:

(a) Thirty days before a regular session of the Legislature and ending 30 days after the final adjournment of a regular session of

44 the Legislature;





(b) Fifteen days before a special session of the Legislature is set to commence and ending 15 days after the final adjournment of a special session of the Legislature, if the Governor sets a specific date for the commencement of the special session that is more than 15 days after the Governor issues the proclamation calling for the special session; or

(c) The day after the Governor issues a proclamation calling for a special session of the Legislature and ending 15 days after the final adjournment of a special session of the Legislature if the Governor sets a specific date for the commencement of the special session that is 15 or fewer days after the Governor issues the

proclamation calling for the special session.

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Sec. 31. Any person subject to any of the provisions contained in section 30 of this act who refuses or fails to comply therewith is guilty of a misdemeanor.

**Sec. 32.** The provisions of section 1 of this act do not apply to any public officer elected or appointed to his office before October 1, 2007.





