

ASSEMBLY BILL NO. 314—ASSEMBLYMEN SPIEGEL, DIAZ; ELLIOT
ANDERSON, CARRILLO, DONDERO LOOP, EISEN,
HAMBRICK, HARDY, MUNFORD, OHRENSCHALL, PIERCE,
SPRINKLE, STEWART AND SWANK

MARCH 18, 2013

JOINT SPONSORS: SENATORS SEGERBLOM,
SPEARMAN; AND MANENDO

Referred to Committee on Legislative Operations and Elections

SUMMARY—Makes various changes relating to lobbyists.
(BDR 17-1027)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to lobbyists; establishing voluntary rules of
conduct for lobbyists; establishing a mandatory code of
ethics for lobbyists; requiring the suspension of a
lobbyist's registration for certain violations; making
various other changes relating to lobbyists; and providing
other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law sets forth requirements for persons who lobby the Nevada
- 2 Legislature. Lobbyists must register with the Director of the Legislative Counsel
- 3 Bureau and file certain reports concerning lobbying activities for each month that
- 4 the Legislature is in session. Lobbyists are also prohibited from engaging in certain
- 5 behavior. (Chapter 218H of NRS)
- 6 **Section 3** of this bill sets forth voluntary rules of conduct for lobbyists.
- 7 **Sections 4-9** of this bill set forth a mandatory code of ethics for lobbyists. **Section**
- 8 **10** of this bill requires the Director to provide training on the Nevada Ethics in
- 9 Lobbying Act (chapter 218H of NRS) before each regular and special session of the
- 10 Nevada Legislature. **Section 15** of this bill sets forth the periods for which a
- 11 lobbyist's registration must be suspended for certain violations of the Act.



* A B 3 1 4 *

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

Section 1. Chapter 218H of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 10, inclusive, of this act.

Sec. 2. *“Client” means a person on whose behalf a lobbyist tries to influence legislative action.*

Sec. 3. 1. *The Director shall provide to each lobbyist a copy of the Rules of Conduct set forth in subsection 2 at the time that the lobbyist submits his or her registration statement pursuant to NRS 218H.200. The Director shall inform the lobbyist that signing the Rules of Conduct is voluntary.*

2. *The Rules of Conduct must be in the following form:*

RULES OF CONDUCT

There are basic principles of decency and honesty which every lobbyist has a moral obligation to observe and uphold in order to preserve and advance the public trust and confidence in the legislative process.

THEREFORE:

1. I will devote the necessary time, attention and resources to providing services that benefit my clients.

2. I will be loyal to clients and their interests.

3. I will keep clients informed regarding my work and, to the extent possible, provide clients with the opportunity to choose between various options and strategies.

4. I will only receive compensation from a client in an amount that is an honest representation of the work I performed on behalf of the client.

5. I will educate myself on any subject or issue necessary to represent my clients’ interests, including, without limitation, the legislative process and the structure and operation of government.

6. I will not use confidential information relating to a former client against the former client’s interests in the course of representing any other client.

7. I will treat adversaries and allies with respect and civility.

8. I will not act in a manner that demonstrates disrespect for governmental institutions.



1 9. I will devote a substantial amount of time providing
2 lobbying services and other related services to persons who
3 are pursuing objectives that advance the public good.

4 10. I will not encourage a Legislator to violate the
5 Nevada Ethics in Government Law.

6 11. I will not act in a manner that undermines the
7 public confidence and trust in the legislative process.

8 12. I will seek to ensure better public understanding
9 and appreciation of the nature, legitimacy and necessity of
10 lobbying activities in the legislative process.

11
12 I, the undersigned, as a lobbyist, hereby voluntarily
13 pledge myself to conduct my lobbying activities in
14 accordance with the principles and practices set forth in the
15 Rules of Conduct.

16
17 Date

18 Signature of Lobbyist

19 Sec. 4. Sections 5 to 9, inclusive, of this act hereby establish
20 a code of ethics for lobbyists.

21 Sec. 5. 1. If a lobbyist determines that he or she
22 unknowingly and unintentionally provided inaccurate information
23 to any member of the Legislative Branch in an effort to persuade
24 or influence the member of the Legislative Branch in his or her
25 official actions, the lobbyist shall immediately inform the member
26 of the Legislative Branch of that fact.

27 2. If a lobbyist discovers that information he or she provided
28 to a member of the Legislative Branch in an effort to persuade or
29 influence the member of the Legislative Branch in his or her
30 official actions is no longer accurate, the lobbyist shall
31 immediately inform the member of the Legislative Branch of such
32 fact.

33 Sec. 6. 1. A lobbyist shall not lobby on behalf of any
34 person, group or cause if the lobbying would have a significant
35 and adverse impact upon a client from whom the lobbyist receives
36 compensation without obtaining the client's consent.

37 2. A lobbyist shall promptly disclose any known conflict of
38 interest to a prospective client and any existing client who may be
39 impacted directly by the lobbyist representing both persons.

40 3. A lobbyist shall promptly inform a client if the lobbyist
41 pays a referral or consulting fee to any person in connection with
42 the lobbyist's work on behalf of the client.

43 Sec. 7. 1. A lobbyist who receives compensation to lobby on
44 behalf of a client shall enter into a written agreement with the
45 client.



2. *The written agreement must include, without limitation:*
(a) *The amount of compensation that the lobbyist will receive for providing lobbying activities on behalf of the client.*

(b) *A provision concerning whether and how, if applicable, expenses of the lobbyist will be reimbursed.*

Sec. 8. 1. *A lobbyist shall not disclose confidential information about a client without the client's informed consent.*

2. *To the extent practicable, a lobbyist who wishes to terminate his or her representation of a client shall:*

(a) *Provide the client with reasonable notice of the lobbyist's termination of the representation of the client; and*

(b) *Surrender any property or papers to which the client is entitled.*

Sec. 9. 1. *Each lobbyist shall inform himself or herself of:*

(a) *The Nevada Ethics in Lobbying Act.*

(b) *The code of ethical standards established by NRS 281A.400.*

(c) *The provisions of chapter 294A of NRS.*

(d) *Any provisions of law or rules that are relevant to the profession of lobbying.*

2. *Each lobbyist shall acknowledge on a form provided by the Director that the lobbyist:*

(a) *Has read and understands the provisions of the Nevada Ethics in Lobbying Act; and*

(b) *Has a responsibility to inform himself or herself of any amendments to the Act as soon as reasonably practicable after each session of the Legislature.*

Sec. 10. *Before every regular and special session of the Legislature, the Director shall offer training to lobbyists that includes, without limitation, an explanation of the Nevada Ethics in Lobbying Act.*

Sec. 11. NRS 218H.010 is hereby amended to read as follows:
218H.010 This chapter may be cited as the Nevada *ethics in* Lobbying ~~Disclosure~~ Act.

Sec. 12. NRS 218H.030 is hereby amended to read as follows:
218H.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 218H.050 to 218H.100, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.

Sec. 13. NRS 218H.210 is hereby amended to read as follows:
218H.210 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 while lobbying.



2. The full name and complete address of each *client or other* 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 any current Legislator and the registrant or any *client or other* 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 current Legislator for whom:

(a) The registrant; or

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

➔ has, in connection with a political campaign of the Legislator, provided consulting, advertising or other professional services since the beginning of the preceding regular session.

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

Sec. 14. NRS 218H.500 is hereby amended to read as follows:

218H.500 1. The Legislative Commission shall adopt regulations to carry out the provisions of this chapter.

2. The Legislative Commission may, except as otherwise provided in this subsection, require fees for registration, payable into the Legislative Fund. For the purposes of fees for registration, the Legislative Commission shall classify lobbyists as follows:

(a) Except as otherwise provided in paragraph (c), a lobbyist who receives any compensation for his or her lobbying activities.

(b) Except as otherwise provided in paragraph (c) or (d), a lobbyist who does not receive any compensation for his or her lobbying activities.

(c) Except as otherwise provided in paragraph (d), a lobbyist whose lobbying activities are only on behalf of one or more nonprofit organizations that are recognized as exempt under section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3). Such a lobbyist is not required to pay a fee of more than \$100 for registration pursuant to this subsection.

(d) A veteran who does not receive compensation for the veteran's lobbying activities and who provides proof of his or her



1 discharge or release from the Armed Forces of the United States, a
2 reserve component thereof or the National Guard under honorable
3 conditions. Such a lobbyist is not required to pay any fee for
4 registration pursuant to this subsection.

5 3. The Director shall:

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

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

12 (c) Accept and file any information voluntarily supplied that
13 exceeds the requirements of this chapter.

14 (d) Develop a filing, coding and cross-indexing system
15 consistent with the purposes of this chapter.

16 (e) Make the statements and reports available for public
17 inspection during regular office hours.

18 (f) Preserve the statements and reports for a period of 5 years
19 from the date of filing.

20 (g) Compile and keep current an alphabetical list of registrants,
21 which must include each registrant's address, the name and address
22 of each *client or other* person for whom the registrant is lobbying
23 and the principal areas of interest on which the registrant expects to
24 lobby. A copy of the list must be furnished to each Legislator, to the
25 clerks of the respective counties for preservation and public
26 inspection, and to any person who requests a copy and pays the cost
27 of reproduction.

28 **Sec. 15.** NRS 218H.530 is hereby amended to read as follows:

29 218H.530 1. The Director shall:

30 (a) Make investigations on the Director's own initiative with
31 respect to any irregularities which the Director discovers in the
32 statements and reports filed and with respect to the failure of any
33 person to file a required statement or report and shall make an
34 investigation upon the written complaint of any person alleging a
35 violation of any provision of this chapter.

36 (b) Report suspected violations of law to the:

37 (1) Legislative Commission; and

38 (2) Attorney General, who shall investigate and take any
39 action necessary to carry out the provisions of this chapter.

40 2. If an investigation ~~{by the Director}~~ reveals a violation of
41 any provision of this chapter by a lobbyist ~~{}~~ *other than filing an*
42 *activity report after the time provided in NRS 218H.400*, the
43 Director ~~{may}~~ *shall* suspend the lobbyist's registration for ~~{a~~
44 ~~specified period or revoke the lobbyist's registration.}~~ :

45 (a) *Thirty legislative days, for a first offense.*



- 1 (b) *Sixty legislative days, for a second offense.*
- 2 (c) *Ninety legislative days, for a third offense.*
- 3 (d) *Three hundred and sixty legislative days, for a fourth or*
- 4 *subsequent offense.*

5 3. The Director shall cause notice of ~~[such]~~ any action *taken*
6 *pursuant to subsection 2* to be given to ~~[each]~~ :

7 (a) *Each client or other* person who employs or uses the
8 lobbyist ~~+~~

9 ~~—3.1 ; and~~

10 (b) *If the lobbyist is:*

11 (1) *An attorney licensed and admitted to practice law in the*
12 *courts of this State, the State Bar of Nevada.*

13 (2) *A member of an occupation or profession regulated*
14 *pursuant to title 54 of NRS, the agency, board or commission that*
15 *regulates the occupation or profession.*

16 4. A lobbyist whose registration is suspended ~~[or revoked]~~ by
17 the Director may:

18 (a) Request a hearing on the matter before the Director;

19 (b) Appeal to the Legislative Commission from any adverse
20 decision of the Director; and

21 (c) ~~[If the lobbyist's registration is suspended, renew]~~ *Renew* the
22 lobbyist's registration if the Legislature is still in a regular or special
23 session following the period of suspension.

24 ~~[4. A lobbyist whose registration is revoked may, with the~~
25 ~~consent of the Director, renew the lobbyist's registration if the~~
26 ~~lobbyist:~~

27 ~~—(a) Files a registration statement in the form required by~~
28 ~~NRS 218H.200;~~

29 ~~—(b) Pays any fee for late filing owed pursuant to NRS 218H.410,~~
30 ~~plus the fee for registration prescribed by the Legislative~~
31 ~~Commission; and~~

32 ~~—(c) If the revocation occurred because of the lobbyist's failure to~~
33 ~~file an activity report, files that report.]~~

34 **Sec. 16.** NRS 218H.930 is hereby amended to read as follows:

35 218H.930 1. A lobbyist shall not knowingly or willfully
36 make any false statement or misrepresentation of facts:

37 (a) To any member of the Legislative Branch in an effort to
38 persuade or influence the member in his or her official actions.

39 (b) In a registration statement or report concerning lobbying
40 activities filed with the Director.

41 2. A lobbyist shall not give to a member of the Legislative
42 Branch or a member of his or her staff or immediate family gifts that
43 exceed \$100 in value in the aggregate in any calendar year.

44 3. A member of the Legislative Branch or a member of his or
45 her staff or immediate family shall not solicit anything of value from



1 a registrant or accept any gift that exceeds \$100 in aggregate value
2 in any calendar year.

3 4. A *client or another* person who employs or uses a lobbyist
4 shall not make that lobbyist's compensation or reimbursement
5 contingent in any manner upon the outcome of any legislative
6 action.

7 5. Except during the period permitted by NRS 218H.200, a
8 person shall not knowingly act as a lobbyist without being registered
9 as required by that section.

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

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

18 8. A lobbyist shall not instigate the introduction of any
19 legislation for the purpose of obtaining employment to lobby in
20 opposition to that legislation.

21 9. A lobbyist shall not make, commit to make or offer to make
22 a monetary contribution to a Legislator, the Lieutenant Governor,
23 the Lieutenant Governor-elect, the Governor or the Governor-elect
24 during the period beginning:

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

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

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

