

102ND GENERAL ASSEMBLY State of Illinois 2021 and 2022 HB3586

Introduced 2/22/2021, by Rep. Justin Slaughter

SYNOPSIS AS INTRODUCED:

25 ILCS 170/2 from Ch. 63, par. 172 25 ILCS 170/3 from Ch. 63, par. 173 25 ILCS 170/5 25 ILCS 170/5.5 new 25 ILCS 170/8 from Ch. 63, par. 178 25 ILCS 170/11.2

Amends the Lobbyist Registration Act. Provides that it is a violation of the Act to employ or retain any person as a consultant, unless the registrant files an amended registration before any consulting services are performed setting forth specified information. Specifies the information to be disclosed upon employing a consultant. Requires a consultant to register as a lobbyist if he or she communicates with an official on behalf of a lobbying entity employing the consultant for the ultimate purpose of influencing any executive, legislative, or administrative action, or makes an expenditure benefitting an official. Prohibits compensation to consultants that is contingent on the outcome of legislative, executive, or administrative action. Provides for local government regulation of consultant services. Defines "consultant". Makes conforming changes.

LRB102 15502 RJF 20865 b

1 AN ACT concerning State government.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- 4 Section 5. The Lobbyist Registration Act is amended by
- 5 changing Sections 2, 3, 5, 8, and 11.2 and by adding Section
- 6 5.5 as follows:
- 7 (25 ILCS 170/2) (from Ch. 63, par. 172)
- 8 Sec. 2. Definitions. As used in this Act, unless the
- 9 context otherwise requires:
- 10 (a) "Person" means any individual, firm, partnership,
- 11 committee, association, corporation, or any other organization
- or group of persons.
- 13 (b) "Expenditure" means a payment, distribution, loan,
- 14 advance, deposit, or gift of money or anything of value, and
- includes a contract, promise, or agreement, whether or not
- legally enforceable, to make an expenditure, for the ultimate
- 17 purpose of influencing executive, legislative, or
- 18 administrative action, other than compensation as defined in
- 19 subsection (d).
- 20 (c) "Official" means:
- 21 (1) the Governor, Lieutenant Governor, Secretary of
- 22 State, Attorney General, State Treasurer, and State
- 23 Comptroller;

1	(2)	Chiefs	of	Staff	for	officials	described	in	item
2	(1);								

- (3) Cabinet members of any elected constitutional officer, including Directors, Assistant Directors and Chief Legal Counsel or General Counsel;
 - (4) Members of the General Assembly; and
- (5) Members of any board, commission, authority, or task force of the State authorized or created by State law or by executive order of the Governor.
- (d) "Compensation" means any money, thing of value or financial benefits received or to be received in return for services rendered or to be rendered, for lobbying as defined in subsection (e) or for acting as a consultant as defined in subsection (d-5).

Monies paid to members of the General Assembly by the State as remuneration for performance of their Constitutional and statutory duties as members of the General Assembly shall not constitute compensation as defined by this Act.

(d-5) "Consultant" means any natural person who is a current or former official or employee of the State of Illinois or any of its political subdivisions, and who is now compensated by a person who is required to register under this Act for the purpose of providing information, advice, or guidance with regard to interactions with any State governmental entity or any State government official or employee.

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- 1 (e) "Lobby" and "lobbying" means any communication with an
 2 official of the executive or legislative branch of State
 3 government as defined in subsection (c) for the ultimate
 4 purpose of influencing any executive, legislative, or
 5 administrative action.
 - (f) "Influencing" means any communication, action, reportable expenditure as prescribed in Section 6 or other means used to promote, support, affect, modify, oppose or delay any executive, legislative or administrative action or to promote goodwill with officials as defined in subsection (c).
 - (g) "Executive action" means the proposal, drafting, development, consideration, amendment, adoption, approval, promulgation, issuance, modification, rejection or postponement by a State entity of a rule, regulation, order, decision, determination, contractual arrangement, purchasing agreement or other quasi-legislative or quasi-judicial action or proceeding.
- (h) "Legislative action" means the development, drafting, 19 20 introduction, consideration, modification, adoption, rejection, review, enactment, or passage or defeat of any 21 22 bill, amendment, resolution, report, nomination, 23 administrative rule or other matter by either house of the General Assembly or a committee thereof, or by a legislator. 24 Legislative action also means the action of the Governor in 25 26 approving or vetoing any bill or portion thereof, and the

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- action of the Governor or any agency in the development of a proposal for introduction in the legislature.
- (i) "Administrative action" means the execution or rejection of any rule, regulation, legislative rule, standard, fee, rate, contractual arrangement, purchasing agreement or other delegated legislative or quasi-legislative action to be taken or withheld by any executive agency, department, board or commission of the State.
- 9 (j) "Lobbyist" means any natural person who undertakes to 10 lobby State government as provided in subsection (e).
- 11 (k) "Lobbying entity" means any entity that hires,
 12 retains, employs, or compensates a natural person to lobby
 13 State government as provided in subsection (e) or for
 14 providing services as a consultant as defined in subsection
 15 (d-5).
 - (1) "Authorized agent" means the person designated by an entity or lobbyist registered under this Act as the person responsible for submission and retention of reports required under this Act.
 - (m) "Client" means any person or entity that provides compensation to a lobbyist to lobby State government as provided in subsection (e) of this Section or provides compensation to a consultant for providing services as set forth in subsection (d-5).
- 25 (n) "Client registrant" means a client who is required to 26 register under this Act.

- 1 (o) "Unit of local government" has the meaning ascribed to
- 2 it in Section 1 of Article VII of the Illinois Constitution and
- 3 also includes school districts and community college
- 4 districts.
- 5 (Source: P.A. 101-595, eff. 12-5-19.)
- 6 (25 ILCS 170/3) (from Ch. 63, par. 173)
- 7 Sec. 3. Persons required to register.
- 8 (a) Except as provided in Section 9, any natural person
- 9 who, for compensation or otherwise, undertakes to lobby, or
- any person or entity who employs or compensates another person
- 11 for the purposes of lobbying, shall register with the
- 12 Secretary of State as provided in this Act, unless that person
- 13 or entity qualifies for one or more of the following
- 14 exemptions.
- 15 (1) Persons or entities who, for the purpose of
- influencing any executive, legislative, or administrative
- 17 action and who do not make expenditures that are
- 18 reportable pursuant to Section 6, appear without
- 19 compensation or promise thereof only as witnesses before
- 20 committees of the House and Senate for the purpose of
- 21 explaining or arguing for or against the passage of or
- action upon any legislation then pending before those
- committees, or who seek without compensation or promise
- 24 thereof the approval or veto of any legislation by the
- 25 Governor.

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- 1 (1.4) A unit of local government or a school district.
 - (1.5) An elected or appointed official or an employee of a unit of local government or school district who, in the scope of his or her public office or employment, seeks to influence executive, legislative, or administrative action exclusively on behalf of that unit of local government or school district.
 - (2) Persons or entities who own, publish, or are employed by a newspaper or other regularly published periodical, or who own or are employed by a radio station, television station, or other bona fide news medium that in ordinary course of business disseminates the editorial or other comment, or paid advertisements that directly urge the passage or defeat of legislation. This exemption is not applicable to such an individual insofar as he or she receives additional compensation or expenses from some source other than the bona fide news medium for the purpose of influencing executive, legislative, or administrative action. This exemption does not apply to newspapers and periodicals owned by or published by trade associations and not-for-profit corporations primarily in endeavors other than dissemination of news.
 - (3) Persons or entities performing professional services in drafting bills or in advising and rendering opinions to clients as to the construction and effect of proposed or pending legislation when those professional

services are not otherwise, directly or indirectly, connected with executive, legislative, or administrative action.

- (4) Persons or entities who are employees of departments, divisions, or agencies of State government and who appear before committees of the House and Senate for the purpose of explaining how the passage of or action upon any legislation then pending before those committees will affect those departments, divisions, or agencies of State government.
- (5) Employees of the General Assembly, legislators, legislative agencies, and legislative commissions who, in the course of their official duties only, engage in activities that otherwise qualify as lobbying.
- (6) Persons or entities in possession of technical skills and knowledge relevant to certain areas of executive, legislative, or administrative actions, whose skills and knowledge would be helpful to officials when considering those actions, whose activities are limited to making occasional appearances for or communicating on behalf of a registrant, and who do not make expenditures that are reportable pursuant to Section 6 even though receiving expense reimbursement for those occasional appearances.
- (7) Any full-time employee of a bona fide church or religious organization who represents that organization

solely for the purpose of protecting the right of the members thereof to practice the religious doctrines of that church or religious organization, or any such bona fide church or religious organization.

- (8) Persons or entities that receive no compensation other than reimbursement for expenses of up to \$500 per year while engaged in lobbying State government, unless those persons make expenditures that are reportable under Section 6.
- (9) Any attorney or group or firm of attorneys in the course of representing a client in any administrative or judicial proceeding, or any witness providing testimony in any administrative or judicial proceeding, in which exparte communications are not allowed and who does not make expenditures that are reportable pursuant to Section 6.
- (9.5) Any attorney or group or firm of attorneys in the course of representing a client in an administrative or executive action involving a contractual or purchasing arrangement and who does not make expenditures that are reportable pursuant to Section 6.
- (10) Persons or entities who, in the scope of their employment as a vendor, offer or solicit an official for the purchase of any goods or services when (1) the solicitation is limited to either an oral inquiry or written advertisements and informative literature; or (2) the goods and services are subject to competitive bidding

- requirements of the Illinois Procurement Code; or (3) the goods and services are for sale at a cost not to exceed \$5,000; and (4) the persons or entities do not make expenditures that are reportable under Section 6.
 - (b) It is a violation of this Act to engage in lobbying or to employ any person for the purpose of lobbying who is not registered with the Office of the Secretary of State, except upon condition that the person register and the person does in fact register within 2 business days after being employed or retained for lobbying services.
 - (b-5) It is a violation of this Act to employ or retain any person as a consultant, unless the registrant files an amended registration before any consulting services are performed, but in any event not later than 2 business days after the consultant is employed or retained, setting forth the information required in subsection (b-7) of Section 5.
 - (c) The Secretary shall promulgate a rule establishing a list of the entities required to register under this Act, including the name of each board, commission, authority, or task force. The Secretary may require a person or entity claiming an exemption under this Section to certify the person or entity is not required to register under this Act. Nothing prohibits the Secretary from rejecting a certification and requiring a person or entity to register.
- 25 (Source: P.A. 96-555, eff. 1-1-10; 96-1358, eff. 7-28-10.)

1 (25 ILCS 170/5)

- Sec. 5. Lobbyist registration and disclosure. Every natural person and every entity required to register under this Act shall before any service is performed which requires the natural person or entity to register, but in any event not later than 2 business days after being employed or retained, file in the Office of the Secretary of State a statement in a format prescribed by the Secretary of State containing the following information with respect to each person or entity employing, retaining, or benefitting from the services of the natural person or entity required to register:
 - (a) The registrant's name, permanent address, e-mail address, if any, fax number, if any, business telephone number, and temporary address, if the registrant has a temporary address while lobbying.
 - (a-5) If the registrant is an entity, the information required under subsection (a) for each natural person associated with the registrant who will be lobbying, regardless of whether lobbying is a significant part of his or her duties.
 - (b) The name and address of the client or clients employing or retaining the registrant to perform such services or on whose behalf the registrant appears. If the client employing or retaining the registrant is a client registrant, the statement shall also include the name and address of the client or clients of the client registrant

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on whose behalf the registrant will be or anticipates performing services.

- (b-5)Ιf the registrant employs or retains sub-registrant, the statement shall include the name and address of the sub-registrant and identify the client or of the registrant on whose behalf sub-registrant will be or is anticipated to be performing services.
- (b-7) If the registrant employs or retains a consultant as defined in subsection (d-5) of Section 2, the statement shall include the name and address of the consultant and identify any governmental entity or entities or any government officials or employees with regard to whom the consultant is employed or retained to provide information, advice, or quidance. When an individual is otherwise registered as a lobbyist, but is retained solely for consultant services by the reporting entity, that individual shall be identified in the report as a consultant for the reporting entity.
- (c) A brief description of the executive, legislative, or administrative action in reference to which such service is to be rendered.
- (c-5) Each executive and legislative branch agency the registrant expects to lobby during the registration period.
- (c-6) The nature of the client's business, by

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indicating all of the following categories that apply: (1) banking and financial services, (2) manufacturing, (3) education, (4) environment, (5) healthcare, (6) insurance, (7) community interests, (8) labor, (9) public relations or advertising, (10) marketing or sales, (11) hospitality, (12) engineering, (13) information or technology products or services, (14) social services, (15) public utilities, (16) racing or wagering, (17) real estate or construction, (18) telecommunications, (19) trade or professional association, (20) travel or tourism, (21) transportation, (22) agriculture, and (23) other (setting forth the nature of that other business).

- (d) A confirmation that the registrant has a sexual harassment policy as required by Section 4.7, that such policy shall be made available to any individual within 2 business days upon written request (including electronic requests), that any person may contact the authorized agent of the registrant to report allegations of sexual harassment, and that the registrant recognizes the Inspector General has jurisdiction to review any allegations of sexual harassment alleged against the registrant or lobbyists hired by the registrant.
- (e) Each unit of local government in this State for which the registrant is or expects to be required to register to lobby the local government during the registration period. "Lobby" shall have the meaning

1 ascribed to it by the relevant unit of local government.

(f) Each elected or appointed public office in this State to be held by the registrant at any time during the registration period.

Every natural person and every entity required to register under this Act shall annually submit the registration required by this Section on or before each January 31. The registrant has a continuing duty to report any substantial change or addition to the information contained in the registration. Registrants registered as of the effective date of this amendatory Act of the 101st General Assembly shall update their registration to add the information required under subsections (b-5), (e), and (f), if applicable, within 30 days after the effective date of this amendatory Act of the 101st General Assembly.

The Secretary of State shall make all filed statements and amendments to statements publicly available by means of a searchable database that is accessible through the World Wide Web. The Secretary of State shall provide all software necessary to comply with this provision to all natural persons and entities required to file. The Secretary of State shall implement a plan to provide computer access and assistance to natural persons and entities required to file electronically.

All natural persons and entities required to register under this Act shall remit a single, annual, and nonrefundable \$300 registration fee. Each natural person required to

- register under this Act shall submit, on an annual basis, a 1 2 picture of the registrant. A registrant may, in lieu of 3 submitting a picture on an annual basis, authorize the Secretary of State to use any photo identification available 4 5 in any database maintained by the Secretary of State for other purposes. Each registration fee collected for registrations on 6 or after January 1, 2010 shall be deposited into the Lobbyist 7 8 Registration Administration Fund for administration and 9 enforcement of this Act.
- 10 (Source: P.A. 100-554, eff. 11-16-17; 101-595, eff. 12-5-19.)
- 11 (25 ILCS 170/5.5 new)
- 12 Sec. 5.5. Consultant registration. If in the course of 1.3 providing services as a consultant, the consultant communicates with an official on behalf of the lobbying entity 14 employing the consultant for the ultimate purpose of 15 16 influencing any executive, legislative, or administrative action, or makes an expenditure benefitting an official, the 17 18 consultant shall register as a lobbyist within 2 business days after engaging in the communication with an official or making 19 the expenditure benefitting an official. The expenditures 20 21 shall be reported in the lobbying entity's semi-monthly 22 expenditure report.
- 23 (25 ILCS 170/8) (from Ch. 63, par. 178)
- 24 Sec. 8. Contingent fees prohibited. No person shall retain

- or employ another to lobby or provide consulting services with
- 2 respect to any legislative, executive, or administrative
- 3 action for compensation contingent in whole or in part upon
- 4 the outcome of the action and no person shall accept any such
- 5 employment or render any such service for compensation
- 6 contingent upon the outcome of the legislative, executive, or
- 7 administrative action.
- 8 (Source: P.A. 93-889, eff. 8-9-04.)
- 9 (25 ILCS 170/11.2)
- 10 Sec. 11.2. Local regulation. A unit of local government or
- 11 school district may adopt an ordinance or resolution
- 12 regulating lobbying activities or consulting services with
- that unit of local government or school district that imposes
- 14 requirements similar to those imposed by this Act.
- 15 (Source: P.A. 88-187.)