

**The Florida Senate**  
**PROFESSIONAL STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: Rules Committee

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BILL: CS/SCR 2396

INTRODUCER: Rules Committee and Senator King

SUBJECT: Joint Rules

DATE: March 9, 2007

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Fox	Twogood	RC	Fav/CS
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

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**I. Summary:**

The Committee Substitute for Senate Concurrent Resolution 2396 amends Joint Rule One of the Florida Legislature (“JR 1”) relating to legislative lobbyist registration and compensation reporting, and Joint Rule Seven of the Florida Legislature (“JR 7”) dealing with the Joint Legislative Budget Commission (“Commission”).

The revisions to JR 1 implement statutory directives to establish an electronic filing system for lobbying firm compensation reporting by April 1, 2007. Further, the P makes numerous technical changes to other provisions of JR 1, in part to reflect updated technology and experience with implementing the Rule over the last year.

The CS revises JR 7 to conform to current budget practices. It also removes unnecessary provisions relating to the organizational structure of the Commission that were included in the constitutional amendment governing the Commission adopted in November 2006.

This bill substantially amends JR 1 and JR 7 of the Florida Legislature, re-adopts Joint Rules Two through Six, and repeals Joint Rule Eight.

**II. Present Situation:**

**JOINT RULE ONE**

The current JR 1, adopted by concurrent resolution last session, brought the legislative lobbyist registration and reporting rules into compliance with the statutory directives adopted in the 2005

lobbying reform act.<sup>1</sup> The act mandated, among other things, that lobbying firms file compensation reports electronically, beginning on April 1, 2007. The current JR 1 does not contain specific provisions for the electronic filing of compensation reports.

The administration of JR 1 is assigned to the Office of Legislative Services, a legislative office operated jointly by the House and Senate.

### **JOINT RULE SEVEN**

In 2000, the Legislative Budget Commission (“LBC”), was created primarily to consider budget amendments proposed by the Governor. The LBC’s authority has expanded since then to encompass a number of actions that require legislative review during the interim between sessions. The most significant expansion of the LBC’s authority occurred in 2001 when it was delegated the authority to consider a broader array of budget amendments, including those increasing or transferring trust fund budget authority in excess of \$1 million. The LBC applied zero-based budgeting principles in their review of budget requests, pursuant to s. 216.1825, F.S.<sup>2</sup>

In November 2006, the electors adopted Amendment Number 1, revising Article III, Section 19, of the Florida Constitution. The amendment created a new constitutional body, the Joint Legislative Budget Commission, and required that it be governed by the joint legislative rules which shall continue in effect until amended or repealed. Additional powers and duties may be specified in law or joint rule. Existing JR 7, adopted prior to the constitutional amendment, contained provisions for general responsibilities and organizational structure of the Commission. The constitutional provision supplants some of those provisions. The current rule also includes zero-based budgeting provisions that implement statutes that have been repealed in the years since the rule was last revised.

### **III. Effect of Proposed Changes:**

#### **JOINT RULE 1**

#### **(Lobbyist Registration and Compensation Reporting)**

The CS revises JR 1 to provide for electronic filing of lobbying firm compensation reports. Other primarily technical changes are included, largely to accommodate new technology and as a result of firsthand experience with the filing processes and procedures to date.

**Joint Rule 1.1** provides definitions applicable to the entire JR 1. The CS adds a definition for “unusual circumstances,” providing guidance to the General Counsel of the Office of Legislative Services with respect to the following: an appeal of fines for late-filed compensation reports; a request for extensions of time to file; and, a request to waive late-filing fines in connection with reinstating a suspended lobbyist.<sup>3</sup> The CS also amends the definition of “lobbying firm,”

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<sup>1</sup> Ch. 2005-359, L.O.F. (SB 6-B (2005))

<sup>2</sup> Section 216.1825, F.S., derived from Chapter 2000-371, s. 24, LAWS OF FLORIDA, and applied zero-based budgeting principles applicable to the LBC. This statutory provision was repealed by Chapter 2005-152, s. 63, LAWS OF FLORIDA (effective July 1, 2005).

<sup>3</sup> The definition of “unusual circumstances” is not intended to limit the discretion of the presiding officers in granting waivers under Joint Rule 1.5.

expanding the current compensation reporting exemption for entities with employee lobbyists that derive lobbying compensation *exclusively* from a subsidiary, to include all such entities and *affiliate corporations*.<sup>4</sup>

**Joint Rule 1.2** provides the method of lobbyist registration. The CS removes the requirement that lobbyists include their lobbying firms' Federal Employer Identification Number ("FEIN") and the name of a contact person for the lobbying firm at the time of registration. "Lobbying firms" as defined in the Rule are often joint ventures that do not have FEIN's, so the requirement has proven fairly unworkable and unnecessary. The CS also clarifies that the Lobbyist Registration Office will continue to retain original "registration" documents submitted, to accord with the Office's technological capabilities. Finally, the requirement that the Office publish a weekly list of registered lobbyists along with their registration information has been consolidated into a new requirement that the Office make such registration information, along with compensation reporting information, available online on an ongoing basis (see Rule 1.6 (2)).

**Joint Rule 1.3** provides for registration fees. There has been no change from the present rule. Investigation last year indicated that recent fees have been sufficient to cover the cost of administering Joint Rule One.

**Joint Rule 1.4** mandates the reporting of lobbying firm compensation. With respect to the Division of Legislative Service's statutory obligation to aggregate reporting-period and calendar-year lobbying compensation for each principal represented by more than one lobbying firm,<sup>5</sup> the CS provides a table from which to determine the amount to use for each reporting category instead of calculating the category's "arithmetic mean." (This essentially is a change in form rather than substance.) The CS also provides procedures for the electronic filing of compensation reports, effective April 1, 2007, as well as providing for back-up procedures in the event of any problem with the electronic filing system. The Rule continues to allow for paper filings through April 1.

**Joint Rule 1.5** provides late-filing fines for compensation reporting, and the administration thereof. It includes mandatory provisions found in s. 11.045(3)(e), F.S., but reflects updated procedures for reviewing the timeliness of reports filed through the electronic filing system rather than by mail.

**Joint Rule 1.6** provides that registration forms and compensation reporting records of the Legislature are open records. The CS expands this Rule to require that the Division of Legislative Services make registration and compensation reporting information reasonably available on its web site in an easily understood and accessible format.<sup>6</sup>

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<sup>4</sup> The Rule further defines "affiliate corporation" to mean one that "directly or indirectly shares the same ultimate parent corporation as the employer, and does not receive compensation for lobbying from any unaffiliated entity." The addition of the "affiliate" concept is meant to clarify that affiliated corporations with in-house lobbyists that do not receive any outside lobbying compensation may provide lobbying services to any other affiliate without becoming subject to compensation reporting requirements.

<sup>5</sup> Section 11.045 (3)(b), F.S.

<sup>6</sup> This change implements a new statutory requirement in s. 11.0455 (7), F.S., effective April 1, 2007.

**Joint Rule 1.7** provides for retention and inspection procedures governing records of lobbying firms and principals. There is no change from the present rule.

**Joint Rule 1.8** provides for an informal opinion to be provided by the General Counsel of the Office of Legislative Services with respect to the interpretation and applicability of provisions of JR 1 to a specific situation. There is no change from the present rule.

**Joint Rule 1.9** clarifies the effect of readoption and revision of JR 1. It expressly preserves all obligations existing under Joint Rule One on the date of the previous general election, and retroactively enforces all prior provisions continued in the revised rule.

## **JOINT RULE 7**

### **(Joint Legislative Budget Commission)**

**Joint Rule 7.1** provides for the general responsibilities of the Joint Legislative Budget Commission. The Commission is to consult with the Chief Financial Officer (revised from “Comptroller”) in addition to the Governor.

**Joint Rule 7.2** provides the organizational structure of the Commission. The CS removes organizational language that is now embodied in Article III, Section 19(j), of the Florida Constitution. The CS also removes current provisions of the Rule that require the Commission to apply zero-based budgeting principles and, to alternate the designation of lead staff from year-to-year, replacing it with a scheme in which the lead staff is tied to the chamber whose representative chairs the Commission.

**Joint Rule 7.3** continues the notice provisions contained in the present rule.

**Joint Rule 7.4** provides that the revised JR 7 replaces all prior joint rules governing the Commission, and expresses the intent to implement constitutional provisions relating to the Commission existing as of the date of the rule’s adoption.

## **OTHER JOINT RULES**

The CS re-adopts Joint Rules Two through Six, dealing with the general appropriations bill, legislative support services, the Joint Legislative Auditing Committee (“JLAC”), the Auditor General, and the Office of Program, Policy Analysis, and Government Accountability (“OPPAGA”), respectively. It also deletes Joint Rule Eight, relating to the continuing existence of the Joint Rules.

## **IV. Constitutional Issues:**

### **A. Municipality/County Mandates Restrictions:**

None.

### **B. Public Records/Open Meetings Issues:**

None.

C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The economic impact on the private sector of the revised rules appears to be insignificant.

C. Government Sector Impact:

*Revenues:*

Revenues go to the Lobbyist Registration Trust Fund and do not affect general revenue.

*Expenditures:*

Registration and reporting administration expenditures are funded from the Lobbyist Registration Trust Fund and do not affect general appropriations.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.



## **VIII. Summary of Amendments:**

None.

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This Senate Professional Staff Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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