



General Government Division

B-129874

May 2, 1997

The Honorable Carl Levin  
Ranking Minority Member  
Subcommittee on International Security,  
Proliferation and Federal Services  
Committee on Governmental Affairs  
United States Senate

Subject: Information on States' Lobbying Disclosure Requirements

Dear Senator Levin:

This letter responds to the second and final part of your February 8, 1996, request for information on the reporting of lobbying expenditures. In June 1996, we responded to the first part of your inquiry, which related to reporting direct and grassroots (i.e., indirect) lobbying expenditures to the Internal Revenue Service by tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code.<sup>1</sup> This letter discusses the extent to which states require the disclosure of direct or grassroots lobbying, and the expenditures for such lobbying. Specifically, we determined the number of states that (1) have lobbying disclosure laws covering direct lobbying, (2) have lobbying disclosure laws for grassroots lobbying, (3) require the reporting of either direct or grassroots lobbying expenditures, and (4) tabulate direct and/or grassroots lobbying expenditures from lobbying reports. We also totaled the reported lobbying expenditures for calendar year 1996.

Direct lobbying involves either organizations or individual lobbyists communicating with government officials in an attempt to influence them without any effort to get the public involved. An example of direct lobbying is a lobbyist meeting with a legislator to seek support for or opposition to certain legislation. Generally, grassroots or indirect lobbying is a campaign by organizations or individual lobbyists intended to develop a point of view on a governmental issue among the general public. The campaign's purpose is to generate public support or opposition in the hope that the public will directly

<sup>1</sup>Lobbying Expenses (GAO/GGD-96-116R, June 19, 1996).

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contact their respective legislators to voice their opinions. An example of grassroots lobbying is when an organization places an advertisement in the newspaper seeking citizen or "grassroots" support for or opposition to a particular legislative bill before the state legislature.

To obtain information on states' reporting of lobbying expenditures, we sent a survey form to the state lobbying disclosure offices in the 50 states and the District of Columbia. We identified these offices by using the Council on Governmental Ethics Laws (COGEL) 1996 Lobbying Update, which lists the disclosure offices and state lobbying officials. We surveyed 52 lobbying disclosure offices in the 50 states and the District of Columbia. Our survey participants totaled 52 because the state of Kentucky has two lobbying offices, one for the executive branch and one for the legislative branch.

We did not independently verify the accuracy of information these offices provided. We relied on the information submitted by state lobbying officials. We did not review or interpret any state's lobbying disclosure laws for our analysis. We did, however, discuss the information with state officials to confirm our understanding of the responses where we had questions. Our work was done by staff in our Dallas, Texas, regional office from February 1997 to April 1997 in accordance with generally accepted government auditing standards.

We submitted a draft of this letter to the Executive Director of COGEL for review and comment. The Executive Director wrote that this letter was very informative and should prove useful.

## RESULTS

All 50 states and the District of Columbia reported having lobbying disclosure laws as of April 1997. Twenty-two of the states reported having lobbying disclosure laws covering both direct and grassroots lobbying. These states are Alabama, Arkansas, California, Colorado, Connecticut, Idaho, Illinois, Kansas, Maryland, Minnesota, Mississippi, Nebraska, North Carolina, New Mexico, New York, Oregon, Rhode Island, Utah, Virginia, Vermont, Washington, and West Virginia.

The remaining 28 states and the District of Columbia, reported having lobbying disclosure laws only for direct lobbying. The states are Alaska, Arizona, Delaware, Florida, Georgia, Hawaii, Iowa, Indiana, Kentucky, Louisiana, Massachusetts, Maine, Michigan, Missouri, Montana, North Dakota, New Hampshire, New Jersey, Nevada, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Wisconsin, and Wyoming.

Forty-six states and the District of Columbia reported that they require lobbyists to report their expenditures for either direct or grassroots lobbying activities on a yearly, quarterly, or monthly basis or at other times designated by the state. Tennessee, Utah,

Wisconsin, and Wyoming reported that they have no requirement for lobbyists to report expenditures.

Twenty-nine states and the District of Columbia reported that they tabulate lobbying expenditures from lobbying disclosure reports filed by registered lobbyists listing direct and/or grassroots lobbying expenditures. Of the 29 states and the District of Columbia that reported that they tabulate lobbying expenditures, 13 states reported that they combine direct and grassroots lobbying expenditures, 5 states reported that they tabulate direct and grassroots lobbying expenditures separately, and 11 states and the District of Columbia reported that they tabulate only direct lobbying expenditures. Although we requested 1996 lobbying expenditure data, some states reported that the expenditure data were not yet available. While we provide totals for convenience, these are notably incomplete. The remaining 17 states that have a requirement for reporting lobbying expenditures responded that they do not tabulate lobbying expenditures.

Table 1 shows data from the 13 states that tabulate and combine direct lobbying expenditures with grassroots lobbying expenditures. Data for 1996 were not available for four states.

Table 1: 1996 Combined Direct and Grassroots Lobbying Expenditures Reported by States

State	Combined direct and grassroots lobbying expenditures
Alaska	\$9,675,826
California	104,259,389 <sup>a</sup>
Connecticut	17,300,000
Hawaii	2,383,341
Idaho	<sup>b</sup>
Minnesota	4,119,349
Mississippi	<sup>b</sup>
Nebraska	389,215
New York	<sup>b</sup>
Oregon	8,299,111
Rhode Island	<sup>b</sup>
Virginia	7,850,000
Vermont	3,942,067
<b>Total</b>	<b>\$158,218,298</b>

<sup>a</sup>Data are for the first nine months (January - September) of 1996.

<sup>b</sup>Data for 1996 for these states were not available.

Source: GAO analysis of data provided by state lobbying officials.

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Table 2 shows data from five states that tabulate grassroots lobbying expenditures separately from direct lobbying. Only partial data for 1996 were available for two states.

Table 2: 1996 Grassroots Lobbying Expenditures Summarized Separately from Direct Lobbying Expenditures Reported by States

State	Grassroots lobbying expenditures	Direct lobbying expenditures
Illinois	\$3,277	\$1,301,779
Kansas	93,548	477,325
Maryland	197,467	<sup>a</sup>
Washington	1,139,949	21,774,894
West Virginia	<sup>a</sup>	318,034
<b>Total</b>	<b>\$1,434,240</b>	<b>\$23,872,032</b>

<sup>a</sup> Data elements for 1996 for these states were not available.

Source: GAO analysis of data provided by state lobbying officials.

Table 3 shows data from the 11 states and the District of Columbia that tabulate only direct lobbying expenditures. Data for 1996 were not available for six states.

Table 3: 1996 Direct Lobbying Expenditures Reported by States

State	Direct lobbying expenditures
Arizona	a
District of Columbia	a
Georgia	\$541,973
Indiana	a
Kentucky	6,000,000 <sup>b</sup>
Massachusetts	27,276,896
Maine	2,288,965
Montana	704,959
New Jersey	a
Nevada	a
Oklahoma	a
South Carolina	9,765,965
<b>Total</b>	<b>\$46,578,758</b>

<sup>a</sup>Data for 1996 for these states were not available.

<sup>b</sup>The Kentucky Legislative Ethics Commission provided expenditure data. The Kentucky Executive Branch Ethics Commission expenditure data were not available.

Source: GAO analysis of data provided by state lobbying officials.

As agreed with your office, we plan no further distribution of this letter until 30 days after its issuance, unless you publicly release its contents earlier. We will then send copies to the Chairman of the Subcommittee, the Chairman and the Ranking Minority Member of the full Committee, and the Secretary of the Senate. We will also make

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copies available to others upon request. Major contributors to this letter were Rita Oliver and James Turkett of our Dallas Regional Office, and Terry Draver of our headquarters office. If you have any questions, please call me on (202) 512-8676.

Sincerely yours,

A handwritten signature in black ink, appearing to read "L. Nye Stevens". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

L. Nye Stevens  
Director  
Federal Management  
and Workforce Issues

(410109)



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