



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 18, 2007

H.R. 2317 **Lobbying Transparency Act of 2007**

As ordered reported by the House Committee on the Judiciary on May 17, 2007

H.R. 2317 would amend the Lobbying Disclosure Act of 1995 to require registered lobbyists to file new quarterly reports with the Secretary of the Senate and the Clerk of the House of Representatives. The reports would provide information on contributions that the lobbyists receive and forward to federal candidates and other political entities. Subject to the availability of appropriated funds, CBO estimates that implementing the bill would increase administrative costs of the House of Representatives and the Senate by less than \$500,000 a year. Enacting the bill would not affect direct spending or revenues.

The bill contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

H.R. 2317 would impose private-sector mandates, as defined in UMRA, on the lobbying industry. The bill would require registered lobbyists that bundle contributions to submit additional reports and disclosures to the Secretary of the Senate and the Clerk of the House of Representatives. The bill also would require those lobbyists to notify the recipients of those bundled contributions about their intent to file a report on such contributions. Based on information from the Secretary of the Senate and the Clerk of the House, CBO estimates that the aggregate direct cost of all of those mandates would fall below the annual threshold established by UMRA for private-sector mandates (\$131 million in 2007, adjusted annually for inflation).

H.R. 2317 would require any registered lobbyist who bundles two or more contributions in excess of \$5,000 in a calendar quarter made to a covered recipient, as defined in the bill, to file a report with the Secretary of the Senate and the Clerk of the House of Representatives 45 days after the end of each such quarter. The report would include information about the lobbyist, the name of the recipient to whom the contribution is made, and an estimate of the aggregate amount of contributions bundled in the quarter for the recipient. Such information would have to be filed only if the information is incremental to the information reported by

registered lobbyists in certain other reports. Currently, registered lobbyists must file semiannual disclosure reports.

Because the bill would require quarterly (rather than semiannual) reporting, it would increase the number of reports filed by registered lobbyists. Since such entities already collect the information requested in the disclosure reports, however, CBO estimates that the incremental costs associated with the new reporting requirements in the bill would be minimal.

The bill also would require registered lobbyists to send each recipient of a bundled contribution a notice of the lobbyists' intent to file a disclosure. The notice would be sent in the quarter that the report is to be filed. The notice would contain the information that the lobbyist intends to report and an explanation of the aggregate contribution along with the names of the contributors. Such notices would have to be sent by certified mail. CBO estimates that the costs associated with those mailings would not be substantial relative to the annual threshold established by UMRA for private-sector mandates.

The CBO staff contacts for this estimate are Deborah Reis (for federal costs), Elizabeth Cove (for the state and local impact), and Craig Cammaratta (for the private-sector impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.