

REPORTABLE BUSINESS RELATIONSHIP INSTRUCTIONS



The Public Integrity Reform Act of 2011 ("PIRA") (Chapter 399, Laws of 2011) amended Legislative Law article 1-A by enacting requirements, effective August 15, 2011, that lobbyists and clients of lobbyists make publicly available information about business relationships with certain state employees and officials. The requirements to disclose these "Reportable Business Relationships" are found in Legislative Law Article 1-A §§1-c(w), 1-e(c)(8)(i)-(iii) and 1-j(b)(6)(i)-(iii). These instructions clarify the Reportable Business Relationship reporting requirements; for further information, see JCOPE's [Guidelines](#).



What is a Reportable Business Relationship ("RBR")?

A business relationship is a Reportable Business Relationship when all of the following criteria are met:

- (1) A formal or informal agreement or understanding in which a lobbyist or client of a lobbyist pays, gives, or promises Compensation to:
 - a State Person;
 - an entity in which the State Person has the "Requisite Involvement"; or
 - a third-party as directed by the State Person or as directed by the entity.
- (2) The Compensation must be in exchange for goods, services, or anything of value either performed or provided or intended to be performed or provided by the State Person or an entity in which the State Person has the Requisite Involvement.
- (3) The total value of the relationship is more than \$1,000 annually.

NOTE: The agreement or understanding does not need to be in writing or enforceable under contract law to be considered an RBR.

NOTE: A Reportable Business Relationship can only exist when a lobbyist (or client of a lobbyist) provides the Compensation to one of the three categories above. If a State Person (or an entity in which the State Person has ownership or a managerial role) provides Compensation to a lobbyist or client of a lobbyist, an RBR does *not* exist.

Who is a State Person?

A Statewide elected official, State officer, State employee, member of the Legislature, or legislative employee.

NOTE: A State Officer or Employee does not include officers of boards, commissions or councils, or members or directors of public authorities, public benefit corporations or commissions who receive no compensation or are compensated on a per diem basis.

What is "Requisite Involvement"?

Requisite Involvement in an entity exists when a State Person is a proprietor, partner, director, officer, or manager, or owns or controls 10% or more of the stock of a non-governmental entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange).

How do I know if an individual is a State Person or has the Requisite Involvement?

When you know or have a reason to know.

“Reason to know” is based on an examination of the totality of the facts and circumstances.

If a reasonable person looking at all the facts and circumstances would conclude that the filer should know that an individual is a State Person or has the Requisite Involvement with the relevant entity, then the reason to know standard has been satisfied.

For more information, see [FAQs](#) or the [Guidelines](#).

What is Compensation?

Compensation includes a salary, fee, gift, payment, benefit, loan, advance, or any other thing of value.

Compensation does *not* include:

- commercially available consumer and business loans or lines of credit as available to the general public;

- dividends or payments related to stock purchases; or
- contributions reportable under Article 14 of the NYS Election Law.

What does \$1,000 annually mean?

Only relationships whose values' exceed \$1,000 annually must be reported. Below is the rule to help determine if this threshold has been met.

\$1,000 Rule

Relationships of less than one year with a State Person are reportable when:

- Value of **Compensation** (goods, services, or anything of value) is greater than \$1,000

Relationships of more than one year with a State Person are reportable when, during any consecutive 12 months:

- **Compensation** exceeds \$1,000;
- Value of goods, services, or anything of value performed or provided exceeds \$1,000;
- Outstanding **Compensation** for goods, services, or anything of value already performed or provided exceeds \$1,000; or
- Value of the goods, services, or anything of value to be performed or provided in exchange for **Compensation** already received exceeds \$1,000

What happens if I have multiple business relationships with the same State Person or entity?

When multiple relationships exist with the same State Person or the same entity in which a State Person has the Requisite Involvement, the value of goods, services, or anything of value of all such relationships must be aggregated. If the aggregated value of the relationships is more than \$1,000 for any 12-month period, then each such relationship is an RBR (assuming the other criteria have been satisfied).

How do I determine if a business relationship is in existence? What happens, for instance, if the goods or services have been provided, but I have not yet paid for them? What happens if I have already paid the Compensation, but the goods or services have not yet been provided to me?

In order for the relationship to be reportable, it must be in existence at any time during the filing period (biennial for lobbyists, semi-annual for clients).

A relationship exists if during the reporting period any of the following are present:

- Compensation is paid;
- Goods, services, or anything of value are performed or provided; or
- The relationship is in existence but Compensation has not yet been paid and/or goods, services, or anything of value have not yet been performed or provided.

Are there any types of relationships that are excluded from the reporting requirements?

Yes. Even if all the criteria for a RBR are met, a relationship in which a lobbyist (or client of a lobbyist) provides Compensation to a State Person (or an entity in which the State Person has the Requisite Involvement, or a third party as described above) for any of the following services does not need to be reported:

- Treatments for medical, dental, and mental health services;
- Legal services with respect to:
 - investigation or prosecution by law enforcement;
 - bankruptcy;
 - domestic relations.

If an RBR exists, what information do I need to report?

The name and public office address of the State Person, a description of the general subjects or transactions between a lobbyist and the State Person, and the Compensation – actual or anticipated, including expenses – to be paid and paid by virtue of the business relationship.

NOTE: Even if a Client is also required to file a biennial registration statement (as a lobbyist), the Client is not relieved of its obligation to disclose RBRs in its client semi-annual reports.

If I have previously reported an RBR, must I disclose the RBR again?

Yes. As long as the relationship continues to exist, the RBR must be reported.

What do I do if the terms of my relationship change?

If the change is material – for example, a change in the length or monetary value of the relationship – you are required to amend your RBR form.

What do I do if, subsequently, I form a new RBR with a different State Person?

You must submit an amended RBR form.

Do I need to complete an RBR form if I do not have a Reportable Business Relationship?

No. The RBR form only needs to be completed for existing or new RBRs.



COMPLETING THE RBR FORM

When completing the form, please note the following:

- Complete Part III if the relationship is with an entity, not an individual.
 - In Part III, be as specific as possible when describing the business relationship, including the role each party plays in the arrangement.
 - In Part III, if there is no known date for the end of the relationship, leave the End Date question blank.
- Complete Part IV if the relationship is with an individual, not an entity.
 - In Part IV, be as specific as possible when describing the business relationship, including the role each party plays in the arrangement.

- In Part IV, if there is no known date for the end of the relationship, leave the End Date question blank.
- List each RBR separately, using the Addendum to report additional RBRs with different individuals or entities.

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For more information, please see the [RBR Training Materials](#).