

States and Localities Enact New Lobbying, Gift and Campaign Finance Laws

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Several states and two of the nation's largest municipalities ended 2006 or began 2007 with new gift, lobbying or campaign finance laws. All of these new rules are major. Moreover, Pennsylvania instituted a statewide lobbying law for the first time since the old lobbying law was found unconstitutional in 2000. A brief summary of the various changes follows.

Alaska

Pursuant to an initiative passed by Alaska's voters on August 22, 2006, (03-DISC) and effective on December 17, 2006, the state decreased the lobbying threshold for registration and reporting purposes to 10 hours from the previous 40 hours.

Los Angeles, California

Through Proposition R, passed on November 7, 2006, Los Angeles voters banned gifts to city officials from lobbyists and lobbying firms. The voters also enacted campaign finance restrictions on lobbyists, reduced the monetary threshold for becoming a registered lobbyist, and enacted bidder certification requirements, among other things. The new rules are, in pertinent part, effective January 15, 2007.

Colorado

Through an initiative approved by voters on November 7, 2006, and effective upon the Governor's certification (which took place on December 31, 2006), Colorado now bans all gifts from "professional lobbyists" and imposes a \$50 limit on gifts from non-lobbyists to a wide range of state and local government officials and employees. There are a number of exceptions to the \$50 gift limit. The initiative also created a new ethics commission for the state.

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Missouri

A new law (former H.B. 1900) went into effect in Missouri on January 1, 2007, that, among other things, does the following:

1. Requires annual lobbyist registration for all lobbyists;
2. Requires registration and reporting for many persons who lobby certain local jurisdictions in Missouri;
3. Adds additional reporting and gift rules to lobbyists' obligations; and
4. Requires pre-approval of legislative travel outside the state if paid for by a lobbyist.

New York City, New York

New York City now bans gifts to public servants not only from registered lobbyists, their spouses or domestic partners and unemancipated children but also (if a registered lobbyist is an organization) from officers and employees of the organization who engage in any lobbying activities, and officers and employees of the division that engages in lobbying activities (plus their spouses, domestic partners and unemancipated children). This new law became effective on December 10, 2006.

North Carolina

Effective January 1, 2007, North Carolina expanded its lobbying laws to encompass the lobbying of the state's executive branch (former H.B. 1843). The amended law also regulates certain types of grassroots lobbying communications and adjusts the definition of "lobbyist" as it relates to in-house employees.

In addition, North Carolina has enacted a lobbyist and lobbyist-employer gift ban. This ban is subject to several detailed exceptions.

Finally, with exceptions, the new law imposes a campaign contribution ban on lobbyists if the candidate is a legislator or public servant. The new law also imposes other campaign finance restrictions on lobbyists.

Ohio

As one of the last actions in his waning administration, Governor Taft of Ohio signed into law an expansion of the state's pay-to-play contribution rules. (Former Am. Sub. H.B. 694.) In short and relevant to corporations, the new law, which applies to contributions made on or after January 1, 2007, prohibits a corporation from being awarded a state or local contract if the corporation's PAC has contributed more than \$2,000 in the aggregate over the two years prior to the contract award date to the public officer ultimately responsible for the contract. Moreover, the new law limits contributions to \$2,000 by a contractor's PAC during the term of the contract and for one year after the conclusion of the contract. The new rules also now apply to no-bid contracts as well as to competitively bid contracts.

Pennsylvania

Pennsylvania enacted a lobbyist registration and reporting system that encompasses the lobbying of the state legislature as well as the lobbying of the state's executive branch. Under the new law, lobbyist principals file quarterly reports. The new law also regulates certain types of grassroots lobbying communications. The law (former H.B. 700) became effective on January 1, 2007.