

Changes in the States: Iowa, Oklahoma, Vermont and Virginia

July 2007

Iowa Simplifies Verified Statement Requirements

Effective July 1, 2007, a Federal PAC making a contribution in Iowa is only required to file a "Verified Statement" with the Iowa Ethics and Campaign Disclosure Board. Previously, Iowa law required a Federal PAC to file a second copy of the Verified Statement with the treasurer of the committee receiving the contribution. A Federal PAC must file the Verified Statement with the Ethics and Campaign Disclosure Board within 15 days of making a contribution to an Iowa candidate or committee.

The new law was contained in former Senate File 39.

Oklahoma Amends Gift and Lobbying Rules

By virtue of legislation (former HB 2110) and action by the Oklahoma Ethics Commission, Oklahoma adopted several new gift and lobbying rules on July 1, 2007. The major changes were two fold. First, the state instituted a gift law aggregation requirement among a lobbyist, all of his or her principals, and all stockholders, employees, officers, etc. of all of the principals. Second, the state banned certain honorariums for elected officials. A copy of the amended ethics rules can be found at <http://www.state.ok.us/~ethics/>.

Vermont Governor Vetoes Contribution Limits; Legislature May Attempt to Override Veto

On May 30, 2007, Vermont Governor Jim Douglas vetoed S. 164, which would have placed limits on contributions similar to the limits that the Supreme Court struck down as unconstitutional in 2006. The consequence of the governor's action is that Vermont elections will

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continue to be conducted under state campaign finance laws in effect before 1997. However, on July 11, 2007, the state legislature is planning an attempt to override the veto, which would require a two-thirds majority vote in both state houses.

The vetoed law would have capped contributions to gubernatorial candidates at \$1,000 per election; to other state-wide candidates at \$750; to state Senate candidates at \$500; and to state House candidates at \$250. It also would have limited any single source from contributing more than \$20,000 in any two year general election cycle. According to the governor's veto message, the proposed limits placed improper obstacles before challengers and non-wealthy candidates, improperly failed to set any limits on PAC contributions, and was far too similar to the law that the Supreme Court has just recently overturned.

As we provided in our September 2006 newsletter (www.wileyrein.com/electionlawnews_vermont), Vermont law currently allows all non-political parties and political committees to contribute up to \$1,000 per election to candidates or candidate committees and \$2,000 per election cycle to political parties and political committees. Political committees may contribute up to \$3,000 per election to candidates or candidate committees. Political parties may make unlimited contributions to candidates or candidate committees.

Virginia Changes Certain PAC Rules

Effective July 1, 2007, the Virginia General Assembly closed a loophole in state law that allowed non-Virginia politicians to create a Virginia in-state PAC for the purpose of avoiding the contribution limits of their home state. For example, according to published reports, former New York Governor George Pataki established a Virginia in-state PAC that received in excess of \$500,000 from nine contributors during a two-month span earlier this year. If Pataki had established his PAC in New York, then his committee would not have been allowed to accept such large contributions from so few donors. Moreover, sponsors of the legislation, former H.B. 2852, also noted that contributions from these PACs overwhelmingly were given to candidates in other states rather than Virginia candidate or committees.

Under the new law, in order to register as a Virginia in-state PAC, a newly-formed committee must—at the time of registration—state that it will make 50% or more of its overall contributions to Virginia registered campaigns and committees. If a committee cannot make such a statement, then it will not be allowed to register with the Virginia State Board of Elections as an in-state PAC. Importantly, this change does not affect Federal PACs (*i.e.*, the new law does not require a Federal PAC to make 50% or more of its contributions to Virginia candidates prior to being able to register with the State Board of Elections).