wiley

NEWSLETTER

Kentucky Joins the List of States Regulating Placement Agents as Lobbyists

May 2012

In April, Kentucky Governor Steve Beshear signed into law former H.B. 300. While the bill addresses Kentucky's pension funds in a general sense, it also includes specific provisions requiring some placement agents to register as lobbyists in Kentucky. Most of the bill's provisions became effective upon Governor Beshear's signature.

Among other provisions, the new law requires a "placement agent"—*i.e.*, an individual or a firm compensated or hired to influence an executive agency decision concerning investments of certain state pension funds—to register with the Kentucky Executive Branch Ethics Commission as an executive agency lobbyist. Importantly, however, for placement agents seeking to influence Kentucky's state pension funds, most placement agents are exempt from the contingency-fee restriction in Kentucky's lobbying law.

Several other states similarly require placement agents to register as lobbyists, with California recently joining the list. (Additional information about California's placement agent laws is available in the November 2011 "California Legislative Update: Governor Signs New Legislation Amending Placement Agent Lobbyist Registration and Reporting" article in Wiley Rein's *Election Law News*, and the January 2011 "Changes in the States: Alabama, California, Louisiana and North Carolina" article in Wiley Rein's *Election Law News*. Similarly, Ohio has an entire lobbying regime for retirement system lobbyists.

Finally, in addition to regulation under the state's general lobbying laws, the state pension funds themselves may have special rules that apply to persons interested in doing business with the pension funds. For example, the California Public Employees' Retirement System

Authors

D. Mark Renaud
Partner
202.719.7405
mrenaud@wiley.law

(CalPERS) announced, in April, a new gift policy that limits CalPERS board members to receiving gifts aggregating $50 or less per year from a single source. The new gift policy is available here.