

New York: New Regulations and Lobbying Fines

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The New York Joint Commission on Public Ethics (JCOPE) recently issued draft regulations concerning lobbying source disclosure and settlements with 11 entities concerning the failure to file lobbying reports.

Draft Regulations on Lobbying Source Disclosure. In 2011, New York passed the "Public Integrity Act of 2011," which—among other things—requires some clients and lobbyists to disclose sources of their funding. Broadly speaking, the source disclosure requirement applies if a person or entity (1) spends more than \$50,000 for reportable compensation or expenses in either the calendar year or in the 12-month period before the report is due and (2) spends three percent or more of its total expenditures in that same period on lobbying in New York.

JCOPE issued draft regulations on July 31, 2012, providing additional information about this source disclosure requirement. Among other things, these regulations define "total expenditure" and explain how to calculate the 12-month period and calendar year reporting periods.

The draft regulations, as considered by JCOPE at its July 31, 2012, meeting, are available [here](#). These are proposed regulations that must be published in the New York State Register and are subject to public comment before taking effect. Wiley Rein is available to assist any interested person in drafting comments. The deadline to submit comments will be 45 days after publication of the proposed regulations in the New York State Register.

Authors

D. Mark Renaud
Partner
202.719.7405
mrenaud@wiley.law

Lobbying Fines. On August 9, 2012, JCOPE announced settlement agreements resulting in fines against 11 different entities for failing to file required lobbying disclosure reports. In New York, persons who have spent—or who anticipate spending—more than \$5,000 annually for lobbying and who retain or designate a lobbyist are required to file semi-annual reports. (Lobbyists are subject to even more frequent reporting in New York.)

In total, the settlements with the 11 entities total more than \$20,000 in fines with the entities each paying a fine of between \$500 and \$4,000. New York's lobbying laws allow for a maximum potential fine of \$25,000 or three times the lobbying costs that were supposed to be disclosed in a filing. Looking forward, JCOPE's executive director pledged to continue to enforce compliance with the State's Lobbying Act.