

Changes in the States

January 2005

Louisiana

Regulation of Executive Branch Lobbyists

Effective January 1, 2005, Louisiana will begin to regulate those individuals who lobby the state's executive branch and, separately, those persons that have or are seeking contracts or business relationships with the state's retirement systems. These changes are a result of Act 116 (former H.B. 1246) and Act 868 (former H.B. 1215) previously signed into law by the Governor. The Louisiana Board of Ethics is currently promulgating the pertinent forms and regulations applicable to each type of lobbyist, but the first reports are not due until August 15, 2005 (for the period January 1 to June 30, 2005).

Executive Branch Lobbying Rules. The executive branch lobbying provisions apply to those individuals making direct communications with executive branch officials in order to influence "executive branch actions," which are any acts related to, among other things, policymaking, rulemaking, legislation or, importantly, contracts. The covered communications are those with elected or appointed officials in the state's executive branch or with employees in the executive branch. Executive branch lobbyists must register within five days of being employed as a lobbyist or within five days of the first action requiring registration. Executive branch lobbyists also must file semiannual certified reports on August 15 and February 15.

Retirement System Gift Reporting. In addition, for those persons having or seeking contracts or other business with a state or statewide retirement system, Louisiana has created a new expenditure reporting system. In short, no registration is required, but the state requires special semiannual expenditure reports from any person that has or is seeking to obtain contractual or other business with a state or statewide public retirement system if the person makes

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expenditures of more than \$500 in the aggregate in a calendar year for the benefit of retirement officials.

New Jersey

Executive Order Prohibits Vendor Contributions

New Jersey's outgoing Governor McGreevey issued an Executive Order on September 22, 2004, that effectively eliminates the ability of those individuals and entities doing business with or seeking to do business with the state (and their PACs and subsidiaries) from making campaign contributions to candidates for governor and to state and county political party committees.

Beginning on October 15, 2004, if a business entity, its subsidiary or a PAC or 527 political organization controlled by the business entity, solicits or makes a contribution to a campaign for a candidate for governor of New Jersey or to an incumbent governor or to a state or county political party committee that nominates a candidate for governor, the business entity is prohibited from contracts valued at more than \$17,500 with the state, its agencies and its independent authorities for at least 18 months. In other words, starting October 15, if a business entity, its subsidiary, its PAC, or one of its large principals makes a prohibited contribution, then the business is prohibited from entering into negotiations for a contract with the state for 18 months plus one day. Moreover, if a contribution is given to the sitting governor or party committee that nominated him or her for that term, the contract ban extends through the term of the governor. Under certain circumstances, the contract ban would carry over to the term of the next governor. As a result of the contract ban, the Executive Order effectively prohibits gubernatorial and state and county political party committee contributions by business entities doing business or seeking to do business with the state.

After October 15 of last year, business entities entering into contracts with the states will be required to report all contributions to New Jersey "continuing political committees" for the previous four years. In addition, such a business entity also must provide written certification that it has not made a prohibited contribution. The business entity also has a continuing duty to report contributions it makes during the term of the contract.

A copy of the entire Executive Order can be found at www.nj.gov/cgi-bin/governor/njnewsline/view_article.pl?id=2151. The New Jersey Department of the Treasury's website at www.state.nj.us/treasury contains detailed information and the required certifications.