

State &
Federal
COMMUNICATIONS

The Compliance Standard
Experience ★ Guidance ★ Solutions

COMPLIANCE NOW

E-News from State and Federal Communications, Inc.

December 2015

Weather not Frightful Compliance...That is Another Issue

Well the weather outside is frightful...

That is how this column started but the weather has been unusually fabulous. So I re-wrote my column and am not going to discuss the weather...but something we all know more about. Registrations and reports you have due in January could be frightening so we encourage you to find a delightful fire this month along with some corn for popping. Turn the lights way down low...And, let State and Federal Communications take care of your compliance needs.

The State and Federal Communications website—www.stateandfed.com—is complete with the important 2016 dates you need to know. Our offices are open and staffed in December, with the exception of being closed on December 24th, December 25th, December 31st, and January 1st. You just cannot miss when State and Federal Communications is on your side.

On behalf of this great team, we wish you and yours a very Merry Christmas, Happy Hanukah, and a Happy New Year.

Thank you.
Elizabeth Z. Bartz
President and CEO
[@elizabethbartz](https://twitter.com/elizabethbartz)



Summary of Changes UPDATE

Note Recent Changes to Compliance Regulations

by Michael Beckett, Esq., Research Manager

CANADA: The Liberal Party, led by Justin Trudeau, won the October 19 general election by a landslide, taking 184 seats. Only 170 seats are needed to form a majority government. Stephen Harper, the Conservative prime minister, was unseated after three terms and almost 10 years in office. Trudeau has stated plans to reduce greenhouse emissions, legalize marijuana, and improve infrastructure.

MAINE: On November 3, 2015, voters approved an initiative expanding the state's public campaign financing system. The Clean Elections initiative increases both election transparency and the total pool of money available to qualifying candidates. Organizations behind political advertisements must now disclose their top three donors and will face increased penalties for campaign finance law violations. The new requirements will be effective 30 days after the governor proclaims the official results of the election.

PITTSBURGH, PENNSYLVANIA: City Council passed an ordinance to overhaul city campaign finance rules. Introduced by Councilman Dan Gilman in September, the bill raises contribution limits to mirror those imposed by the Federal Election Commission for federal elections, eliminates an exemption voiding limits if a candidate gives more than \$50,000 to his or her own campaign, and removes a loophole allowing candidates to accept donations for the primary and general elections at the same time. The ordinance took effect on November 4, 2015.

Update

SAN FRANCISCO, CALIFORNIA: Proposition C, a measure requiring registration fees and monthly reports from expenditure lobbyists, was approved by voters on November 3. The measure creates a new category of lobbyists to cover grassroots lobbying by organizations that employ lobbyists to influence city officials. The measure imposes a registration expenditure threshold of \$2,500 or more in a calendar month for soliciting, requesting, or urging other persons to communicate directly with a city official. Expenditure lobbyists must pay a \$500 fee to register with the city. The measure is effective February 1, 2016.

VIRGINIA: On November 1, 2015, the Virginia Conflict of Interest and Ethics Advisory Council assumed responsibility for all lobbyist registrations and disclosures. Pursuant to the passage of House Bill 2070, the council is required to review all disclosure forms filed by lobbyists, state officers, employees, and legislators. Paper and electronic versions of lobbyist registrations and reports are available through the council's website; however, electronic reporting will become mandatory beginning with the December 15, 2016, report. House Bill 2070 followed an unsuccessful attempt to create the council in 2014. In the previous instance, a battle over the state budget between the General Assembly and the governor resulted in the council not receiving funding.



Seattle, Washington Passes Democracy Voucher Initiative

by Beth Cummins, Esq., Research Associate

On November 3, 2015, voters in the city of Seattle approved Initiative 122, the "Honest Elections Seattle" ballot measure. The measure raises property taxes to create a publicly financed elections program, granting citizens "democracy vouchers" to support campaigns of city candidates. On the first business day in every municipal election year, the Seattle Ethics and Elections Commission (SEEC) will mail four \$25 vouchers to each registered voter. Voters can assign the voucher to any city candidate participating in the public financing program. Only candidates opting to accept public funds may receive the vouchers.

Initiative 122 also bans contributions from corporations with city contracts and from corporations that lobby city officials. No mayor, City Council member, city attorney, or any candidate for such office may accept any contribution directly or indirectly from any entity or person who in the prior two years has earned or received more than \$250,000 under a contractual relationship with the city. Additionally, no candidate may accept any contribution directly or indirectly from any entity

or person who during the past 12 months has paid \$5,000 or more to a lobbyist or lobbying entity for lobbying the city of Seattle.

Contribution limits are lowered from \$700 per election cycle to \$500. Beginning with the 2019 election cycle, the limits will be adjusted for inflation every election cycle. A revolving door provision prohibits a former mayor, City Council member, city attorney, city department head, or the highest paid employee directly reporting to any such office from participating in paid lobbying for a period of three years after leaving office. Penalties for late campaign filings are increased from \$10 per day to \$75 per day. During the last 30 days before any election, fines can range from \$250 to \$1,000 per day, at the discretion of the SEEC.

Initiative 122 becomes effective after proclamation by the mayor, which is expected no later than December 4, 2015.

You
Should Know



WEBSITE TIP

Our website now has 2016 legislative session and key dates information for all 50 states, the District of Columbia, five U.S. territories, the federal government, and Canada. In the Lobbying Laws publication, the key dates information provides a schedule of all reports and registrations due. In the Political Contributions publication, the key dates information includes reports due and scheduled elections. Continue to watch the website for updates to the 2015 and 2016 key dates and for the addition of key dates information for city and county jurisdictions.



Legislation We Are Tracking

At any given time, more than 1,000 legislative bills, which can affect how you do business as a government affairs professional, are being discussed in federal, state, and local jurisdictions. These bills are summarized in State and Federal Communications' digital encyclopedias for lobbying laws, political contributions, and procurement lobbying and can be found in the client portion of our website.

Summaries of major bills are also included in monthly email updates sent to all clients. The chart below shows the number of bills we are tracking in regard to lobbying laws, political contributions, and procurement lobbying.

	Total bills	Number of Jurisdictions	Passed	Died	Carried over to 2016
Lobbying Laws	241	47	40	72	78
Political Contributions	472	50	82	152	162
Procurement Lobbying	234	39	54	58	42

See Us in Person

Plan to say hello at future events where **State and Federal Communications, Inc.** will be attending and/or speaking regarding compliance issues.

Events

- December 6-9 COGEL, Boston, Massachusetts
- December 8-11 NCSL Fall Forum, Washington, DC
- December 11 Advocacy Leaders Network - Creating a Mobile Advocacy Toolkit, Washington, DC
- December 10-13 CSG National Conference, Nashville, Tennessee
- December 14 WGRToastmasters, Washington, DC



COMPLIANCE NOW

is published for our customers and friends.

Click here to SUBSCRIBE **click here**, or to UNSUBSCRIBE **click here**.
Click here to send us comments regarding the COMPLIANCE NOW e-newsletter.

State and Federal Communications, Inc.
Courtyard Square

80 South Summit St., Suite 100, Akron, OH 44308
330-761-9960 | 330-761-9965-fax | 1-888-4-LAW-NOW|
<http://www.stateandfed.com/>

ASK THE EXPERTS

State and Federal Communications' Experts Answer Your Questions -

Here is your chance to "Ask the Experts" at State and Federal Communications, Inc. Send your questions to experts@stateandfed.com. (Of course, we have always been available to answer questions from clients that are specific to your needs, and we encourage you to continue to call or email us with questions about your particular company or organization. As always, we will confidentially and directly provide answers or information you need.) Our replies are not legal advice, just our analysis of laws, rules, and regulations.



What are the key components for a successful government affairs compliance program?



We collaborate closely with our clients to create comprehensive and effective compliance programs. During this process, our clients often request guidance on best internal practices and procedures. Certainly, there is no one-size-fits-all approach—a successful compliance program will adapt seamlessly into the fabric of the corporate structure, making every program unique. Notwithstanding, here are five common components for successful government affairs compliance programs:

1. Centralized Oversight: Great compliance programs have a strong organizational structure with oversight and review vested in one dedicated team of government affairs professionals. All requests for corporate contributions, gifts, and events should be approved by the central team. There should be one employer signatory for all state and local filings—one person who is responsible for oversight and who can attest to the accuracy of registrations and reports. This person typically has oversight of internal team activity, which affords an opportunity for a big picture overview of state and local responsibilities.

The responsibility for all company reports should stay within the company—contract lobbyists typically should not be responsible for filing a company's employer reports. Often, non-lobbyist employee activity, corporate contributions, and/or in-house corporate expenses need to be disclosed on employer reports. Contract lobbyists are not always privy to the necessary reporting information. We recommend working closely with your contract lobbyists to identify necessary reporting information (percentage of retainer dedicated to lobbying efforts, subject matter, etc.) and reviewing draft disclosure reports against company invoices to ensure accuracy in reporting.

2. Recurring Training Opportunities & Assessments: Providing adequate training opportunities for your team is necessary to ensure compliance. Ideally, this should be done on an annual basis, and completion should be required and documented. State and local requirements change quickly, as do team members. This is especially true for sales and procurement executives. We recommend a general training session or refresher course and individual follow-up to assess registration and/or reporting needs.

3. Broad Outreach Across Lines of Business and Departments: Contact with state and local government officials is usually not isolated to only the government affairs team—it can happen anywhere in your corporation, from the executive level to sales. A strong compliance program allows you to reach across lines of business and departments to ensure anyone engaging officials on behalf of your company is staying compliant with relevant rules and restrictions.

4. Clear Policies for Employee Engagement: Can you identify clear internal gift and contribution policies? Your compliance program should utilize and strengthen your existing gift, ethics, and corporate contribution policies. Ensure these policies are specific. For example, what employee activity triggers the policy? What activities are prohibited? What activities require pre-approval by your team? A well-structured compliance program will disseminate these policies companywide, and include a clear roadmap for employee compliance.

5. Open Door Policies and Procedures: In sum, you must make it easy to comply. If it's too difficult to access information or request approval, your employees simply won't do it. Is there an intranet, form, or a ticket system you can utilize to ensure your employees can easily access guidance? What resources do you provide to your employees? Is there a company contact employees can reach to discuss questions or concerns? Further, there must be a fast turn-around time for questions and guidance. The longer something sits in a queue, the higher the risk for noncompliance.

In 2016, it will be more important than ever to keep a close watch on your compliance program. Having a solid program in place will help when questions arise from the media, stockholders, and activists.

December's Expert - Myra Cottrill Esq., Client Specialist

Scrapbook



Al Franken with Elizabeth Bartz in Akron supporting Ted Strickland on his campaign.



Former member of the Ohio Representatives [2007-2012], Ted Celeste, met with fellow Ohioan, Elizabeth Bartz and colleague, Christopher Badgely at the SGAC Leaders Policy Conference.



Wishing Katie Rennard, VP of the United Way of Summit County, a great time as she retires to Arkansas. She taught our staff the importance of giving back to the community.



While in Miami at the SGAC Leaders Policy Conference, Elizabeth Bartz met the United States women's national soccer team (USWNT) champ, Carli Lloyd.

State and Federal Communications, Inc. Celebrates Staff Anniversaries



Recently we celebrated the company anniversaries of Emone Smith, Administrative Assistant; Michael Beckett, Esq., Research Manager; Beth Commings, Esq., Research Associate; and Joe May, Manager - Client Analytics. They are all assets to the State and Federal Communications team. Congratulations.