



COMPLIANCE NOW

E-News from State and Federal Communications, Inc.

January 2016

Managing a Diverse PAC and Political Contribution Program

Now, that is one sexy topic for a conference session!! To be honest, it is a session at the 2016 Public Affairs Council National PAC Conference in Miami, Florida and yours truly is one of the session leaders along with our good friend Jennifer Spall, senior director of political programs at Wal-Mart.

Here is my #1 comment about 2016—If you are not involved with making political contributions, you might as well hibernate. It will be a huge campaign season—from city, county, state, and president. Our office is already vetting contributions for 2018 elections.

Register for the conference at www.pac.org and hear many of our contributions colleagues around the country speak about how important it is to manage and organize how, when, and why contributions are made.

And, if that isn't enough of an enticement...Plan on joining the State and Federal Communications team on Wednesday, March 9th for lunch. We want to give you the oppor-

tunity to take a tour of our website and see the important information we provide to thousands of your counterparts in corporate and trade association government affairs firms.

There is a lot to know about campaign finance and making political contributions. And, whether you care about reform or not (as published by Doug Pinkham's December 22nd blog), you do need to know there are things to keep track of to protect your organization. This is the week to promote to your professional development.

Until next month, remember it is impossible to have 50 state political contributions laws in your head...Join us in Miami and find out how you can be the expert at your organization.

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



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

Summary of Changes UPDATE

Note Recent Changes to Compliance Regulations

by Michael Beckett, Esq., Research Manager

Update

CALIFORNIA: Pursuant to the amendment of regulation 2 C.C.R. §18422, a federal political committee required to register in California because it is making expenditures on California candidates or measures must report as specified in code section 84222(d). Such committees are required to send major donor notices and expedited nonprofit filer notices. A federal political committee must determine to whom to send notices by referring to the most recent donors identified on its federal reports prior to the date of its expenditure in California. A multipurpose organization required to register as a committee under code section 84222(c)(2), (3), or (4) must also send major donor notices and expedited nonprofit filer notices.

CANADA: The updated Lobbyists' Code of Conduct, which had not been revised since 1997, became effective on December 1, 2015. The new code prohibits lobbyists from lobbying a public official if the lobbyist has campaigned for or has a business interest with the public official. Lobbyists will now be held responsible for giving prohibited gifts to public officials. The revised rules are aimed at increasing transparency and public trust in officeholders.

FEDERAL: Among the riders in the federal 2016 Omnibus Appropriations bill passed into law on December 18, 2015, were two provisions affecting campaign finance. Congress explicitly prohibited the Internal Revenue Service from making new rules concerning the political speech or activity of 501(c)(4) organizations. The legislation also prohibits the Securities and Exchange Commission from issuing regulations requiring corporations to disclose their political activity to their shareholders. Senate Bill 1910, the Senate's version of the Financial Services and General Government Appropriations Act, 2016, contained language altering the law regarding coordination

between candidates and political parties. However, opposition from both parties prevented this rider making it in the final passed bill. The final bill also did not include a rider from House Resolution 2995, the House's version of the bill, which would have barred the use of funds to recommend or require any entity submitting an offer for a federal contract to disclose specified political contributions as a condition of submitting the offer.

NEW YORK: The Joint Commission on Public Ethics (JCOPE) has released additional information for the state's amnesty program to go into effect on January 1, 2016. Registered lobbyists and established clients of lobbyists are not eligible for the program, as it only applies to those who have not submitted any filings between December 10, 2006, and the date amnesty is applied for. Additionally, applicants must never have been contacted by JCOPE for noncompliance or been the subject of a criminal proceeding for a Lobbying Act violation. The program will run through June 30, 2016.

OREGON: Electronic registration and reporting is available now and is mandatory beginning January 1, 2016. Registration for the 2016-2017 period can be completed electronically starting on December 15, 2015. The first report required to be filed using the electronic system is the 2016 first quarterly report.

WICHITA KANSAS: City Council unanimously approved a measure removing the prohibition on corporations, unions, and PACs donating to local campaigns. Such groups will be limited to contributions of \$500 per election, matching the limit on individual contributions and mirroring the state's restrictions. Proponents of the change believe with the limit so low, the risk of corporations or PACs swaying an election is minimal.



W E B S I T E T I P

We have added to the website a resource chart entitled "Inaugurations Guide --Based on November 2015 Elections." The guide provides inaugural information for each governor elected this past November in Kentucky, Louisiana, and Mississippi. The chart provides the governor's name, inauguration date, rules on tickets to events, and contributions to inaugural committees. Be sure to consult the chart if you and your company have provided or intend to provide resources for these high-profile and often scrutinized events. Copies of the inaugural addresses will be added soon.

Wisconsin Overhauls Campaign Finance and Eliminates GAB

On December 16, 2015, Wisconsin Gov. Scott Walker signed two bills eliminating the Government Accountability Board (GAB) and overhauling state campaign finance laws.

Effective July 1, 2016, Assembly Bill 388 replaces GAB with an elections commission, to administer and supervise elections, as well as an ethics commission, to administer and enforce ethics, campaign finance, and lobbying regulations. Currently, GAB's six board members are former judges appointed by the governor and confirmed by the Senate. Under the new legislation, members for the ethics and elections commissions will be appointed on a partisan basis by majority and minority leaders in the Senate, the speaker of the Assembly, and the minority leader of the Assembly, with the final two members in each commission selected by gubernatorial nomination with the advice and consent of the Senate.

Assembly Bill 387, effective January 1, 2016, requires all political committees and conduits to register with GAB or a local filing officer prior to accepting any contributions, making any disbursements, or incurring any obligations. While this appears to lower the registration threshold, there will likely be fewer committees required to register based on new com-

mittee definitions. For example, the bill defines an independent expenditure committee as having the major purpose of making expenditures for express advocacy. A political action committee is defined as an entity with express advocacy as its major purpose. Express advocacy refers to communication containing specific terms referencing a clearly identified candidate and unambiguously relating to the candidate's campaign. Thus, if a communication does not contain terms such as "vote for," "vote against," "elect," or "defeat" in combination with a clearly identified candidate, the group may not need to register or report. Assembly Bill 387 also changes committee reporting dates and reporting periods.

The new law doubles state contribution limits and changes the calculation used to determine contribution limits for local candidates. Corporations and labor organizations can now contribute up to \$12,000 per calendar year to a segregated fund established and administered by a political party or legislative campaign committee for purposes other than making contributions to a candidate committee or making disbursements for express advocacy.

You
Should Know

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

- | | |
|---------------|---------------------------------------------------------------------|
| January 7-9 | NCSL Executive Winter Meeting , Salt Lake City, Utah |
| January 8-10 | Women in Government State Directors Meeting , Tampa, Florida |
| January 9-15 | PAC Institute , Laguna Beach, California |
| January 12 | WGR Toastmasters , Washington, DC |
| January 20-22 | US Conference of Mayors , Washington, DC |
| January 24 | WGR Toastmasters , Washington, DC |
| January 25-28 | PAC Grassroots Conference , Orlando, Florida |



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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.

Q

I am an in-house employee, however, I am not a registered lobbyist in my responsible state. Although I engage in lobbying activities from time to time, I do not meet the state's registration threshold. However, other people from my company are registered. Do I have to disclose my expenditure and/or compensation for lobbying activities on company reports?

A

In some jurisdictions, although you are not a registered lobbyist, you may be required to include your expenditures and/or pro rata compensation on either company or individual lobbyist disclosure reports. There are many states requiring some level of reporting for non-lobbyist employees, including Arkansas, California, Georgia, Illinois, Indiana, Massachusetts, Michigan, and Wisconsin.

Every state handles non-lobbyist reporting in its own unique manner. For example, in California, you are only required to include your compensation and reimbursed expenditures on a quarterly employer report if you spend more than 10 percent or more of your compensated time in a calendar month engaging in lobbying activities. In North Carolina, Illinois, or New Jersey, permissible expenditures on behalf of public officials must be reported by the employer or registered lobbyist.

In the jurisdictions named above, where your company has an active lobbying presence, monitoring potential reportable activity is incredibly important. Although your level of activity may not necessitate registration in a state, familiarize yourself with your company's roster of registered jurisdictions and compare this roster with the state's non-lobbyist reporting requirements. Then, carefully track activity, which may include:

- Compensation for lobbying activity;
- Personal reimbursed expenditures for food, travel, or lodging in connection with lobbying activity;
- Expenditures on behalf of public officials or employees;
- Sponsorships for events where public officials or employees will be present and receive a benefit; and/or
- The subject matter lobbied, including agencies contacted.

In sum, as you are reviewing your potential lobbyist registration obligations for the new year, it is just as important to review your potential reporting obligations as a non-lobbyist employee in the jurisdictions where your level of activity does not require registration.

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

Scrapbook



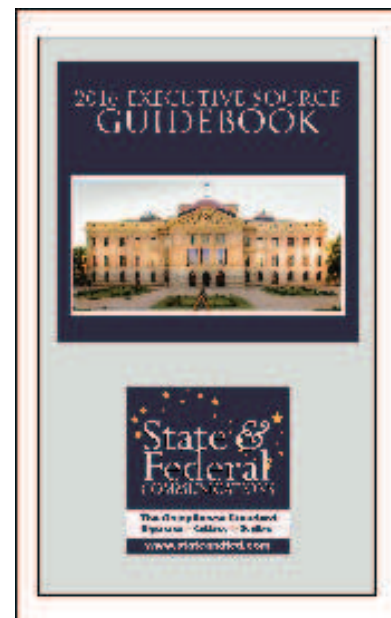
Every year, State and Federal Communications hosts a holiday charitable service project called Stock the Sleigh. This year, chaired by Katlin Newman, Sarah Gray, and Joe May, the staff gathered gifts [from a suggested list] for the patients at Akron Children's Hospital.



During the 2015 COGEL Conference in Boston, MA, Megan Huber-Kovachik and Katlin Newman signed up to walk a Canine Copley Ambassador, Carly Cople, a rescue dog, adopted by the Fairmont Copley Plaza.



The Association of Government Relations Professionals awarded their AGRP Lobbying Certificates to three State and Federal Communications, Inc. staff members after completing 11 courses via webinar. They included: George Ticoras, Esq., Research Associate; John Cozine, Esq., Compliance Manager; and Michael Beckett, Esq., Research Manager.



The 17th Issue of the State and Federal Communications, Inc. Executive Source Guidebook has been printed and is ready to go out to all of our clients and subscribers. This value added resource filled with information on Lobbying Laws, Political Contributions, and Procurement Lobbying should be used in tandem with our website. They are not sold separately.

State and Federal Communications, Inc. Celebrates Staff Anniversaries

In December, we celebrated the first anniversary of Dan Frydl, Marketing and Sales Manager and the seventh anniversary of James Warner, Esq., Sr. Compliance Associate. They are both assets to the State and Federal Communications team.

