



# COMPLIANCE NOW

E-News from State and Federal Communications, Inc.

July 2016

## We are celebrating #23 -- and it is not about LeBron James

I just returned from the U.S. Chamber Small Business Summit in DC. I have been a regular attendee for a number of years. I refer to it as my own personal professional development session.

Why? Because on July 1, State and Federal Communications celebrates its 23rd anniversary of being in business. We are considered as one of the companies in NE Ohio providing good professional jobs to the community.

I write about our anniversary every July. It is important not only for us, but for you, our clients, who keep us motivated every day to continue to bring you updated information about lobbying, political contributions, and procurement issues in the states and now more than 285 municipalities.

We will never stop growing to help meet your needs.

We introduced our FedALERTS interface last year to help with the filing of LD-2 and LD-203 reports. If you are interested, please let me know. Our pricing is very affordable and based on a small percentage of what is reported in a year.

We have completed our third update to the "User's Guide to National Party Conventions." In fact, if you go to this link, you can download a copy for you and your team. And, if you want to hear good reporting from the conventions, follow [www.WKSU.org](http://www.WKSU.org), our local NPR affiliate, because State and Federal Communications is sponsoring convention coverage in Cleveland and Philadelphia.

And, we are growing. We have increased the staff in our Research Department so we can continue doing the work we do so well...and start reviewing the countries in the European Union to determine if there is enough to start including international lobbying on our website. Are you interested? Let me know.

I know it takes someone with determination to operate a company. I know it takes blood, sweat, and tears to make sure we are providing good benefits for everyone on the staff.

We will continue to be here to help you with your lobbying, political contributions, and procurement needs...And, if we you have any questions, just give us a call.

So, we are celebrating #23 just as our own LeBron James #23 for the Cleveland Cavaliers is celebrating winning the NBA Finals. WIN/WIN is what it is all about here in Ohio.

Enjoy the upcoming holiday weekend, and we will see you next month.

[Elizabeth Z. Bartz](#)  
President and CEO  
[@elizabethbartz](#)



## Summary of Changes UPDATE

Note Recent Changes to Compliance Regulations

by Michael Beckett, Esq., Research Manager

**CUYAHOGA COUNTY, OHIO:** County Council recently updated the county's code of ethics to clarify the ethical rights, responsibilities, and prohibitions applicable to elected officials, employees, board members, contractors, and lobbyists. Changes include a new five percent lobbyist registration threshold, a new lobbyist disclosure report due January 1, updated gift rules with a presumption of influence standard, and a lower monetary contract threshold for contractor registration and ethics training. The ordinance became effective May 27.

**ONTARIO, CANADA:** Effective July 1, the Office of the Integrity Commissioner will begin enforcing a new lobbying law for the province. In 2014, the Legislative Assembly passed an omnibus bill with changes to the province's Lobbyists Registration Act, but the law is just now coming into force by proclamation of the lieutenant governor. Schedule 8 of Bill 8, the Public Sector and MPP Accountability and Transparency Act, 2014, gives the Ontario integrity commissioner as lobbyist registrar new investigative and enforcement power for violations. Individuals found in violation can be prohibited from lobbying for up to two years. Additional changes include a streamlined registration form for certain companies, a lower registration threshold for in-house lobbyists, and new questions on registration forms.

**RHODE ISLAND:** On June 13, Gov. Gina Marie Raimondo signed two bills into law changing the state's lobbying laws. Senate Bill 2361 and House Bill 7388 both repeal the current lobbying laws in Title 22 and Title 42 in the state's statutes and enact the Rhode Island Lobbying Reform Act. Among the changes in the bills are the simplification of lobbyist reporting requirements, an increase in penalties for failing to comply

with lobbying requirements, and the allowance for more investigative and

administrative authority for enforcing the lobbying laws, including administrative subpoena power. The effective date for the two bills is January 1, 2017.

**TEXAS:** The Texas Ethics Commission adopted rule changes to conform with House Bill 3517 of 2015. The bill had removed the exemption for registration for an individual who is solely paid to communicate in a capacity other than as an employee of a vendor of a product or service to a member of the executive branch concerning state agency purchasing decisions involving a product, service, or service provider or negotiations regarding such decisions if the compensation for the communication is not totally or partially contingent on the outcome of any administrative action. The Texas Ethics Commission Rules definition of independent contractor under T.E.C.R. §34.1(5) has been repealed. The Texas Ethics Commission Rules allowing for \$75 registration for certain independent contractors under T.E.C.R. §34.46 has also been repealed. On May 3, the rule changes became effective.

**TEXAS:** Beginning June 22, lobbyists in Texas are required to include previously excluded types of compensation when reporting lobbyist activity. On June 1, the Texas Ethics Commission adopted rules changing some regulations. One regulation currently allows for compensation exceptions for purposes of calculating the threshold requiring registration as a lobbyist. Those same exceptions were also exempted from lobbyist activity reporting. Effective June 22, those exceptions for calculating the registration threshold remain, but registered lobbyists will now have to report those types of compensation. Additionally, the Ethics Commission enacted a rule narrowing the gift exemption for permissible fact-finding trips provided to

Update



## W E B S I T E T I P



The requirement to register as a lobbyist in some jurisdictions is triggered by engaging in lobbying or agreeing to lobby on behalf of an employer. However, many jurisdictions do not require registration until a threshold is met. Jurisdictions that have an expenditure threshold require registration for giving certain gifts to covered officials. If you are a non-lobbyist planning to provide gifts to covered officials, consult the Gift Law section in the Lobbying Law or Procurement Lobbying entries. If the jurisdiction has an expenditure registration threshold, notification of the threshold will appear just below the gift chart. Always check the registration threshold before becoming active in a jurisdiction, as the rules may allow you to avoid or delay registration. Note that even if an individual's expenditures do not require registration, the expenditures may still need to be reported on the employer's activity reports.

# Virginia Governor Approves Changes to Ethics Laws

by **Kevin Newman, Esq., Esq.**, Research Associate

You  
Should Know

For the third year in a row, Virginia lawmakers approved changes to the state's ethics laws. In May, Gov. Terry McAuliffe signed Senate Bill 692, affecting lobbyist reporting requirements, the State and Local Government Conflict of Interest Act, and the General Assembly Conflicts of Interests Act.

The bill reduces the required number of lobbyist reports to a single annual report. Due July 1, the report covers the period of May 1 to April 30. The December 15, 2016, report is not required, with the next report due on July 1, 2017. A notification must be sent by December 15, beginning this year, for the period of December 1 of the previous year to November 30.

Previously, items valued at \$50 or less did not need reported. Senate Bill 692 lowers the reporting threshold to items with a value of \$20 or more. Principals are no longer required to report the name of an official or of a family member of an official who attended a reportable entertainment event if the official reimburses the principal or otherwise pays for his or her attendance at the event. Further guidance as to what must be included on lobbyists reports will be issued

by the Virginia Conflict of Interest and Ethics Advisory Council. Effective January 1, 2017, the bill removes forms set out in the Virginia Code and directs the council to create forms and issue instructions on how to comply with disclosure requirements.

The General Assembly also made changes affecting who has to register as a lobbyist. Last year, procurement transactions were added to the definition of what constitutes executive action for purposes of lobbying executive agencies. Senate Bill 692 amends the definition of procurement transaction to exclude contracts with the stated or expected value of less than \$5 million. An emergency clause in the bill made this change effective immediately upon passage.

Finally, the bill amends definitions in the conflict of interest acts. The definition of gift, with an already extensive list of exclusions, now excludes gifts with a value of less than \$20. Both V.C. §2.2-3103.1 and V.C. §30-103.1 have pre-existing provisions stating gifts below \$20 are not subject to aggregation for purposes of the gift limits. This amendment takes effect on July 1, 2016.

## 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	323	42	16	157	4
Political Contributions	600	49	33	237	14
Procurement Lobbying	342	43	22	109	0

## 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

July 14-17	NGA Summer Meeting, Des Moines, Iowa
July 21	Akron Roundtable, Akron, Ohio
July 26	WGR Toastmasters, Washington, DC
August 8-11	NCSL Legislative Summit, Chicago, Illinois
August 18	Akron Roundtable, Akron, Ohio
September 7-9	Practising Law Institute - Corporate Political Activities, Washington, DC
September 15	Akron Roundtable, Akron, Ohio
November 19-22	SGAC Leaders' Policy Conference

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## 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](mailto: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

*In what ways are my company and I allowed to get involved in the 2016 national party conventions?*

A

The opportunities for individuals and companies to involve themselves in this year's party conventions are legion, but caution must be exercised to avoid running afoul of the many intersecting laws governing your interaction with the delegates and other officials in attendance as well as the committees putting on the conventions.

Convention delegates and those seeking selection as delegates are subject to the federal contribution rules, which means corporations, labor organizations, foreign nationals and businesses, and federal contractors are not permitted to make contributions. However, those permitted to contribute may do so without limits. Delegates who are public officials are subject to the gifts laws governing the office they hold. In other words, federal officials are subject to federal gift laws, state officials are subject to state gift laws, and local officials are subject to any state and local laws applicable to their office.

Individuals and organizations seeking to become involved with the conventions may contribute to the convention host committees. The host committees are nonprofit organizations set up to encourage commerce in and project a favorable image of the convention city. Organizations and individuals may donate money and make in-kind donations to the host committee to defray the costs of the convention, including costs related to promoting the city and welcoming attendees, providing information and samples to attendees, administrative expenses, providing the use of convention facilities, transportation, law enforcement, hotel rooms, accommodations and hospitality for party site selection groups, and for other convention-related facilities and services.

Convention committees are related to the national party organizations and therefore federal campaign finance laws apply. As a result, direct and in-kind contributions using funds from a corporation, labor organization, foreign nations and businesses, and federal contractors are prohibited. Goods and services may be provided to the national committee in the ordinary course of business. Obviously, it's quite important to distinguish the host committees from the convention committees. Thankfully, both host committees, the Cleveland 2016 Host Committee and the Philadelphia 2016 Host Committee, use the word "host" in their official names.

The national party conventions represent high profile ways to gain exposure both personally and for your organization. This high profile is also why compliance with the rules governing your dealings with committees, delegates, and attendees is so important.

**John Cozine, Esq., Compliance Manager**



### Jurisdiction Added to our Website

The number of municipalities and regional governments our research associates track continues to grow. We now cover almost 300 municipalities and local governments. This is part of a continuous effort to better serve the needs of our clients.

In that effort, we have added abridged jurisdictions to our website. These entries, condensed due to the limited number of relevant local laws, provide the core information our clients need for their government relations work.

The new jurisdiction is: **Kauai County, Hawaii**

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# Scrapbook

**State and Federal Communications, Inc.  
Celebrates the 2016 NBA Champion Team Cleveland Cavaliers!**



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## PAC Grassroots Conference 2016 - Take 2



Attending the rescheduled 2016 PAC Grassroots Conference was [front row] Gamble Hayden, Elizabeth Z. Bartz, and Lisa Kot; [back row] Rebecca Pixton South, Renold Koozer, and Joe May.