



# COMPLIANCE NOW

E-News from State and Federal Communications, Inc.

May 2016

## Race for a Cure — We Have to Beat Breast Cancer

You know I hate cancer. No one wants to be in the club, yet every day someone else is initiated without a request.

It has been three years since we had our first Race for the Cure team for the Susan G. Komen event in Akron. Well, I have re-signed up our ST8PACS team on the site and registered to participate in the 5K walk. This year's event will be Saturday, July 23 at Canal Park.

### Why are we involved?

One in eight women in the US will be diagnosed with breast cancer.



Because every minute someone dies of breast cancer.

Breast cancer knows no boundaries—be it age, gender, socio-economic, or geographic location.

Consider going to <http://neohio.info-komen.org> to register and join the ST8PACS team by contributing.



Until next month remember, in 1980, the five-year survival rate for women diagnosed with early stage breast cancer was 74%. Today it is 99% because so many people have helped to raise money for awareness, having mammograms, and the research to help end breast cancer.

Thank you.

[Elizabeth Z. Bartz](#)  
President and CEO  
[@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	304	42	4	46	6
Political Contributions	559	47	14	78	15
Procurement Lobbying	295	42	7	20	0

## Summary of Changes UPDATE

### Note Recent Changes to Compliance Regulations

by Michael Beckett, Esq., Research Manager

**ARIZONA:** On March 31, a bill passed by the Legislature to overhaul campaign finance laws was signed by Gov. Doug Ducey. Senate Bill 1516 allows groups registered with the IRS as social welfare organizations to withhold disclosing donor information, removes spending caps on expenditures for political fundraisers, and allows for candidate-to-candidate transfers of campaign funds. The law becomes effective January 1, 2017.

**CALIFORNIA:** At its March 17 meeting, the Fair Political Practices Commission (FPPC) passed an amendment to lobbying regulations narrowing the “ride along” exception to the definition of direct communication for registration. The new amendment limits the ride along exception to employees of the lobbyist employer who participate in the meeting or communication as a subject matter expert.

**COLUMBUS, OHIO:** City Council passed three new pieces of ethics legislation on Monday, March 28, strengthening financial disclosure provisions and amending city campaign finance and lobbying laws. Ordinance 0084-2016 requires lobbyists to file updated registration statements in January, May, and September of each year. Knowingly failing to register as a lobbyist will be a third degree misdemeanor, while knowingly filing a false statement will be a misdemeanor of the first degree. Although state campaign finance laws apply to municipal elections, Ordinance 0087-2016 requires additional election period communication disclosure statements to be filed with the Franklin County Board of Elections and with the city clerk if contributions or expenditures for the reporting period equal or exceed \$10,000. Among other changes, Ordinance 0086-2016 expands financial disclosure requirements for public officeholders and candidates, requiring a description of each gift

or aggregate of gifts over \$75 from certain sources. All three ordinances go into effect September 28, 2016.

Update

**INDIANAPOLIS, INDIANA:** The City-County Council has passed a proposal to amend Indianapolis-Marion County ethics and lobbying laws. The proposal creates employment restrictions and post-employment restrictions for city-county employees and certain officials. A current official, the deputy mayor, and any individual with appointment authority may not be employed by or work as a subcontractor for any person with a contract or arrangement with an agency. Moreover, former employees must wait one year before being employed as a lobbyist following termination of employment with the city or county. All government contracts will require vendors to certify adherence to the employment restrictions. The proposal also adds things of value to the list of reportable lobbyist gifts and requires lobbyists to list the name of the official, appointee, or employee receiving a reportable gift. Lastly, the proposal amends penalties for lobbyists and their firms for registration, reporting, and ethics violations.

**KENTUCKY:** The Kentucky Registry of Election Finance (KREF) cannot enforce the state’s constitutional prohibition on corporate contributions, according to a federal judge. U.S. District Judge Gregory F. Van Tatenhove concluded the rule to be a violation of the Equal Protection Clause because it prohibits corporate contributions while allowing other organizations, such as labor unions, to make contributions. The case, Protect My Check, Inc. v. Dilger, grew out of right-to-work legislation. Labor unions who opposed the bill were allowed to make political contributions while a nonprofit corporation, in favor of the measure, were not. The judge, however, rejected a First Amendment, free speech argument for allowing political contributions. KREF stated it is still reviewing the opinion and is weighing its options.



## WEBSITE TIP



Ready for Spring cleaning? Would you really like to purge old information you have in those files, but afraid you might get rid of something important? Guidance can be found on State and Federal’s website. The Lobbying Laws and Political Contributions publications both contain information on document retention policies. In the Lobbying Laws publication, document retention information can be found under the Important Features of the Law heading. In the Political Contributions publication, the document retention policies are found under the Registration and Reports Required heading. So clear out those files and rest easy!



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# Oregon Passes Part of Transparency Agenda

by **Rena Bomba, Esq.**, Research Associate

You  
Should Know

Gov. Kate Brown signed House Bill 4134 to require lobbyists to file registration statements within three business days of commencing or ceasing representation of a client. The bill also requires each person employing a lobbyist to sign a designation of official authorization to lobby within 10 calendar days after the lobbyist files the registration statement. Additionally, the new law will make lobbyist registration statements available in a searchable format on the internet one calendar day after the information is filed with the Government Ethics Commission. The bill has an emergency clause, making it effective immediately; however, the bill applies to lobbyist registration statements filed on or after January 1, 2017.

Prior to the 2017 effective date, lobbyists only have to register with the commission within 10 business days after commencing or ceasing representation of a client. There is no prescribed time limit for employer signature of the designation of official authorization.

This bill was introduced by Brown as part of her ethics reform and transparency agenda. Brown took office in February 2015 after her predecessor, John Kitzhaber, resigned from office amid an influence peddling scandal. The bill passed both houses with wide support.

As part of the push for greater transparency, three other ethics reform measures introduced by Brown became law in the 2015 session. Eight other ethics bills, introduced by Republicans, died in committees. The successful bills expanded the Oregon Government Ethics Commission, clarified that a governor's partner is a public official who must file economic conflict-of-interest forms, and directed the secretary of state to conduct audits on public records disclosures.

The 2016 legislative session was a short session lasting only 35 days. There have been calls in the state for more sweeping ethics and public records reforms in the next full legislative session in 2017.



## 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

May 2	Staff Event--Akron Rubber Ducks Game vs. Trenton, Akron, OH
May 10	Go Red for Women Event, Akron, OH
May 18	WGR Spring Reception, Washington, DC
May 19	Akron Roundtable - Dr. Johnnetta B. Cole, Akron, OH
May 19	PAC PALS Spring Reception, Washington, DC
May 19-21	NCSL Executive Committee Spring Meeting, Minneapolis, MN
May 30	Memorial Day, Office Closed, Akron, OH
May 31-June 2	PLI Program, New York City, NY

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# ASK THE EXPERTS

## Aggregation of Contribution Limits

### 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.



***My employer is a wholly owned subsidiary of a parent corporation. Does a parent corporation, a subsidiary, or other affiliated entity have its own contribution limit or must the contributions be aggregated and have a shared limit?***



This is a very important question that must be addressed when making a contribution, particularly when there is a hierarchy to the corporate structure. If a limit is shared, the parent, subsidiary, or other affiliated entity must have an open line of communication when it comes to making political contributions.



In New York, each affiliated or subsidiary corporation, if a separate legal entity, has its own limit.

- In California, contributions made by certain combinations of affiliated individuals, entities, and committees must be aggregated. It all comes down to a matter of control: The contributions of an entity whose contributions are directed and controlled by any individual must be aggregated with contributions made by that individual and any other entity whose contributions are directed and controlled by the same individual.
- If two or more entities make contributions directed and controlled by a majority of the same persons, the contributions of those entities must be aggregated.
- Contributions made by entities majority-owned by any person must be aggregated with the contributions of the majority owner and all other entities majority-owned by that person, unless those entities act independently in their decision to make contributions.

So in California, a parent and subsidiary share a contribution limit if the decision to make a contribution is directed and controlled by a majority of the same persons. If the parent and subsidiary act wholly independently of each other in deciding to make a contribution, the parent and subsidiary each have their own limit.

In New Jersey, if a corporation has subsidiaries, affiliates, branches, or locals, then the contributions of these organizations cannot exceed the applicable contribution limit in the aggregate. Two or more corporations will be conclusively deemed to be affiliated if:

- Any individual, corporation, partnership, company, association, or other entity owns, directly or indirectly, more than a 30 percent interest in each of such corporations; or
- One such corporation owns, directly or indirectly, more than a 30 percent interest in the other such corporation. You can still be active charitably as a registered lobbyist. Be sure to review your state's laws and regulations to find out how.

These are just a few examples of aggregation of limits. As we always advise, verify the rules in your state before making political contributions.

***Nola R. Werren, Esq., Client Specialist***

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# Scrapbook

## State and Federal Communications, Inc. Celebrates Staff Anniversaries



At the April State and Federal Communications, Inc. Staff Meeting, Elizabeth acknowledged the employment anniversaries of Shamus Williams, Esq., Compliance Associate, and Mandy Lebus, Compliance Assistant. Congratulations to you.



Kent State University Public Relations alums attended the 2016 YouToo Social Media Conference in April.



State and Federal Communications President and CEO Elizabeth Z. Bartz received the PLEN (Public Leadership Education Network) Mentor Award in Washington, D.C., in a recent ceremony honoring exemplary leaders committed to education.

Elizabeth was recognized for her outstanding commitment to mentoring the next generation of women leaders in public policy careers. PLEN is the only national organization with the sole focus of preparing college women for leadership in the public policy arena.

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# Scrapbook



Jasmine Wyatt, Ohio's 2016 Cherry Blossom Princess, is from Akron and attended St. Vincent St. Mary High School and Harvard. She has worked as a congressional page, Akron Mayor office intern, and promotes volunteerism. Wyatt represented Ohio in the Cherry Blossom Parade in Washington, D.C. on April 16. We were proud to be her sponsor.