



E-News from State and Federal Communications, Inc.

June 2017

## RECOGNIZING A FABULOUS ANNIVERSARY



It isn't everyday someone walks in your doors and stays for 20 years. I am not talking about my husband or my pets...Nola Werren entered State and Federal Communications and has found a home, which has been fabulous for the company and our clients.

Twenty years ago, I sent letters to attorneys all over Akron looking for an attorney who did not want to practice. The letter made its way to a University of Akron Law School professor who forwarded it to Nola. She has held a lot of different titles at State and Federal Communications, and all have been handled with the love and care only Nola can provide. She leaves no stone unturned in her work.

Nola was recognized for her tenure with a companywide party on May 26. The video tributes from her colleagues are hilarious. We will post them for you to see how much she is adored.

Nola is the company's first employee to reach this milestone...and there are others closely behind. It fills my heart knowing people have the confidence to work for a small business owner.

I cannot thank her enough for sticking with us through thick and thin and building up the company to what it is today...And, I look forward to her contributions for our future.

Thank you Nola.

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



Nola R. Werren, Esq.



# Summary of Changes UPDATE

## Note Recent Changes to Compliance Regulations

by Michael Beckett, Esq., Research Manager

**AUSTIN, TEXAS:** The ordinance repealing and replacing Chapter 4-8 of the City Code relating to lobbying is effective June 1, 2017. Ordinance No. 20160922-005 establishes new registration requirements, changes the method of reporting, and requires lobbyist compensation to be reported. Additionally, the registration threshold will no longer hinge solely on an expenditure or compensation amount, but will also include time compensated for lobbying as a registration trigger. The Office of the City Clerk will create new online lobbyist registration and reporting forms to be available by June 1.

**FEDERAL:** Amendments to the 2017 Consolidated Appropriations Act passed into law on May 5 include two provisions affecting campaign financing. House Resolution 244 explicitly prohibits 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 finalizing, issuing, or implementing any rule, regulation, or order regarding the disclosure of political contributions, contributions to tax-exempt organizations, or dues paid to trade associations. The 708-page omnibus spending bill funds the U.S. government through September 30.

**MARYLAND:** The Public Integrity Act of 2017 (House Bill 879) was signed by Gov. Larry Hogan. The bill alters many provisions related to ethics law. The bill prohibits former lobbyists from participating in a case, contract, or other specific matter as a public official or employee for one calendar year after the termination of their registration if the former regulated lobbyist previously assisted or represented another party in the matter. Additionally, the governor, lieutenant governor, attorney general, comptroller, and treasurer are prohibited from lobbying legislative matters for one calendar year after leaving office. The bill requires a regulated lobbyist who serves on a board

or commission and is disqualified from participating in a specific matter to file a statement of recusal with the board or commission describing the circumstances of the conflict. The bill is effective October 1, 2017.

Update

**MASSACHUSETTS:** A state ban on political contributions to candidates by businesses was upheld by a Suffolk Superior Court judge. Massachusetts campaign finance law prohibits contributions from businesses, but allows contributions from labor unions. Two businesses active in a fiscally conservative advocacy group challenged the law hoping for a change in favor of businesses wishing to contribute, asserting the same political contribution rules should apply to businesses and unions. The Office of Campaign and Political Finance argued businesses are different from unions and the state is within its rights to regulate each entity differently, maintaining the state's interest in preventing corruption or the appearance of corruption. Under the upheld law, individuals can contribute \$1,000 per year to candidates and labor unions can contribute up to \$15,000.

**MISSOURI:** Parts of a campaign finance law approved by Missouri voters in November have been ruled unconstitutional. U.S. District Court Senior Judge Ortrie Smith issued a ruling permitting corporations and labor organizations to make contributions to campaign committees only supporting or opposing ballot measures and permitting political action committees to receive contributions from other political action committees. The court also ruled the ban on contributions to PACs by heavily regulated entities to be unconstitutional. Finally, the ruling permanently enjoins the Missouri Ethics Commission from interpreting certain campaign finance provisions in any manner inconsistent with previously issued advisory opinions. Contribution limits will continue to apply only to contributions to candidates unless a contribution to a continuing committee or PAC is restricted or designated for a specific candidate. The court stayed any injunctive relief ordered for 45 days to allow the state to review the ruling and to allow for an opportunity to appeal.



## 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.

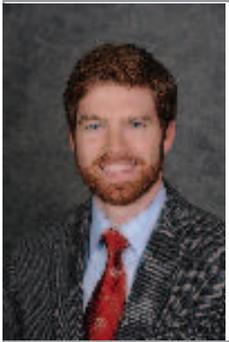
Summaries of major bills are also included in monthly email updates sent to all clients. The chart below shows the number of bills we are tracking in regard to lobbying laws, political contributions, and procurement lobbying.

	Total bills	Number of Jurisdictions	Passed	Died	Carried over to 2018
Lobbying Laws	345	46	29	40	20
Political Contributions	513	50	35	94	28
Procurement Lobbying	466	51	35	49	21

# Virginia Gift Rules Add Notification Requirements

You  
Should Know

Kevin Newman, Esq.  
Research Associate



Gov. Terry McAuliffe approved changes to Virginia's gift rules, marking the fourth consecutive year lawmakers have amended ethics provisions. House Bill 1854 (Senate Bill 1312), changes the due date for notifications to public officials, creates an additional notification obligation for lobbyists, and affects the types of gifts lobbyists may provide to public officials.

Notifications to public officials, previously due December 15, are now due January 10, covering the previous calendar year. This notification requires lobbyists to send a copy or summary of pertinent information to each legislative or executive official identified by name on the lobbyist disclosure form.

House Bill 1854 also creates a new notification requirement. Lobbyists must send to each official a summary of all gifts given to the official or a member of his or her immediate family between January 1 through adjournment of the

regular session. The summary must be provided within three weeks of adjournment sine die and the statute specifically excludes the annual reconvened session.

The definition of widely attended event, for purposes of lobbyist reporting and conflict of interest provisions, is amended to eliminate the exception for those "who share a common interest." Some used this exception to the \$100 limit on gifts from lobbyists as justification for providing luxury suite tickets to football games. Lawmakers added an exception, however, for attendance at a reception where hors d'oeuvres and beverages are provided and can be consumed while standing or walking.

Generally, the bill takes effect on July 1, 2017, but the new notification requirements were included in an emergency clause and take effect immediately.

*[The details for this article have been updated on our website in the Gift Law and Key Dates sections of the Lobbying Compliance Laws and Procurement Lobbying Compliance Laws for Virginia.]*



## WEBINAR WEBSITE Tour

Each month, State and Federal Communications, Inc. conducts a webinar on how to use our website and its many features.

The next scheduled tour date is:

- Wednesday, June 7, 2 p.m.

Register to participate in the tour by clicking our webinar logo. If you have any questions, contact [marketing@stateandfed.com](mailto:marketing@stateandfed.com).

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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

**We file our federal LD-2 quarterly lobbying reports under the IRC definitions. Does the IRC 5 percent de minimus rule apply to capturing reportable expenditures on our quarterly LD-2 disclosure?**

A

In short, yes, but with a caveat. If your organization has opted to compile lobbying expenditures using Method B or Method C, the 5 percent de minimus rule applies. As a frame of reference, the IRC allows taxpayers an exception for including the time of individuals who spend less than 5 percent of their time engaged in lobbying activities as defined by the IRS. As long as you are using a reasonable method (as opposed to pulling a number out of the air or guesstimating) to make the determination, you do not need to include the value of a person's time who spends less than 5 percent lobbying.

The one caveat is direct contact lobbying. A registrant must treat all hours spent by a person on direct contact lobbying (as well as the hours that person spends in connection with direct contact lobbying, including time spent traveling that is allocable to the direct contact lobbying) as reportable expenditures allocable to lobbying activities even when less than 5 percent. An activity is direct contact lobbying if it is a meeting, telephone conversation, letter, or other similar means of communication with a covered official (as defined under the IRC). A person who engages in research, preparation, and other background activities related to direct contact lobbying but who does not make direct contact him or herself is not engaged in direct contact lobbying. The de minimus rule does not apply to filers using Method A to file their quarterly reports.



*[You can find more information about reporting using the IRC methods in the Federal-Reports section of the Lobbying Compliance Laws online publication. Please feel free to contact us for additional information.]*

**Rebecca South, Federal Compliance Associate**

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## 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 jurisdictions are:

**Columbia, Missouri**

**Laredo, Texas**

## A New Feature for Subscribers' Dashboards

We are proud to present a new feature for our subscribers: **Important Jurisdictional Updates.**

You're familiar with the jurisdiction updates found on your dashboard. They keep you up-to-date on what is happening at the state, local, and federal level. They help you with your work, but they only stay on your dashboard for a limited number of days.

Because we want to ensure you can find the information you need, we have developed and launched the Important Jurisdictional Updates feature. It is located on your dashboard above the most recent updates and will allow you to see the past year of updates. You can choose to view them all or sort by jurisdiction.

We hope this feature will prove helpful to you. If you have an idea for additional dashboard features, please let us know. We always look for ways to improve your user experience, and your feedback is important to us. Let us know how we can help you.

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## State and Federal Communications, Inc. Named One of the Top 100 Women-Owned Businesses in Ohio

On May 18, OMNIKAL honored State and Federal Communications as a Top 100 Women-Owned Business in Ohio at its 17th Annual National Business Summit. Elizabeth Bartz, President and CEO, accepted the award during a ceremony held at The Harvard Club in New York City.

State and Federal Communications was highlighted as a leading entrepreneur company in the U.S. and is the only business from Akron, Ohio, on the list this year.

“This is an achievement we are all proud of at State and Federal Communications. This award is an honor for our employees, clients, and the community where we live and work,” said Elizabeth.

“It shows our ongoing commitment to deliver quality government compliance information and consulting services to many companies, associations, and corporate and contract lobbyists.”

Each year OMNIKAL (formerly DiversityBusiness.com) collects and compiles data that results in the “Top American Businesses” lists on a state and national basis. More than 2 million businesses in the United States can participate in the annual OMNIKAL business survey. From that survey,

OMNIKAL selects winning companies after reviewing each entrant’s business profile, website, and gross annual sales. These lists offer the most comprehensive look at the strongest and largest segment of the United States’ economy – America’s privately held companies.

“These top privately held companies are all distinguished by their progressive cultures and dynamic strategies,” said Kenton Clarke, CEO and founder of OMNIKAL.

State and Federal Communications, Inc., has won an “America’s Top Business” award every year since 2008.



State and Federal Communications President and CEO, Elizabeth Z. Bartz; OMNIKAL CEO and Founder, Kenton Clarke; and Pinnacle Group Chairman and CEO, Nina Vaca



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

As 2017 legislative sessions wind down, don’t forget to check whether ethics legislation is pending, passed, or “past” using the State and Federal Communications website. To access a list of pending bills, choose the state (or the federal government) you are interested in from the pull-down menu and select the lobbying, political contributions, or procurement lobbying entry. The “Legislative Updates for 2017” page provides the bill number along with descriptive titles. Clicking on the bill number will bring up a brief summary of the bill and the important parts of the bill’s history showing how it has moved through the legislative process. Clicking on the bill number at the top of this screen will bring up the text of the entire bill. Bill status updates are also included in the Summary of Changes sent out each month.



# Scrapbook

## State and Federal Communications, Inc. Scrapbook We Celebrate Employee Anniversaries



Each month at our staff meeting, Elizabeth acknowledges the employment anniversaries of our staff.

In April and May we acknowledged eight team members.

[Row 1: Shamus Williams, Esq., Compliance Associate and Gamble Hayden, Federal Compliance Assistant.

Row 2: Mandy Lebus, Compliance Assistant, Holly Johnston, Esq., Compliance Associate,  
and Adrienne Borgstahl, Esq., Research Associate.

Row 3: Lisa Stutzman, Research Assistant and Nicolette Koozer, Sr. Graphics Coordinator]

These employees are exceptional members of the staff. Congratulations to you all.

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## 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

- June 6, 2017 POLITICO's Playbook University  
Washington, DC
- June 6, 2017 The AEI-Brookings Project on Paid Family Leave: Report release and discussion  
Washington, DC
- June 7, 2017 GAIN: DC Decorum, Crafting Communications, Washington, DC
- June 7, 2017 NCSL Symposium for Legislative Leaders Reception, Washington, DC
- June 7, 2017 GAIN: DC Decorum, Crafting Communications, Washington, DC
- June 7, 2017 Free Website Tour of State and Federal Communications Online Publications
- June 8, 2017 Montgomery County Council - African Affairs Advisory Group Meeting  
Silver Spring, Maryland
- June 8, 2017 Strengthening America's Infrastructure: What Next?, Washington, DC
- June 11-13, 2017 WistiaFest 2017, Boston, MA
- June 13, 2017 WGR Toastmasters, Washington, DC
- June 13, 2017 Insured Retirement Institute - Government Legal and Regulatory Affairs Conference  
Washington, DC
- June 13, 2017 PAC Digital Media and Advocacy Summit  
Washington, D.C.
- June 15, 2017 PAC: In-District Grassroots and Advocacy Strategies  
Washington, DC
- June 19, 2017 TAG's D.C. Summer Reception, Washington, DC
- June 19 - 22, 2017 BIO International Conference, San Diego, California
- June 20, 2017 Strengthening Transparency through Open Data and Access to Information  
Washington, DC
- June 21, 2017 Ohio Summer Social, Washington, DC
- June 23-26, 2017 US Conference of Mayors, Miami Beach
- June 27, 2017 PAC: Online and Social Media Compliance for PACS & Grassroots Advocacy
- June 27, 2017 WGR Toastmasters, Washington, DC
- June 27, 2017 2017 Legislative Data and Transparency Conference, Washington, DC