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Federal
COMMUNICATIONS

COMPLIANCE NOW

E-News from State and Federal Communications, Inc.

February 2010

Popular 'News You Can Use' Now in its 10th Year

Recently, Jim Sedor and Joe May, our team that edits and compiles News You Can Use™, went to change the yearly volume number on their weekly news summary. They noticed something special.

"We were changing the volume number from 9 to 10. And then it hit us," Joe told me. "We are entering our 10th year of providing News You Can Use to clients and others who receive the report."

In talking to Jim, he put things another way: "We figure we have shared more than 45,000 stories over the years. Thinking in those terms, that's simply amazing."

In August 2000, we began a value-added service at no cost to our clients that I called News You Can Use – a summary of news stories from around the country on government affairs and ethics. Little did I know back then how popular the service would become.

There is hardly a conference I attend where one of our clients doesn't come up to me and say how valuable they find News You Can Use as an information source.

We distribute it weekly through e-mail to all State and Federal Communications subscription and consulting clients.

And, through a special arrangement with my friend and colleague, L. Diane Gill, executive director of the Council on Governmental Ethics Laws, News You Can Use is available to COGEL members through the COGEL website.

Jim, whom we named editor of News You Can Use in 2009, has been with us since the start of the service; Joe joined us in September 2007. They use Internet search tools, visit newspaper websites, and employ other strategies to put together a report of 80 to 100 articles each week.

The sometimes lengthy stories are edited into four or five paragraph summaries, and we make sure to always credit the news organization pro-

viding the information. The summaries are company-specific for our ALERTS™ clients.

Jim noted the positive feedback he and Joe receive, usually through e-mails, from clients and readers. "They tell us the news summary allows them to keep up with trends in government relations. Often, they learn things through the cautionary stories of mistakes others are making in similar circumstances. They learn what not to do when a similar situation arises."

Over the years, the stories have run the gamut from the negative – downfalls of state governors, and ethics violations on all governmental levels – to the positive, such as new open records laws that make the public more aware of how government does business and a concerted effort by responsible companies and organizations to comply with the law.

Joe told me the most interesting story he has ever seen is the case of the New Hampshire congressional candidate who faked a car accident and being lost in the woods in a failed attempt to drum up support for his 2006 congressional campaign. Not only did the man lose the election, but he was eventually tried and convicted on charges of false public alarm, conduct after an accident, and falsifying physical evidence.

"He went so far as to try to freeze his feet in order to make it look like he had frostbite. And that was just one of many twists in the case. I have read plenty of stories since then, but none tops that one for unusual twists and turns," Joe said.

We look forward to another 10 years of interesting stories that will educate, inform, aid, and yes, sometimes amuse government compliance professionals who seek information to do their jobs better every day.

Elizabeth Z. Bartz
President and CEO

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 the State and Federal Communications' digital encyclopedias for lobbying laws, political contributions, and procurement lobbying; this information is located on the client portion of the State and Federal Communications website.

Summaries of major bills are also included in monthly e-mail updates sent to all clients. The attached chart shows the number of bills we are tracking in regards to lobbying laws, political contributions, and procurement lobbying.

	Total Bills	Number of Jurisdictions	Passed	Died	Carried over to 2010
Lobbying Laws	322	45	30	128	79
Political Contributions	566	51	46	189	128
Procurement Lobbying	399	46	48	112	81

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Illinois Makes Many Revisions to Lobbyist Registration Act

by Brenna Fasko Esq., Research Associate

YOU SHOULD KNOW

In August 2009, the Illinois General Assembly passed revisions to the state's Lobbyist Registration Act. The law, which became effective on January 1, 2010, raised the registration fee from \$350 to \$1,000 a year.

The law also changed the reporting requirements for lobbyists. Previously, lobbyists were required to file two semi-annual reports. Under the new law, lobbyists are now required to file weekly financial reports when the legislature is in session and monthly reports when it is not in session.

The Secretary of State Index Department released the reporting dates for 2010. The first reporting period under this new law is longer than the rest, January 1 to 9. The report is due 30 days after the closing date, on February 8. The remaining weekly reporting periods in 2010 will be from Sunday to Saturday, with the report also being due 30 days after the closing date of the period. The last weekly reporting period is from May 30 to June 5, 2010.

The first monthly reporting period is June 6th to June 30, with the report due on July 30, 2010. The remaining monthly reporting periods up to September will be from the last to the first day of the month, with the reporting date being the last day of the following month. The Secretary of State has not released any reporting periods past the month of September. The remaining months will not be available until the legislature schedules a veto or special session.

The requirement that each official must be notified if they appear in a lobbyist report 25 days before the report is filed is still in effect. Therefore, any needed notifications to officials must be provided within five days following the end of the reporting period.

This new law is currently being challenged in court. In a lawsuit filed in state circuit court in Sangamon County, the plaintiffs asserted the law was unconstitutionally vague. This lawsuit has

since been dropped. Another lawsuit, filed in federal court in Chicago by the ACLU, is still pending. This lawsuit contends that the higher registration fees amount to a tax on free speech.

Due to the federal lawsuit, the court has enjoined use of the Secretary of State's lobbyist registration and reporting system. Currently, the system is not accepting any 2010 lobbyist registrations or reports. However, it will accept the final report that covering the 2009 reporting period. This report is due on February 8, 2010. The Secretary of State Index Department, which manages the lobbyist registration system, is uncertain as to when this injunction will be lifted. Any lobbyist or lobbying entity that registers within the first two weeks after registration is again available will be registered retroactively to January 1, 2010.

Governor Pat Quinn has also recently signed two important acts into law. Illinois Public Act No. 096-0848, which became effective on January 1, 2010, affects Illinois procurement law. Registered business entities now have a continuing duty to report any changes on a quarterly basis to the state board of elections within 10 business days following the last day of January, April, July, and October of each year. The act also changes the definition of affiliated person and affiliated entity for purposes of vendor disclosure.

Illinois Public Act No. 096-0832, most of which becomes effective January 1, 2011, changes Illinois political contribution law. The law divides the previous definition of political committee into four distinct categories rather than one. Each type of committee has different registration requirements and campaign contribution limits.

The reporting requirements for committees will also change, requiring committees to file quarterly contribution and expenditure reports each year. The law also imposes new limits on campaign contributions for individuals, businesses, unions, and political action committees.



The Mission of State and Federal Communications is to make sure that your organization can say, "I Comply." We are the leading authority and exclusive information source on legislation and regulations surrounding campaign finance and political contributions; state, federal, and municipal lobbying; and procurement lobbying.

Contact us to learn how conveniently our services will allow you to say "I Comply" for your compliance activities.
<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. You can directly submit questions for this feature, and we will select those with broad interest and answer them here. Send your questions to: marketing@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 us or e-mail us with questions about your particular company or organization. As always, we will confidentially and directly provide answers or information you need.) Our replies to your questions are not legal advice. Instead, these replies represent our analysis of laws, rules, and regulations.

Q. As a registered lobbyist, am I allowed to make a personal political contribution to a general assembly member whom I might eventually lobby? Does it make a difference whether I am a constituent of the general assembly member? Is such a contribution reportable?

A. As is customary in the nature of government affairs work, the answer depends upon the state in which you are making the contribution. That means you need to check the rules and regulations on political contributions for each state before you make the contribution. Also, whether such contributions are permitted or reported depends upon the amount of the contribution.

Here are some relevant examples:

- ❑ Personal political contributions by a lobbyist are reportable in Iowa, Maryland, Massachusetts, and New Hampshire. In some instances, the reporting requirement extends to a member of the lobbyist's immediate family also making a contribution.
- ❑ In Pennsylvania, a registered lobbyist making a personal political contribution must register and report in the same manner required of PACs. There is an absolute prohibition on personal political contributions by registered lobbyists in Connecticut and North Carolina.
- ❑ In South Carolina, lobbyists are prohibited from making contributions to a candidate or anyone acting on behalf of a candidate if the lobbyist engages in lobbying the public office or public body for which the candidate is seeking election.
- ❑ In California, lobbyists may not contribute to state candidates or officeholders, or their controlled committees, if registered to lobby the candidate or officeholder's agency.
- ❑ In Alaska, a lobbyist may not make a contribution to a candidate for office in a district outside the lobbyist's own voting district. This prohibition continues for one year after a lobbyist's registration or renewed registration date. A lobbyist who contributes to a legislative candidate must file a report within 30 days after making the contribution.

Political contributions not otherwise prohibited by a registered lobbyist could nonetheless be prohibited based on the particular state's pay-to-play laws. Also, always make sure there are no restrictions on making the contribution during the legislative session.

Finally, it bears repeating to check the laws in the particular state before you make the contribution.

State and Federal Communications, Inc. Scrapbook



Summit County Executive, Russ Pry, attended the State and Federal Communications, Inc. Holiday Party presenting Elizabeth Bartz with a Proclamation announcing "Russ and Elizabeth Day".



A lifelong hobby of collecting political buttons turned into a wonderful holiday gift for Elizabeth. Her staff gathered as many as they could find in the office and framed them. Elizabeth was surprised and thrilled to see the buttons framed. [Gift presenters: Joe May, Sarah Gray, Myra Cottrill, Nola Werren, and Brenna Fasko.]

Summary of Changes UPDATE

Note Recent Changes to Compliance Regulations

by John Cozine, Esq.
Research Manager

Government affairs professionals need to be aware of recent changes – and upcoming changes – in compliance laws for several jurisdictions, including:

FEDERAL: On December 23, 2009, the Clerk of the House of Representatives and the Secretary of the Senate issued revisions to the written guidance on Lobbyist Disclosure Act registration and reporting requirements. This revision contains changes to the Lobbying Registration, Quarterly Reporting of Lobbying Activities, Semi-annual Reporting of Certain Contributions, and Termination of a Lobbyist/Termination of a Registrant sections of the guidance document. These revisions have been written in response to comments received in the last six months and issues that have arisen as a result of the Secretary's and Clerk's statutory and administrative responsibilities.

INDIANAPOLIS, INDIANA: A new lobbying ordinance has been enacted requiring lobbyists to register with the city and begin filing reports of lobbying activity. Beginning January 1, 2010, lobbyists were required to register with the Office of Code Enforce-

ment within 15 working days after making any contact with an agency regarding an agency action. Further, lobbyists are required to file an annual report by January 15th regarding the previous year's lobbying activities. The first annual report will be due in 2011.

OREGON: The Oregon Supreme Court upheld a law restricting the value of gifts from one person to a public official or close relative of a public official to \$50 per calendar year. The court ruled that an official's acceptance of a gift can be restricted because, as non-expressive conduct, the restriction would not violate state or federal constitutional guarantees of free expression. However, the court also held that the portion of the law that places restrictions on lobbyists offering gifts to public officials violated the state guarantee of free expression. One result of these rulings is that a lobbyist can offer gifts to a public official worth more than \$50, but the public official cannot accept them.

SAN DIEGO, CALIFORNIA: The San Diego County Republican Party is suing the city of San Diego in federal court over the city's campaign finance laws. The lawsuit argues

that the \$500 limit for individual contributions and the total ban on contributions from political groups violate the freedom of speech

and association. The Republican Party asserts that it should be able to make direct contributions to candidates and make independent expenditures for campaigns. Former City Council candidate Phil Thalheimer, a Republican, also joined in the lawsuit. He states that the restrictive campaign finance laws hurt his chance to win an elective office.

SAN JOSE, CALIFORNIA: On December 2, 2009, the Santa Clara County Superior Court ruled the city of San Jose's limits on contributions to independent political committees to be a violation of free speech rights. The ruling effectively voids San Jose's soft money contribution limits. The city attorney's office is reviewing the matter and deciding whether or not to appeal the decision. The city's campaign finance law is also being challenged in federal court.



See Us in Person

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

February 8-11, 2010	Innovate to Motivate Conference, New Orleans, Louisiana
February 19, 2010	Women in Government Relations Forum: The Race to the Governor's Mansion 2010, Washington, DC
February 21-24, 2010	PAC National Conference, St. Petersburg, Florida
March 23-April 1, 2010	Greater Akron Chamber Business Leader's Mission, Tuscany, Italy
March 24-26, 2010	SGR Workshop and SGAC Annual Meeting, Denver, Colorado
April 18-20, 2010	2010 National Association of State Procurement Officials (NASPO) How to Market to State Governments Meeting, San Francisco, California
May 3-6, 2010	BIO Annual Convention, Chicago, Illinois
May 17-19, 2010	U.S. Chamber of Commerce Small Business Summit, Washington, D.C.