



E-News from State and Federal Communications, Inc. July 2010

State and Federal Wins Akron Chamber's Small Business Award

Most of our clients know I am a Chamber of Commerce cheerleader! We belong to the Greater Akron Chamber of Commerce, Ohio Chamber of Commerce, and the U.S. Chamber of Commerce. We support most of what the Chamber represents and are involved as much as possible.

In June, State and Federal Communications, Inc. received one of the *Excellence in Business Awards* from the Greater Akron Chamber's Small Business Council. The award recognizes businesses demonstrating outstanding performance, growth, staying power, innovation, and provides leadership in the community. When I received the call I did a Sandra Bullock and wondered if we won because they were tired of seeing our nomination or whether we actually deserved it.

I am here to tell you we deserve it! On July 1st, State and Federal Communications, Inc. celebrates its 17th year in business in northeast Ohio. That is a lot of years in the small business world.

And, we are a business story worth telling. I bought the publications department from State and Federal Associates in 1993 for more money than I have still spent on anything, packed it up, and opened in Akron. I have never looked back!

Our clients are appreciative and supportive of the work we do. We love seeing people when we are "out and about."

And, the the information we provide is important to every company and trade association in the United States.

In addition, State and Federal Communications, Inc. has a great staff of 30 people who help make magic happen on our website and for our consulting clients. We are a model small business in this country.

We are planning to be "out and about" at NCSL in July. We look forward to seeing you there.



Six Akron companies were presented *Excellence in Business Awards* from the Greater Akron Chamber of Commerce's Small Business Council on June 11. From left are: Ron Marhofer, president and owner of Ron Marhofer Auto Family; Jonathon Grimm, president and CFO of Knotice; John Shulan, the Small Business Council vice chair and also president and CEO of Shulan's Fairlawn Jewelers; Elizabeth Bartz of State and Federal Communications, Inc; Daniel Colantone, president and CEO of the Greater Akron Chamber; Tom Luck, CEO and chairman of Lucky Shoes, Inc.; Jay Mellon, partner in AtNetPlus, Inc.; and Bill Koebnitz, CEO of MobilityWorks

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	315	42	8	132	1
Political Contributions	759	46	30	254	3
Procurement Lobbying	448	43	19	160	7

SEE US AT
NCSL
BOOTH
310
JULY 25-28
LOUISVILLE, KY

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:

ALASKA: Ballot Measure 1, a controversial ballot initiative aimed at tightening restrictions on campaign contributions and publicly funded lobbyists, will appear on the August 24 statewide ballot. One of the measure's anti-lobbying restrictions would prohibit spending public money to lobby the state legislature. The initiative would also ban contributions by recipients of a government contract worth \$500 or more or by their immediate family.

ILLINOIS: The Illinois House overwhelmingly approved Senate Bill 1526, an amendment lowering annual registration fees for the more than 3,900 state lobbyists from \$1,000 to \$300. The fee was raised to \$1,000 in the wake of recent corruption scandals. This prompted the ACLU to file a suit in federal court which in turn caused Secretary of State Jesse White to put a temporary hold on the on-line registration and reporting system.

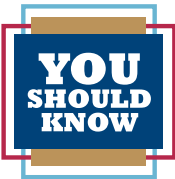
The court ruled in February that the \$1,000 fee is unconstitutional. The bill would also require expenditure reports on July 15, 2010, and January 15, 2011, and, beginning in 2011, would require expenditure reports on the 5th and 20th day of each month.

MICHIGAN: Legislation has been introduced that would impose onerous conditions on corporations' newly-granted right to make unlimited independent expenditures. If passed, House Bill 6055 would require a corporation to disclose the cost and nature of a proposed independent expenditure to each of its shareholders. Furthermore, the bill would require the corporation to obtain affirmative consent from a majority of its shareholders before making such expenditures.

MISSOURI: Senate Bill 844 passed both houses and has been sent to the governor for approval. The bill requires lobbyists to report expenditures made when all members of a body are invited, specifies a lobbyist who knowingly omits, conceals, or falsifies information on a monthly report is guilty of a class A misdemeanor, allows the Missouri Ethics Commission to investigate complaints of lob-

bying of its own volition if all six members agree, creates an appeals process for lobbyists charged with late fees regarding expenditure reports, and creates the crime of obstruction of an ethics investigation, a class A misdemeanor.

NEW JERSEY: A state appeals court has struck down Executive Order 7, which Governor Chris Christie signed on his first full day in office. The controversial order sought to curb the political donations made by public worker unions by broadening the campaign finance rules to limit the donations made by unions with public contracts. Several unions brought suit claiming Christie's order violated the First Amendment rights of union members by effectively barring them from supporting the candidates of their choice and from participating in the legislative process. In its opinion, the three-judge panel said Christie's order violated the separation of powers with the state legislature by attempting to impose donation limits unilaterally.



Indiana Governor Signs Major Ethics Reform Initiative

by Zachary Hoying, Esq.
Research Associate

On March 17, 2010, Indiana Governor Mitch Daniels signed House Bill 1001 into law. This new law has been touted as a major ethics reform initiative. Provisions of the bill take effect on varying dates.

Effective immediately is a provision prohibiting candidates for nomination for election to the general assembly in 2010, or members of the general assembly on November 3, 2010, from registering as a lobbyist or becoming employed as a legislative liaison before June 1, 2011. This provision expires January 1, 2012.

Additional provisions will become effective July 1, 2010. From this date forward, members of the general assembly will be prohibited from receiving an honorarium for an appearance or a speech made or given in the member's capacity as a legislator. Lobbyists must also file with the Indiana Lobby Registration Commission a written statement describing procedures the lobbyist and the lobbyist's client will follow if representation may involve a conflict of interest. Such statement must be filed at the time the lobbyist files the lobbyist's annual registration. If the lobbyist's activity is governed by the Rules of Professional Conduct of the Indiana Supreme Court, the lobbyist must file a

statement to that effect with the commission.

The next key date for additional provisions to take effect is November 1, 2010. Penalties for filing a late registration or late activity report will increase from \$10 per day to not more than \$100 per day, with the maximum total fine for a late registration or activity report increasing from \$100 to \$4,500. Lobbyists will be required to report gifts and expenditures for entertainment, including meals and beverages, of \$50 or more in one day, or which total more than \$250 during the calendar year, to benefit a specific legislative person.

A lobbyist must then file a report with respect to the gift or entertainment expenditure not later than 15 business days after making the gift. Also, lobbyists must first acquire the consent of the legislative person to whom a gift of \$50 or more is intended prior to making such a gift. Finally, a lobbyist is not permitted to pay for or reimburse the travel expenses of a legislative person for travel outside the state of Indiana.

The final provision to take effect becomes law on January 1, 2012. At this time, no member of the general assembly may register as a lobbyist or be employed as a legislative liaison until the person has ceased membership in the general assembly for a full year.

State and Federal Communications Expands Coverage

In a continuing effort to better serve the needs of its clients, State and Federal Communications, Inc. is expanding coverage of laws and regulations for political contributions, lobbying, and procurement lobbying to more municipalities, regional governments, and governmental organizations.

We have added seven new jurisdictions for which our online clients will find comprehensive, timely, and accurate information that includes: complete calendar of reporting deadlines; critical statutory citations; extensive directories of contact information; summaries of each state law; detailed reference charts on goods and services contributions; highlights of every statute; copies of all required forms; and much more.

The new jurisdictions are:

- Hillsborough County, Florida
- Palm Beach County, Florida
- Pasco County, Florida
- Wichita, Kansas
- Los Angeles Unified School District, California
- Plano, Texas
- Worcester, Massachusetts

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 most appropriate 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 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. My employer makes corporate contributions in California. We have not yet exceeded \$10,000 in calendar year 2010. The primary election and special elections are taking place, along with the general election in the fall. If we decide to make contributions, when do we have a late contribution report due?

- A.** The California "Late Contribution Report" [Form 497], sometimes referred to as the "24-hour report" is due during the 16-day period preceding any election if all of the following criteria are met:
- The contribution is \$1,000 or more. This includes non-monetary and in-kind contributions.
 - The corporation making the contribution must have already qualified as a major donor, or the contribution made during the 16-day period before the election puts them over the \$10,000 threshold and they become a major donor.
 - The recipient candidate or ballot committee must appear on the ballot at the election for which the 16-day period applies.
 - Contributions to political parties made during the 16-day period are also included.






The filing requirements for Form 497 are:

- The report is due within 24 hours of making the contribution.
- No signature is required.
- The report must be filed electronically with the California Secretary of State, Political Reform Division, and then followed up by paper filing via facsimile to the following:
 - California Secretary of State, Political Reform Division
 - Los Angeles County Registrar/Recorder
 - San Francisco City and County Registrar

If the contribution is non-monetary or in-kind, the contributor must notify the recipient of the value of the contribution within 24 hours of making the contribution. The notice of value does not need to be filed with the state or any of the other filing offices listed above.

There is no standardized form. The notice should be sent to the recipient by personal delivery, fax, or guaranteed overnight delivery.

As a reminder, the late contribution must still be reported on the next major donor report that is due. In 2010, major donor reports are due July 31, 2010, for the period covering January 1 to June 30; and January 31, 2011, for the period covering July 1 to December 31.

 www.stateandfed.com	Visit us in Booth 310 at NCSL!	   
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State and Federal Communications, Inc. Scrapbook



Sam DeShazior, left, Deputy Planning Director for City of Akron, and Zev Gurion, right, of GlobeChem Marketing, a consultant for the Mayor's Office of Economic Development, met with Elizabeth Bartz at the BIO International Convention May 3 to 6 in Chicago.



Elizabeth met with three members of PhRMA at the BIO Convention. From left are: Michelle Nyman, Patrick Stone, and Christian Clymer.

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.

July 15, 2010	The Council of Engineering and Scientific Society Executives (CESSE) 2010 Annual Meeting, Pittsburgh, Pennsylvania
July 25-28, 2010	NCSL Legislative Summit, Booth #310, Louisville, Kentucky
September 27-29, 2010	PAC State and Local Government Relations Seminar, Alexandria, Virginia
October 5-6, 2010	Practising Law Institute Corporate Political Affairs Seminar, Washington, D.C.