

State & Federal COMMUNICATIONS

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COMPLIANCE NOW

E-News from State and Federal Communications, Inc.

January 2018

25 Reasons to Work with State and Federal Communications in 2018

Welcome to our 25th year of providing the lobbying and political contributions compliance answers you need. It has been a lot of fun and we thank our valued clients throughout the years. In our Silver Anniversary year, we have (at least) 25 reasons for you to work with State and Federal Communications.

1. Our ALERTS consulting program for additional assistance
2. Our I COMPLY online publications, the foundation of the company
3. Continuing Innovations to help with your work
4. 24/7 website access
5. Very knowledgeable, caring staff
6. Attendance at major events
7. Sponsorship of many events
8. Thoughtful citizen in the community
9. Commitment to helping college interns
10. Webinars
11. White Papers
12. Tip Sheets
13. Compliance NOW®
14. News You Can Use
15. Guidebooks
16. LobbyComply®
17. Social Media news and updates
18. Working with our subscriber directly to answer questions
19. Working with national law firms and government affairs firms
20. 100% time spent on our core subject matters
21. Focus on corporate social responsibility on local, regional, and national levels
22. 25-year member of the Public Affairs Council—first dues paid in first year
23. 18-year member of the State Government Affairs Council—best decision ever
24. 19-year member of the Council on Governmental Ethics Laws (COGEL)
25. Same owner for 25 years...still pounding the drum as the corporate crusader for compliance

We look forward to working with you in 2018 and beyond.

Thank You and Happy New Year.

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

Summary of Changes UPDATE -- Note Recent Changes to Compliance Regulations

by Michael Beckett, Esq., Research Manager

Update

CANADA: Leader of the Government Bardish Chagger announced Mario Dion, chair of the Immigration and Refugee Board of Canada, would replace Mary Dawson as Canada's Conflict of Interest and Ethics Commissioner. Dawson's appointment as commissioner was to have ended in the summer of 2016, but her term had been repeatedly extended by the government. Dion's appointment still needs to be confirmed by a vote of the House of Commons. Besides administering the federal conflict of interest laws for public officeholders and members of the House of Commons, the Office of the Conflict and Ethics Commissioner provides confidential advice to the prime minister about conflicts of interest and ethics issues.



FEDERAL: Contribution limits set for primary and general elections were upheld in *Holmes v. Federal Election Commission*. The U.S. Court of Appeals for the District of Columbia Circuit upheld the per-election structure of the Federal Election Campaign Act's base contribution ceilings for individuals. Federal law allows individuals to contribute to a federal candidate in the amount of \$2,600 per primary election and \$2,600 per general election. Plaintiffs argued unsuccessfully that individuals should be permitted to give \$5,200 to candidates for a general election campaign by not making any contributions at all in a primary election and by carrying over the \$2,600 they could have donated for that candidate's primary election. In its decision, the court wrote, "The question before us is whether Congress could choose a per election format consistent with the First Amendment, not whether it had to do so. Congress's choice in that regard was a constitutionally permissible one."

FEDERAL: Capital acquisition brokers (CAB) will become covered by the same federal pay-to-play rules the Financial Industry Regulatory Authority (FINRA) imposes upon broker-dealers, placement agents, and covered associates. Earlier this year, on

August 20, FINRA implemented Rule 2030, a new pay-to-play rule for broker-dealers, placement agents, and covered associates acting on behalf of certain regulated investment advisors or soliciting a government entity to invest in certain pooled investment vehicles. FINRA Rule 4580, which took effect the same day, mandates certain record-keeping requirements concerning any related contributions. Starting in December, a firm meeting the statutory definition of a CAB and electing to be governed by the FINRA rule set would be subject to FINRA's new pay-to-play rules. Specifically, FINRA's CAB Rule 203 (Engaging in Distribution and Solicitation Activities with Government Entities) and CAB Rule 458 (Books and Records Requirements for Government Distribution and Solicitation Activities) require CABs be subject to FINRA's pay-to-play rules 2030 and 4580. The new rules are meant to deter CABs from engaging in pay-to-play practices, according to FINRA Regulatory Notice 17-37.

GEORGIA: The Government Transparency and Campaign Finance Commission has reissued an order to deny lobbyist registration renewals to any lobbyist with unpaid fees or unfiled reports. For registered lobbyists with no outstanding fees or unfiled reports, online registration renewal and payment of fees for 2018 is available from December 1, 2017, through January 12, 2018.

KENTUCKY: The U.S. District Court for the Eastern District of Kentucky has issued a permanent injunction prohibiting certain portions of state campaign finance and ethics law from being enforced. Earlier this year, U.S. District Judge William Bertelsman ruled the prohibition on lobbyists providing gifts and campaign contributions to lawmakers unconstitutional. The judge also found the definition of caucus campaign committee unconstitutional because it only refers to Republican or Democratic caucuses. Pending appeal, the Kentucky Registry of Election Finance (KREF) and the Kentucky Legislative Ethics Commission (KLEC) continued enforcing these statutory provisions. Now, KREF and KLEC are permanently enjoined from doing so.

NEW. Coming. A broader scope.

These are excellent marketing words to describe an exciting launch for a new product.

I COMPLY

What is particularly of interest to clients and friends of State and Federal Communications is that we're talking about OUR new product, a FIFTH online compliance publication that mirrors the other four publications in our product line covering compliance laws on lobbying, political contributions, and procurement lobbying.

We can't tell you too much yet before the official announcement we'll be making in Mid-January 2018, other than we're going to look beyond North America for our next market area. So stay tuned. You'll be hearing a lot more about what State and Federal Communications is rolling out soon in an upcoming special edition of the Compliance Now e-newsletter.

Montana Campaign Contribution Limits Reinstated

George Ticoras, Esq.
Research Associate

You
Should Know



On November 30, two British Columbia campaign finance bills received Royal Assent, changing the landscape of provincial and local elections. Bill 3, Election Amendment Act, 2017, and Bill 15, Local Elections Campaign Financing Amendment Act, 2017, prohibit political contributions from any corporation, union, or organization for both provincial and local elections.

Prior to the legislation, there was no limit on the amount of campaign contributions corporations, unions, and organizations could make. Additionally, individuals who were not residents of British Columbia were permitted to make political donations to candidates and parties. With the new laws, only eligible individuals can make political contributions. The law defines an eligible individual as someone who is a resident of British Columbia and a Canadian citizen or permanent resident.

Eligible individuals are now limited to contributions of \$1,200 per year, per campaign to an unendorsed candidate or \$1,200 in total to each campaign of an elector organization and its endorsed candidates. Contributions of up to \$1,200 received from eligible individuals before November 30 are permitted to be used for future campaign finance expenditures outside of a campaign period. For 2019 and

each year following, the chief electoral officer will establish the applicable contribution limit based on the consumer price index.

Some changes applicable to provincial elections include prohibiting a person from holding a fundraiser charging greater than \$100 per individual in or on premises used as a private residence, requiring third party advertising sponsors to register with Elections BC during the 60-day period before an election, and requiring sponsors report the commercial canvassing of voters as election advertising. Contributions to third party advertising sponsors are also limited to \$1,200 per year from each eligible individual.

For local elections, there is no contribution limit for eligible individuals making contributions to third party advertising sponsors, who can also accept loans from eligible individuals and savings institutions. Those loans must be disclosed by third party advertising sponsors. The Local Election Campaign Finance Act has also been amended to match the Election Act when determining who is a sponsor of election advertising.

[The details for this article have been updated on our website in the British Columbia and Surrey, British Columbia Contributions section of the Political Contribution Compliance Laws.]

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' online Compliance Laws for Government Relations Professionals. They can be found on a jurisdiction's home page.

Summaries of major bills are also included in the monthly Summary of Changes email update 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	377	46	42	98	133
Political Contributions	589	51	66	162	220
Procurement Lobbying	508	51	54	121	173

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. (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

I'm an in-house lobbyist planning to meet with California legislators to influence state government action. If I go to the meeting accompanied by a registered lobbyist, isn't my time at the meeting exempt from counting toward the lobbyist registration threshold under the "ride-along" exception?

A

That depends. The California Fair Political Practices Commission (FPPC) amended its regulations in 2016 to narrow the so-called "ride-along" exception. The exception is now only available to in-house employees who act as "subject matter experts" in communicating with California government officials while accompanied by a registered lobbyist employed or retained by their employer. If the exception does not apply to your circumstances, you must include the time from the meeting in your lobbyist registration threshold calculation.

A meeting-by-meeting analysis must be conducted to determine whether an in-house lobbyist qualifies as a subject matter expert with regard to a given meeting. The regulations do not define what constitutes a subject matter expert; however, an FPPC memo has defined the term "subject matter expert" using Merriam Webster's definition of "expert" as "having or showing special skill or knowledge because of what you have been taught or what you have experienced."

If you will be attempting to influence a state official, feel free to give us a call prior to your meeting to discuss lobbyist registration requirements.

This information can also be found on our website in the "Registration" section of the California entry.

Please feel free to contact us if you have any questions.

Click here to read ALL Ask the Experts articles in full

Please fill out the small form to gain access to all article free! Thanks.

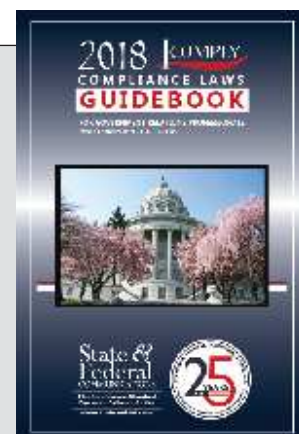
Rena Bomba, Esq., Compliance Associate



2018 Guidebooks Coming

In January 2018 our clients will be receiving the new 2018 printed I COMPLY Guidebooks, so keep on the lookout for these.

These Guidebooks summarize information from our extensive I COMPLY online publications and are a convenient quick-reference companion.





W E B S I T E T I P

Our website features extensive coverage of individual jurisdictions while also providing quick access to new information many of our subscribers want to know. To help keep you up-to-date on what is happening in the many jurisdictions covered in our publications, we provide you with updates right on your personal dashboard. The most recent news from the jurisdictions we cover will be found on the right-hand side under Important Jurisdictional Updates.

You also have the ability to look back a year at all jurisdictional updates. To search these updates, click on "Important Jurisdictional Updates." You will be taken to a page with all of the updates we have provided for the last year. You can then select to see updates specific to just one jurisdiction by choosing the jurisdiction from the drop-down list at the top of the page.

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

January 8-12, 2018	PAC: Public Affairs Institute, Laguna Beach, CA
January 9, 2018	PLEN Public Policy, Washington, DC
January 15, 2018	Akron Urban League; Remembering Dr. King's Legacy Breakfast, Akron, OH Akron Roundtable, Akron, OH
January 18, 2018	
January 24, 2018	Akron Press Club, Akron, OH
January 24-27, 2018	US Conference of Mayors Winter Meeting, Washington, DC
January 25-28, 2018	NCSL Executive Committee Meeting, Charleston, SC
February 5 - 8, 2018	The Advocacy Conference, Orlando, FL

Scrapbook

State and Federal Communications, Inc. Scrapbook



State and Federal Communications employees - Joseph May, Tony Didion, Katelynn Chilson and Clemence Besnard - attending Akron PRSA luncheon “Public Relations Lessons Learned in 2017” on November 9 at The Tangier Restaurant.

A great opportunity to hear from Barbara Paynter, principal of Paynter Communications in Cleveland. She shared her insights on “Lessons Learned” from some 2017 public communications debacles and the reputation damage incurred.



State and Federal Communications, Inc. participated in the United Way of Summit County Snack Food Drive, in December of 2017, collecting snacks to be distributed to our public school students for their winter break.

Locally, tons of food was collected and the United Way distributed them throughout the county.

Each year the State and Federal Communications, Inc. staff chooses a holiday service project.

In December 2017, we collected socks. Dozens of thick warm socks for the local homeless who struggle in the Ohio winter. We are grateful for the generosity of the staff and the community who participated in this program.

