



Compliance Notes - Vol. 3, Issue 30

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RECENT LOBBYING, ETHICS & CAMPAIGN FINANCE UPDATES

We read the news, cut through the noise and provide you the notes.

Welcome to *Compliance Notes* from Nossaman's **Government Relations & Regulation Group** – a periodic digest of the headlines, statutory and regulatory changes and court cases involving campaign finance, lobbying compliance, election law and government ethics issues at the federal, state and local level.

Our attorneys, policy advisors and compliance consultants are available to discuss any questions or how specific issues may impact your business.

If there is a particular subject or jurisdiction you'd like to see covered, please let us know.

Until then, please enjoy this installment of **Compliance Notes**. If you would like to have these updates delivered directly to your in-box, please click below to subscribe to our Government Relations & Regulation mailing list.

Campaign Finance & Lobbying Compliance

Alabama: Federal organizations contributing to state campaigns must register as state political action committees (PACs) and file regular campaign finance reports, under new guidance from Alabama's Secretary of State's office. The new guidelines, which are not retroactive, come after years of controversy over the scope and application of Alabama's ban on money transfers between PACs. (Brian Lyman, *Montgomery Advertiser*)

California: State and local office candidates in California will be able to accept cryptocurrency campaign donations as the Fair Political Practices Commission approved new rules allowing candidates to receive

such contributions if they immediately convert the digital currency into U.S. dollars. Candidates must use a registered cryptocurrency processor to handle the transaction that will collect each contributor's name, address, occupation and employer. The new rules will take effect within sixty days of July 22, 2022. (AP News) (nossaman.com)

California: The City of Cupertino's lobbyist ordinance treats nonprofit employees and everyday citizens as lobbyists, according to a lawsuit by The League of Women Voters. The law, requiring registration with the city and payment of an annual fee, is unconstitutional, hopelessly overbroad and anti-nonprofit, according to the suit. Even though the ordinance has exemptions, including for nonprofit board members or employees, nonprofits can still be subject to the law if they have received monetary compensation to lobby for a "specific project, issue or person." The League of Women Voters asserts that the city is treating any organization that advocates at council meetings or directly to council members as paid lobbyists, which violates free speech protections and impedes citizens' ability to "petition the government by making civic participation conditional on paying a fee." (Grace Hase, *The Mercury News*)

Government Ethics & Transparency

Illinois: The Chicago City Council unanimously voted to raise the maximum fine for violating the city's ethics ordinance from \$5,000 to \$20,000. The significant overhaul of Chicago's Governmental Ethics Ordinance comes after months of negotiations and includes a requirement that the Ethics Board notify elected officials at least ten days before the Ethics Board could find probable cause that the official violated the law. Among other changes made by the new ethics law is an expansion of the number of companies doing business with the city that would be limited to contributing \$1,500 annually to include companies doing business with all of the city's sister agencies, including the Chicago Transit Authority, Chicago Public Schools and Chicago Housing Authority. (Heather Cherone, WTTW)

Legislation

A bipartisan group of sixteen senators introduced legislation to reform the Electoral Count Act of 1887, including clarifying the vice president's ceremonial role in certifying presidential elections and creating penalties for intimidating election workers, voters and candidates. The legislation also provides guidelines for the transfer of power between Election Day and the inauguration, and increases the threshold to object to certifying a state's electors, requiring at least one-fifth of the members of both the House and Senate rather than one member from each chamber. In the coming weeks, the Senate Rules Committee will hold a hearing on Electoral Count Act reform. (Sophia Cai & Andrew Solender, *Axios*)