



Compliance Notes - Vol. 3, Issue 34

08.24.2022

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

TikTok will work to prevent content creators from posting paid political advertisements and will label all content related to the midterm elections. Even though TikTok banned political advertising in 2019, campaign strategists circumvented the prohibition by paying influencers to promote political issues. To mitigate such content, TikTok will publish educational content and host briefings with agencies and creators, and TikTok will remove any political content that was paid for and not properly disclosed. Further, TikTok will label all content from the accounts of politicians, political parties and governments and all election-related content; the labels will direct users to enter the TikTok Elections Center, which provides resources on elections and voting access. For election-related content posted by influencers, TikTok's internal teams "will monitor for

signs” that influencers are being paid to post political content and will also rely on “media reports and outside partners” to identify violating posts. (Rebecca Klar, *The Hill*) (Sheila Dang, *Reuters*)

Colorado: Colorado’s Secretary of State is considering new campaign finance regulations to implement contribution limits and update reporting requirements for public officials. If the preliminary rules are approved, they will limit contributions to school board candidates to \$2,500 for individuals and \$25,000 for small donor committees. Also, the post-election report filing deadlines for public officials would change from 30 days to 35 days and would clarify that candidates seeking reelection with a personal financial disclosure statement on file would not need to re-file the report. (Hannah Metzger, *Colorado Politics*)

New York: State Senate Republicans' campaign committee will pay a \$200k settlement to close an inquiry into the party's alleged abuse of its campaign housekeeping account in the lead-up to the 2016 election. Under New York's election laws, housekeeping funds cannot be used to expressly "promote the candidacy of specific candidates." The State Board of Elections alleged that Senate Republicans abused their housekeeping account by funding a series of campaign-style mailers that allegedly crossed the line into expressly seeking the election of GOP candidates. Senate Republicans believed that the mailers in question were "issue ads" that did not explicitly advocate for the election of specific candidates. While potential fines and penalties could have totaled more than \$2 million, the \$200k penalty is a blow to the Senate Republicans' efforts to retake control in November as the conference is already lagging behind Senate Democrats' campaign fundraising. (Chris Bragg, *Albany Times Union*)

Government Ethics & Transparency

Arkansas: State Senator Jason Rapert must unblock critics from his Facebook and Twitter accounts following a settlement agreement with American Atheists, a group that sued the lawmaker on behalf of its members and four Arkansas residents whom Rapert had blocked from his accounts. The group claimed that Rapert blocked the accounts after they criticized his position on several issues and argued that Rapert's accounts were a public forum and, therefore, should be accessible to them. Rapert argued he had a First Amendment right to block those whom he said were personally attacking and bullying him. Under the settlement, if Rapert blocks any of the plaintiffs before leaving office in January, he must document the basis for that restriction. (Andrew DeMillo, *AP News*)

Indiana: Former Indiana State Senator Brent Waltz was sentenced to 10 months imprisonment and fined \$40,500 for his role in a straw donor scheme routing illegal contributions from a casino company to his 2015 campaign for Congress. (Johnny Magdaleno, *The Indianapolis Star*)

Missouri: Certain limited liability companies (LLCs) must register with the Missouri Ethics Commission before contributing to any Missouri campaign finance committees. The registration requirement, effective August 28, 2022, applies to LLCs registered in Missouri that are not classified as corporations under the federal tax code. Additionally, the LLC must have existed for at least one year before contributing to any Missouri committee. (Missouri Ethics Commission on Twitter)

South Dakota: A complaint against Governor Kristi Noem about her use of the state airplane is being referred back to South Dakota's Attorney General's Office for further investigation, following a unanimous decision by the state's Government Accountability Board (GAB). Attorney General Mark Vargo said in a statement that the Attorney General's Office would be diligent and thoroughly investigate the complaint, and the investigation will remain confidential. The GAB also referred a complaint involving Noem's conduct with

the state appraisal program and her possible abuse of office to a "contested case hearing." (Austin Goss, *Dakota News Now*)

Elections & Voting

Iowa: Iowa counties are eligible to receive \$1,000 grants to improve access for voters with disabilities ahead of the 2022 general election. Approximately 300,000 Iowans have a disability. Secretary of State Paul Pate announced that the grants are intended to fund infrastructure that makes polling places more accessible or to provide training on ways to better meet the needs of disabled voters. The deadline for counties to request the grant funds is August 31. (Press Release, Office of the Iowa Secretary of State)