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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

U.S. banks are contributing significantly less to federal candidates and increasing the proportion they donate to Democrats in this election cycle. According to Reuters' analysis of data from the Center for Responsive Politics, industry officials and lobbyists, PACs for commercial banks have given roughly \$7.4 million to federal candidates, which is down 43% from the 2020 election cycle and down 39% from the average election spending in the previous decade. While overall donations are down, Democrats have increased their share to 40% during this cycle, the highest proportion since the 2010 cycle. (Pete Schroeder, Reuters)

Iowa: Certain political text messages must include “paid for by” disclosure statements after the Iowa Ethics and Campaign Disclosure Board unanimously adopted an advisory opinion. The opinion clarifies that some political text messages are subject to state law requiring disclosure of the person or entity responsible for the express campaign advocacy. The guidance requires attribution statements on any text messages that meet all of the following criteria: the message includes express advocacy, is sent to 100 or more recipients and is sent by a candidate, candidate committee, PAC or person making an independent expenditure exceeding \$1,000 in the aggregate. Further, to be considered “express advocacy,” the message must use explicit words that unambiguously tell people how to vote. (Tom Barton, *The Gazette*)

Government Ethics & Transparency

California: Local elected officials will be prohibited from accepting or soliciting contributions exceeding \$250 from pending contractors, according to SB 1439, which was recently signed into law by Governor Gavin Newsom. The new law applies to contributions from certain persons affiliated with a group license, permit or contract that is pending or on which a final decision was made in the preceding 12 months. Additionally, a contractor or anyone appearing before a local agency with a contracting request must disclose if they made contributions over \$250 during the past 12 months. The law takes effect on January 1, 2023. (Julie Patel, KCET)

Louisiana: State lawmakers, sheriffs, district attorneys and the governor used campaign funds to buy tickets for collegiate and professional sporting events, including the New Orleans Saints and Louisiana State University (LSU) football games. According to a review of state campaign finance records, public officials spent over \$181,000 from their PACs and campaign accounts for tickets to sporting events. While Louisiana law prohibits elected officials from using campaign funds for “personal use,” sports tickets have long been considered a legitimate expense for politicians. So long as officials can articulate why purchasing the tickets is related to their campaign or official duties, then using campaign funds for the tickets is permissible. (Julie O’Donoghue, *Louisiana Illuminator*)

Massachusetts: The federal trial began for the former president of the State Police Association of Massachusetts (SPAM) and a lobbyist charged with conspiring to defraud SPAM members, obstruction of justice and personal use of SPAM funds. Former SPAM president Dana Pullman allegedly paid Lynch Associates Inc., a lobbying firm founded and owned by lobbyist Anne Lynch, a monthly retainer for lobbying and public relations work and a total of \$350,000 for work related to a settlement. In exchange for all the funding from SPAM, prosecutors allege that Lynch paid Pullman kickbacks, ranging from \$5,000 to \$20,000. Pullman is also facing allegations that he frequently embezzled and converted union funds to his personal use for meals, flowers, travel and gifts and falsified other expenses. (Flint McColgan, *Boston Herald*)