



# Compliance Notes - Vol. 3, Issue 6

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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**

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On February 3, the U.S. Senate received the nomination of Dara Lindenbaum to serve as a member of the Federal Election Commission (FEC) and to replace the current Vice-Chair, Steven Walther, who has been serving on a hold-over status since his term expired. (Congress.Gov)

On February 2, the FEC updated the lobbyist bundling disclosure threshold. The Federal Election Campaign Act and FEC regulations require political committees to disclose information about bundled contributions exceeding a specific amount made by lobbyists or lobbyist PACs within a covered period. The FEC must adjust the threshold amount each year. For 2022, the lobbyist bundling disclosure threshold increased to

\$20,200. The new threshold was published in the *Federal Register* at 87 Fed. Reg. 5822. (FEC Record: Outreach)

**Colorado:** Colorado lawmakers have proposed campaign finance limits for school board races for the first time. House Bill 1060 would cap individual donations at \$2,500 and small donor committees at \$25,000 per school board candidate. Colorado school boards are some of the few elected offices without any campaign contribution limits, and the proposed caps are higher than many other elected offices. The legislation, however, won't affect spending by independent committees that play a crucial role in some races. (Erica Meltzer and Sandra Fish, *Chalkbeat Colorado*)

**Georgia:** A federal judge ruled that Governor Brian Kemp cannot fundraise for his primary reelection campaign using a special leadership committee, which would have let him raise unlimited campaign contributions. The ruling, however, allows Governor Kemp to continue using the new leadership committee to raise money to spend in other races, including the general election, should he win the GOP primary. Further, the ruling does not require the special leadership committee to return money previously spent or committed to be spent on advertising in the GOP primary. (James Salzer, *The Atlanta Journal-Constitution*)

**Montana:** A Montana judge ruled that the Legislature violated the state Constitution by adding two provisions to a campaign finance bill the day before the 2021 legislative session adjourned. The initial bill provided a way for groups of candidates to create joint fundraising committees. However, the late amendments seemingly intended to make it more difficult for college students to register and vote and limit donations to judicial campaigns. Montana's Constitution requires bills to contain a single subject and prevents the Legislature from amending laws to the extent that changes their original purpose. The judge ruled that the amendments were outside the bill's scope, rendering them unconstitutional, and granted a permanent injunction preventing the state from enforcing the provisions. (Amy Beth Hanson, AP News)

## Government Ethics & Transparency

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Senator Ben Sasse (R-NE) reintroduced the "Ethics Reform Act," a sweeping ethics package that would ban lawmakers from trading stocks and becoming paid lobbyists after leaving Congress. The stock trading ban would not apply to spouses. The Act also restricts the executive branch by prohibiting immediate family members of the president, vice president and cabinet members from soliciting donations from foreign sources. In addition, the Act requires both the president and vice president to publicly disclose their tax returns. Finally, to close the loophole opened by a 2021 ruling from the FEC, the Act would prohibit foreign nationals from contributing to ballot measure campaigns. (Bryan Metzger, *Business Insider*)

## Elections

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In preparation for the 2022 midterm elections, Meta Platforms Inc., the owner of Facebook, is re-evaluating its political advertising policy banning new ads in the last days before an election. In 2020, Facebook blocked new political and issue ads from running during the final week of the election to prevent any last-minute manipulation. Now, Meta employees are considering what factors cause an advertisement to qualify as "new." For example, in 2020, political ads that switched "vote next week" to "vote tomorrow" were considered new ads. (Naomi Nix and Anna Edgerton, *Bloomberg*)