



# Compliance Notes - Vol. 3, Issue 7

02.15.2022

## 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**

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**Maryland:** A bill was introduced in the Maryland House to allow candidates to use campaign funds for “caregiver services” that are incurred as a direct result of campaign activity. House Bill 1093 adds to the definition of “expenditure” the direct care, protection and supervision of a child or an individual with a disability or a medical condition for whom a candidate has caregiving responsibilities. A hearing on the bill is set for February 22. (Proposed House Bill 1093)

**Oregon:** Last week, Oregon's Secretary of State Sehmi Fagan disqualified three proposed ballot initiatives that would have capped donations for all state elections and mandated transparency for the actual funders

of political advertisements. Oregon is just one of five states without political contribution limits. However, following the disqualification, Attorney General Ellen Rosenblum certified ballot titles for the three proposed ballot initiatives. As a result, activists who favor the initiatives can argue their case before the Oregon Supreme Court on an expedited timeline. If the court sides with the ballot initiative proponents, backers could move forward with the signature-gathering process to qualify for the November ballot. (Andrew Theen, *The Oregonian/OregonLive*)

## Government Ethics & Transparency

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Rep. Kurt Schrader (D-OR) amended a previous periodic transaction report to disclose the sale of two additional stocks valued between \$1,001 and \$15,000 each. Although the amendment disclosing these sales was beyond the 45-day reporting window required by the STOCK Act, the filings were within the “grace period” and will not trigger a fine. Further, Schrader's violations come as Congressional leaders from both parties explore various legislation banning lawmakers from trading stock. (Dave Levinthal, *Business Insider*)

**Florida:** Citizens for Ethics Reform is calling on city commissioners to recommend to Tallahassee's Ethics Board various changes to local ethics laws. The recommended changes include tightening local lobbying restrictions, including closing loopholes that allow consultants to influence city policy without disclosing their clients. The group also asked commissioners to give the Ethics Board the authority to grant protections to whistleblowers. (Jeff Burlew, *Tallahassee Democrat*)

## Elections & Voting

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**North Carolina:** The bipartisan North Carolina State Board of Elections said it has the power to disqualify Rep. Madison Cawthorn from running for reelection because of his role in the January 6th insurrection. Activists filed a challenge to Cawthorn's candidacy in January, arguing the U.S. Constitution's "disqualification clause" prevents Cawthorn from holding future office. In response, Cawthorn filed a lawsuit to shut down the challenge in federal district court, which is still pending. The state elections board countered that the suit should be dismissed as premature. The elections board said it has the authority to disqualify candidates based on constitutional considerations, in addition to state laws. (Marshall Cohen and Ethan Cohen, CNN)

**Texas:** A federal district judge in Texas temporarily blocked Texas's attorney general and local county prosecutors in Harris, Travis and Williamson counties from enforcing a new law that prevents local election officials from encouraging voters to request mail-in ballots. The law makes it a state felony for an election official to "solicit the submission" of a vote-by-mail application when the voter did not request it. The judge took issue with the lack of a clear definition for what qualifies as solicitation when an election official is talking to voters. Therefore, the law is likely unconstitutional as a violation of the First Amendment for its chilling effect on speech. (Alexa Ura, *The Texas Tribune*)

## Legislation

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**Mississippi:** A Mississippi House bill (H.B. 1510) ready for floor debate would require social media companies to explain to the Secretary of State's Office why their platforms restrict posts from political candidates or election officials. The proposed bill would also authorize the secretary of state to hire third parties to audit election results. (Jennifer Kay, *Bloomberg Government*)