



Compliance Notes - Vol. 4, Issue 50

12.14.2023

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

Maine: A ballot measure (to limit contributions to super PACs) committee led by campaign finance activist Lawrence Lessig says it has collected enough signatures to qualify the measure for Maine's ballot in 2024. Super PACs, or independent expenditure-only political action committees, differ from traditional PACs in that they allow corporations to make unlimited contributions. Lessig's committee, Maine Citizens to End Super PACs, argues the initiative would cap donations to super PACs at \$5,000, all but eliminating their effectiveness. If the initiative is successful, Lessig expects Maine's law would be legally challenged in the U.S. Court of Appeals for the First Circuit. It could set up a challenge to the 2010 decision by the D.C. Circuit Court of Appeals in *SpeechNow.org v. FEC*, that ruled contribution limits on what individuals could give, and

what SpeechNow could accept, violated the First Amendment. (Dan Neumann, *Maine Beacon*)

Michigan: Gov. Gretchen Whitmer signed bills implementing requirements for top state officials and lawmakers to report information about their finances. This follows a constitutional amendment approved by Michigan voters in 2022 mandating the disclosures. Proposal 1, which garnered 66% of the vote, set a December 31, 2023, deadline for legislative action to implement the reporting requirements. Whitmer signed Senate Bills 613-616, which will take effect in 2024 and require the governor, attorney general, lieutenant governor and secretary of state to file annual financial disclosure reports detailing their income and assets, equity positions they hold, their spouse's employer and other information. The new laws establish penalties for late filings and for incomplete or inaccurate reports. (Clara Hendrickson, *Detroit Free Press*)

Montana: The Commissioner of Political Practices published a notice of increases to Montana's campaign contribution limits for the 2024-2025 election cycle. Individuals and independent political committees can contribute \$1,120 per election to a candidate for governor and lieutenant governor, \$790 per election to a candidate for statewide office and \$450 per election to a candidate for other public offices. An individual can contribute an unlimited amount to political party committees, PACs and ballot issue committees. The limits are applicable as of December 9, 2023. (State of Montana Campaign Contribution Limits - Summary)

Government Ethics & Transparency

New York: Governor Kathy Hochul vetoed a bill that would have required organizations advocating for or against a gubernatorial nominee to disclose what they are spending and which lobbyists they are hiring. State lawmakers passed the bill early in 2023, which was a direct response to the extensive lobbying battle earlier this year over Hector LaSalle, an Appellate Division judge Hochul nominated for chief judge of the state Court of Appeals late last year. If Hochul had signed the bill, it would have applied retroactively, meaning the interests behind the lobbyists who led a public and behind-the-scenes campaign for LaSalle would have been required to be disclosed. In a veto message, Hochul said, the bill "would impose significant new reporting requirements on people who might not already be reporters" and "would impose implementation costs not already accounted for in the state financial plan." (Jon Campbell, *Gothamist*)

Ballot Measures & Elections

Colorado: The Colorado County Clerks Association is expressing concern about a ballot initiative proposal that would change how Colorado elections are run. According to the association, the proposal would add ranked choice voting for certain elections, require tight deadlines for counting votes and change how candidates can win a spot on the ballot. Colorado currently provides eight days for voters to cure issues with their ballot following an election. However, the initiatives would require vote counting be completed by 11:59 p.m. on Election Day. The association members also are concerned about the ranked choice voting requirement, that would only be for elected officials at the state government level. (Heather Willard, *FOX31 Denver*)

Michigan: The Michigan Supreme Court heard oral arguments the week of December 3, 2023, on the constitutionality of the legislative tactic known as "adopt and amend," in which lawmakers pass the language of a ballot initiative into law before it has a chance to go before voters, and then change that original proposal language later that same legislative session. In this case, a Republican-led Michigan Legislature approved two 2018 ballot measures that would have raised the minimum wage and set rates for earning sick leave. The move kept the measures from going before voters. But, before the laws could take

effect, the Legislature passed new laws to water down the new law that was based on the original ballot measures. The attorney representing the groups behind the initiatives argued that the initiative process would essentially end if “adopt and amend” continues. Deputy Solicitor General Eric Restuccia argued the state constitution gives the Legislature broad discretion to pass laws, whether a policy started in the Legislature or came to it via a ballot measure. Since there is no rule against modifying ballot initiatives after their passage, lawmakers had the right to do so. (Colin Jackson, *MPRN*)