



Compliance Notes - Vol. 5, Issue 1

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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

Arizona: A Maricopa County Superior Court judge denied a request from Republican state lawmakers to block a voter-approved law on transparency in campaign financing. The judge refused to issue a preliminary injunction to stop Proposition 211, approved by Arizona voters on November 8, 2022, with 72% of the vote, or about 1.7 million votes. He also said he would not dismiss the GOP challenge of the law. Arizona's Senate President and House Speaker filed the challenge against the Secretary of State, arguing that the campaign finance law is unconstitutional because it violates the separation of powers. They argue because a commission is given the power to write the rules for the law, the Legislature is robbed of its lawmaking responsibility. (*AP News*)

Maine: Maine disqualified from its 2024 ballot former President Donald Trump, becoming the second state to find he's ineligible to hold office under the 14th Amendment's insurrection clause over his actions surrounding the events of January 6. Secretary of State Shenna Bellows (D) made the decision in her role as Maine's top election official in response to three challenges to Republican presidential primary front-runner Trump's eligibility on the ballot. Bellows concluded that "the record establishes" that Trump, "over the course of several months and culminating on January 6, 2021, used a false narrative of election fraud to inflame his supporters and direct them to the Capitol to prevent certification of the 2020 election and the peaceful transfer of power." Trump's legal team plans to challenge Maine's decision, that follows the Colorado Supreme Court's majority ruling in December 2023 to remove him from the state's ballot under the 14th Amendment concerning the U.S. Capitol riot. The Republican primaries in both states are scheduled for Super Tuesday, March 5, 2024. (Rebecca Falconer, *Axios*)

Minnesota: A federal judge has blocked the January 1, 2024 start of a new Minnesota campaign finance law aimed at curbing foreign corporate influence, ruling that it impinges on the free speech rights of corporations. The judge granted the request from the Minnesota Chamber of Commerce to block a provision in a broader 2023 election law, writing that the law would forbid some businesses with foreign ownership from exercising their First Amendment free speech rights in state elections and on ballot questions. The provision, now paused, would put new election spending restrictions on companies with foreign ownership, prohibiting them from making political contributions in Minnesota. The law defined a foreign-influenced company as having a single foreign investor that owns 1% or more of its equity or multiple foreign investors that control 5% or more of the company's equity. (Rochelle Olson, *Star Tribune*)

Government Ethics & Transparency

The House Committee on Ethics announced that it is investigating Florida Rep. Sheila Cherfilus-McCormick (D-FL 20th District) over complaints she may have violated campaign finance laws, failed to submit required disclosures and carried out improper hiring practices. According to an official announcement about the investigation, the campaign finance complaint is tied to Cherfilus-McCormick's special election in 2022 and her reelection campaign that same year. The Ethics Committee voted unanimously to investigate the allegations after getting a referral from the Office of Congressional Ethics, an independent agency that investigates misconduct complaints. The other claims cited in the announcement include having a person her office didn't hire handle official work and failing to "properly disclose required information on statements." Anyone can levy a complaint to the Office of Congressional Ethics, and investigators generally make their findings public only if they determine wrongdoing occurred. (Kimberly Leonard, *POLITICO*)

Ballot Measures & Elections

California: An Orange County judge denied an attempt to prevent Huntington Beach from putting a charter amendment measure on the March 2024 ballot, asking voters whether they wish to implement voter ID and other reforms. The judge wrote that the courts generally don't do pre-election reviews of ballot contents. Only if the proposal passes and its implementation raises issues of constitutionality may it become appropriate for a judge to review, the judge wrote. City Attorney Michael Gates said his office was glad the court didn't step in to stop the measures from being placed on ballots. Voters in March will decide on three separate charter amendments: The first, if approved, would allow the city in 2026 to implement voter identification rules for city elections and monitoring of local ballot drop boxes; the second would set regulations for which flags the city can fly; and the third would move Huntington Beach to a two-year budget cycle and change the process for filling council vacancies. (Michael Slaten, *The Orange County Register*)