

political law briefing

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In This Issue:

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Political Law Resources:

Political Law Briefing Blog

2015-2016 Federal Contribution Limits

Forming a Corporate Political Action Committee

Forming an Association Political Action Committee

Electioneering Communications

Lobbying: What Does It Mean

Venable attorneys regularly publish commentary and analysis on our blog, **Political Law Briefing**. For your convenience, we have assembled our most popular blog posts from March, April, and May 2015.

Major Campaign Finance, Lobbying, and Gift Law Changes in Maryland and Virginia

Authors: Margaret C. Rohlfing, Lawrence H. Norton, Ronald M. Jacobs, and Lyndsay E. Steinmetz

New laws recently passed in Maryland and Virginia make major changes to the regulation of political and procurement activity. The following articles discuss these changes in more detail.

Earlier this month, Virginia Governor Terry McAuliffe signed into law a new bill making significant changes to Virginia's lobbying and gift laws. The critical changes made by this bill, **Senate Bill No. 1424**, will become effective on January 1, 2016. Many of the revisions focus on gift reform, but the bill also contains important changes affecting lobbying as well as pay-to-play compliance.

Click here to read the complete article on Venable's Political Law Blog, www.politicallawbriefing.com.

Following a major **rewrite** last year of its "pay-to-play" disclosure rules, Maryland has made further changes that expand the obligations of state and local government contractors to report their political contributions, and those of their subsidiaries, officers, directors, partners, and PACs. Now, in addition to reporting direct contributions to candidates, contractors will also have to disclose contributions made to independent expenditure groups and political parties that are "for the benefit" of covered candidates. The new law also changes reporting deadlines, and clarifies that companies holding state or local contracts awarded prior to January 1 must file disclosure reports until performance is complete.

Click here to read the complete article on Venable's Political Law Blog, www.politicallawbriefing.com.

Appeals Court Upholds Hawaii Corporate Disclosure Rules and Pay-to-Play Law

Author: Julie K. McConnell

Last week the U.S. Ninth Circuit Court of Appeals **upheld** key provisions of Hawaii's campaign finance laws requiring a for-profit company making campaign contributions and expenditures to register as a political committee, and prohibiting government contractors from contributing to state legislators and candidates.

Hawaii requires entities to register and report as noncandidate committees when they have "the purpose of making or receiving contributions, making expenditures, or incurring financial obligations to influence [elections] over \$1,000 in the aggregate for an election cycle." A-1 A-lectrician, a for-profit corporation that in 2010 contributed over \$50,000 to Hawaii candidates and party committees, and spent more than \$6,000 on political advertisements, challenged these requirements. It argued that registration and reporting should only be required of entities with "the primary purpose" of political activity rather than an organization that has "the purpose" to engage in political activity.

Lobbying: What Does It Mean for 501(c)(3) Organizations?

Super PAC or Super Fraud: What to do when a super PAC raises money off a candidate's name but doesn't actually do anything to support the candidate

Author: Ronald M. Jacobs

Some candidates have a cozy relationship with super PACs that support them (as close as they can, given rules about coordination). Others are surprised and excited when a super PAC shows up to help out. But sometimes a super PAC raises money using a candidate's name or picture, but doesn't do much to help the candidate. In those cases, the candidate may be concerned the super PAC is taking donations that might otherwise go directly to the campaign or to super PACs that are actively supporting the candidate. 2013 Virginia gubernatorial candidate Ken Cuccinelli faced such a situation and decided to sue over it.

Click here to read the complete article on Venable's Political Law Blog, www.politicallawbriefing.com.

The Big No: Reimbursing Contributions

Authors: Ronald M. Jacobs and Lawrence H. Norton

Over the last few years, the courts have loosened campaign finance laws and the agency charged with enforcing them is frequently gridlocked. However, one campaign finance violation that can still get you in big trouble is reimbursing contributions, particularly when the reimbursing is done by a corporation. In settling a recent enforcement matter involving the Fiesta Bowl, the Federal Election Commission (FEC) obtained fines of nearly \$100,000 from the corporation and the CEO and restitution by the CEO of over \$60,000. A parallel criminal case resulted in guilty pleas that landed the former CEO in jail for eight months, community service for one executive, and two years of probation for another (who would have also faced a \$15,000 penalty from the FEC, but she was able to demonstrate an inability to pay).

Click here to read the complete article on Venable's Political Law Blog, www.politicallawbriefing.com.

Back to the Future: FEC issues regulations for *Citizens* United

Author: Ronald M. Jacobs

In January 2010 – as almost everyone already knows by now – the Supreme Court struck down major portions of campaign finance laws, allowing corporations to make independent expenditures in support of, or opposition to, candidates for federal office. Super PACs that could accept unlimited individual and corporate contributions soon followed based on lower court decisions.

Interestingly, the FEC never changed its rules to implement the Court's decision. Pick up the Code of Federal Regulations from 2011, 2012, 2013, or 2014 and you will find very clear statements that corporations may not make independent expenditures or electioneering communications.

Click here to read the complete article on Venable's Political Law Blog, www.politicallawbriefing.com.

Welcome New Attorneys to Venable's Political Law Practice

We would like to welcome Julie McConnell to our political law team at Venable. Julie served as Assistant General Counsel in the Enforcement Division of the Federal Election Commission, and most recently in the Inspector General's office at the Department of Justice. Julie has significant experience with government investigations involving high-level misconduct, bribery and illegal gratuities, and violations of federal ethics and campaign finance laws.

We also welcome **Dave Owens** to Venable's **Political Law Practice Group**. Mr. Owens advises clients on federal and state campaign finance, election laws, gifts and ethics rules, pay-to-play laws, lobbying registration and disclosure and overall legal and regulatory compliance. Prior to joining Venable, Mr. Owens served as regulatory counsel and ethics officer at a leading Washington, D.C. area state and local government affairs firm.

Click here to subscribe to Venable's Political Law Briefing blog and receive the Venable team's insight and analysis as soon as it is posted.

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