

Lobbying & Gift & Pay-to-Play Updates from Around the Country

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By Carol A. Laham and Stephen J. Kenny

New lobbying and gift and pay-to-play restrictions went into effect in several states and municipalities recently. Below are summaries of some of the more significant ones.

Allentown / Lehigh County, PA. In the wake of a federal investigation into pay-to-play scandals, Allentown and Lehigh County adopted separate (but similar) pay-to-play laws. Both laws allow contractors and prospective contractors to contribute no more than \$250 to certain candidates and elected officials. The laws also require aggregation of contributions from affiliated individuals and entities, including PACs. Both laws also contain disclosure requirements.

Seattle. In November, Seattle voters approved a ballot initiative, I-122, containing several campaign finance reforms, including a pay-to-play restriction. The pay-to-play provision prohibits the Mayor, a City Council member, and the City Attorney (and a candidate for these offices) from accepting any contribution "directly or indirectly" from an entity or person who has earned or received more than \$250,000 in the prior two years under a contractual relationship with the City. The title of the section demonstrates that this ban is meant to cover contributions from contractors' PACs as well. The provision is silent, however, with respect to individuals associated with a contracting entity, such as officers and directors.

Virginia. New gift restrictions went into effect on January 1, 2016. Among other changes, the law reduced the limit on the value of gifts from lobbyists, lobbyist principals, and certain prospective contractors to covered officials to \$100 in a calendar year. The law provides

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several new exceptions to what constitutes a “gift,” including refreshments at “widely-attended events” and gifts of travel approved by the new Conflict of Interest and Ethics Advisory Council.

A new pay-to-play provision went into effect at the same time. The law prohibits the Governor, his campaign committee, and any political action committee established on his behalf from knowingly soliciting or accepting a contribution, gift, or other item with a value greater than \$100 from persons and entities seeking loans or grants from the Commonwealth’s Development Opportunity Fund. The restriction also applies to loan and grant recipients in the one-year period immediately after the award of the loan or grant. The restriction covers an entity’s officers, directors, and owners with a controlling ownership interest.