

Think Before You Contribute in NJ and NYC; Pay-to-Play Reminder for 2017 Elections

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Although only a few jurisdictions are holding regularly scheduled elections this year, individuals should bear in mind the pay-to-play issues associated with making contributions in connection with these elections. One contribution from an individual employee (or that employee's spouse) may cause a company to lose out on contracting opportunities with state and local governments.

In New Jersey, there are elections for the offices of governor and lieutenant governor, every state legislative seat, and numerous county and municipal offices. New Jersey prohibits business entities from receiving a wide range of Executive branch contracts if the company, or its owners, officers, their spouses, and PACs, contribute more than a minimal amount to candidates for governor and lieutenant governor, legislative leadership committees, and state, county, and municipal party committees. Similar restrictions apply to contracts with the Legislative branch, counties, and municipalities.

In New York City, there are elections for citywide offices, borough presidents, and city council seats. Business entities that hold or seek contracts with the city may be covered by the city's pay-to-play law, which limits contributions from certain owners and officers of the contracting entity.

Finally, federal pay-to-play laws may apply to contributions made in connection with New Jersey and New York City elections. The U.S. Securities and Exchange Commission, the Municipal Securities Rulemaking Board, and the U.S. Commodity Futures Trading Commission each have rules that prohibit a range of financial firms from providing services to government entities following certain state and local political contributions by owners, officers, or employees.

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Practice Areas

Election Law & Government Ethics

Wiley Rein has deep experience providing advice on state and federal pay-to-play laws. We are prepared to assist you in navigating this complex area of campaign finance law.