

MULTISTATE

Lobbying | Tracking | Compliance | Consulting

Weekly Lobbying Articles

January 5, 2018

Baltimore Post-Examiner

January 3, 2018

14 highest paid Maryland lobbying firms grossed over \$30M

<http://baltimorepostexaminer.com/14-highest-paid-maryland-lobbying-firms-grossed-30m/2018/01/03>

The 14 state lobbying firms that billed over \$1 million in the past year grossed over \$30 million representing literally hundreds of clients.

Not surprisingly, the 10 highest-paid lobbyists which we listed last month as each billing more than \$1 million are also members of the top-grossing firms.

The highest-grossing firms, whose billings include all the expenses to run an Annapolis office, in order are:

Perry, White, Ross & Jacobson.....	\$4,534,051
Rifkin Weiner Livingston, LLC.....	\$3,678,804
Alexander & Cleaver, P.A.	\$3,126,479
Manis Canning & Associates	\$2,828,976
Harris Jones & Malone, LLC	\$2,130,823
Gerard E. Evans, Ltd.	\$2,089,899
Venable, LLP	\$2,032,909
Capitol Strategies, LLC	\$1,822,016
Schwartz, Metz & Wise, P.A.	\$1,803,027
Bruce Bereano	\$1,675,303
S. Proctor & Associates, Inc.	\$1,313,041
Cornerstone Government Affairs ..	\$1,067,153
Gordon Feinblatt LLC	\$1,022,775
DLA Piper LLP (US)	\$1,000,194

The State Ethics Commission assembles this data annually based on reports filed by the lobbyists and their firms. Here is a link to all the commission's breakdowns.

Here is the commission's list of all the registered lobbyists and their clients. Here is a list of organizations who hired lobbyists and the names of those hired.

The commission lists do not include earnings for scores of six-figure lobbyists who work directly for state and local governments and many nonprofit organizations. They do not have to register or file earnings reports.

The Mountaineer
January 2, 2018

Nevada senator sponsors legislation to plug lobbyist tax loophole

http://www.themountaineer.com/news/national/nevada-senator-sponsors-legislation-to-plug-lobbyist-tax-loophole/article_30f1d3a3-0f30-5145-b72f-16e284d783e5.html

Closing tax loopholes and neutering the influence of well-financed special interests in politics and government is a perennial issue, one that can easily turn into a political hot potato.

U.S. Sen. Catherine Cortez Masto of Nevada has proposed legislation to close a tax loophole popular with corporate lobbyists influencing policy-making at the local government level.

Businesses are prohibited from tax deductions on the money they spend on political lobbying at the state and federal levels. That's not the case for the money they spend on lobbying at the local government level. Cortez Masto's proposed legislation would close that tax loophole.

U.S. Sen. Catherine Cortez Masto, D-Nevada
Photo courtesy of Sen. Catherine Cortez Masto's office

The Nevada senator considers the proposed bill a small, but important, first step toward instituting more in the way of fairness, and equality, with regard to U.S. tax, economic and political policy, Cortez Masto's communications director, Ray Benitez, said.

"It's very unfortunate that we are working on a tax reform bill, and this wasn't included," Benitez said.

Watchdog spoke with Nevada and national tax and government policy experts to gain additional insight and a better perspective regarding tax reform, political finance and the senator's bill.

"It's time we eliminate loopholes that put everyday Americans on the hook for special interests' lobbying and backroom deals," Cortez Masto, A Democrat, said in a news release. "The tax code doesn't

allow big corporations to write off their federal lobbying expenses and it shouldn't allow corporations to deduct lobbying to influence local policy.

"This bill ends taxpayer subsidies for lobbyists and special interests and closes a loophole that gives unnecessary tax breaks for lobbyists. As we work on tax reform, I urge my colleagues to make sure the current tax code works for Nevada's hardworking families, not for special interests."

Neutering the advantages businesses and other special interests may have with regard to influencing the political process and government policy-making typically resonates with voters and the broad public. That's especially true in Nevada, Michael Schaus, communications director for the Nevada Policy Research Institute (NPRI) told Watchdog in an interview.

In fact, lobbyists giving gifts to lawmakers is basically outlawed in Nevada, he pointed out.

"Nearly everyone assumes that money runs government, whether it's in Washington, D.C. or here in Nevada, even at the local level," Schaus said. "I think that's why they care about and take an interest in who's giving money to which politicians.

"Advocating for a cause or policy position is very different than advocating directly to an elected government official or a candidate. Businesses can support whatever causes or policies they want to, but when they start giving money to politicians, it raises a red flag. They are directly influencing someone that has power over the rest of us. At minimum that should be completely transparent."

More generally, Schaus said the tax loophole allowing businesses to deduct local lobbying expenses is indicative of how massive and convoluted U.S. tax codes have become.

"Just simplifying our tax code would solve a lot of these problems," he said.

The Kansas City Star
January 2, 2018

Ethic complaint against big Missouri campaign donor is dismissed

<http://www.kansascity.com/news/politics-government/article192519654.html>

A complaint accusing one of the state's most prolific campaign donors of knowingly employing an unregistered lobbyist was dismissed last week by the Missouri Ethics Commission.

Rep. Mark Ellebracht, a Liberty Democrat, filed the complaint in October against David Humphreys, a Joplin businessman who along with his family donated more than \$14 million to mostly Republican candidates and campaigns in 2016.

At the center of the complaint was Paul Mouton, who was fined last year for illegally lobbying lawmakers and their staff on Humphreys' behalf during the 2016 and 2017 legislative sessions without registering with the ethics commission.

Mouton has long been considered Humphreys' eyes and ears in the Missouri Capitol. Records show he had a parking spot reserved for him in the Missouri Senate's garage by Sen. Ron Richard, a Joplin Republican, 19 times in April and early May in 2016, a period when the legislature was in session for 20 days; and 13 times in January and February 2017, a span in which the legislature was in session 26 days.

A person violates state law if they lobby the legislature without registering with the ethics commission and disclosing whom they are working for. But it is also illegal to knowingly employ someone to lobby who is not registered with the ethics commission.

Those found to be in violation of that law can be fined \$10,000 for each violation.

Ellebracht asked the ethics commission to fine Humphreys \$10,000 for every time Mouton had a parking spot in the Senate garage, and thus presumably would have been in the Missouri Capitol lobbying for Humphreys.

That would have totaled \$320,000.

In a letter to Humphreys last week dismissing Ellebracht's complaint, Missouri Ethics Commission Executive Director James Klahr said his staff determined Mouton began working for Humphreys in 2011. Even if he was lobbying on Humphreys' behalf, Klahr said, it was not possible to determine whether Humphreys knew Mouton was engaged in activities that required him to register as a lobbyist.

"While Mr. Mouton did spend time at the Capitol to keep you up-to-date on the legislative developments regarding particular legislation," Klahr wrote to Humphreys, "there is insufficient evidence that you knew you were employing a person required to register as a lobbyist."

Ken Spain, Humphreys' spokesman, said in an email to The Star that the ethics commission was right to dismiss the complaint.

"Mr. Humphreys," Spain said, "remains committed to supporting causes and ideas he strongly believes in."

Los Angeles Times
January 1, 2018

L.A. could exempt many nonprofits from revealing lobbying

<http://www.latimes.com/local/lanow/la-me-ln-nonprofit-lobbyist-20170101-story.html>

When Los Angeles lawmakers have weighed hotly contested issues such as whether to hike the minimum wage or how to regulate street vendors, nonprofits have frequently piped up in the debates ringing through City Hall.

Now L.A. could exempt many of those groups from revealing whom they lobby in local government and how much they spend to do so.

Nonprofits and lobbying groups are “not similarly situated organizations,” Serena Oberstein, vice president of the Los Angeles City Ethics Commission, said at a recent meeting. “Lobbyists are mostly, if not always, for-profit organizations acting in their own interest.”

But groups that advocate for open government caution that nonprofits can nonetheless be key players in politics.

“Any information about who has influence over political or legislative decisions is critical context for democracy,” said Stephen Larrick, director of the Open Cities team at the Sunlight Foundation. The goal of revealing who is trying to influence politicians “is not to make things difficult for lobbyists — it is to provide this context.”

Under its lobbying ordinance, Los Angeles requires people who are paid to try to influence city officials on municipal legislation to register and turn in regular reports on their spending.

That can include employees at nonprofits such as the Natural Resources Defense Council, Animal Defenders International and the Los Angeles Alliance for a New Economy, an influential group focused on labor and environmental issues that was fined \$30,000 last year for failing to properly report its lobbying activities.

However, L.A. currently exempts some nonprofits from having to register and report their lobbying — those that were created chiefly to provide “direct services” to the poor, that do so for free and that get government funding to represent the interests of the indigent.

When the city started reviewing and updating its lobbying regulations, nonprofits pushed to expand that exemption.

The Alliance for Justice, a national association that helps nonprofits participate in the democratic process, argued that all 501(c)(3) organizations should be exempt, saying the complicated requirements could discourage nonprofits from speaking up.

Nona Randois, the association's California director, said that some of those requirements could require groups to file frequent reports even if they never contact a city official and merely do research on a city issue. That could discourage a community group from producing a report on the need for more public toilets on skid row, the group argued.

Randois also stressed that 501(c)(3)s already face federal restrictions and reporting requirements on lobbying. "This would be an additional layer for them, making it harder for them to achieve their charitable missions," she said.

"Groups that help unhoused people find housing, groups that work with low-income communities impacted by toxic land uses, organizations that serve our neediest residents ... they want to be able to continue to advocate for the communities they serve," Randois added.

The Inner City Law Center argued that even being categorized as a "lobbyist" carried stigma that could cause nonprofits to lose donors. And Redeemer Community Partnership, a South L.A. nonprofit that has argued against oil drilling in urban neighborhoods, warned that moneyed opponents like the oil industry could "weaponize" the rules to attack small community groups.

Ethics Commission staffers resisted the idea of a blanket exemption for nonprofits, stressing that the rules are meant to ensure that the public knows who is trying to influence city decisions, no matter why they are doing so.

They also warned that totally exempting nonprofits could encourage other groups to start charities in order to dodge lobbying regulations.

And they stressed that many kinds of involvement in city issues — such as speaking at a public meeting — will not be counted as lobbying activities. Under the proposed rules, groups would have to devote at least \$5,000 to trying to influence a city matter annually before they would have to register.

The Los Angeles Lobbyist Assn., a trade group, argued in a letter earlier this year that if a soup kitchen or a homeless shelter had employees trying to sway the City Council to adopt a “living wage” ordinance or shift more of the city budget to homeless services, the public has a right to know about their lobbying, just as it does about other groups advocating on the same issues.

After a string of hearings, the commission instead recommended that the city expand its current exemption, allowing any 501(c)(3) organization that gets less than \$2 million in total income annually to avoid registering.

The commission also recommended exempting any 501(c)(3) nonprofits that were formed primarily to provide food, clothing, shelter, health care and other assistance to disadvantaged people at reduced rates, no matter how much money they took in.

Those recommendations were closely modeled off a proposal touted by several nonprofits at a recent Ethics Commission meeting. The organizations had offered up the idea as an alternative to exempting all charities. They argued that bigger organizations were more likely to have the resources to track and report their lobbying at the city level.

But the proposed exemption would also free bigger organizations that help the poor with food, clothing, legal assistance or other aid from having to report their lobbying. It is unclear exactly which organizations that might cover, but some nonprofits that assist the disadvantaged have been important and sometimes controversial players in local politics.

The AIDS Healthcare Foundation, a massive nonprofit headquartered in Hollywood, provides medical care for people with HIV and AIDS across the globe. Earlier this year, it devoted millions of dollars to an unsuccessful campaign for a ballot measure that would have imposed new restrictions on L.A. real estate development. After the election, it has continued to fund the Coalition to Preserve L.A., which has raised concerns about city planning issues.

Earle Vaughan, president-elect of the Apartment Assn. of Greater Los Angeles, said he understands the financial pressures facing small nonprofits, but large organizations such as AIDS Healthcare Foundation “can certainly afford to be transparent and follow the same rules that we all follow.”

His trade group, which represents apartment building owners, managers and developers, opposes efforts by AHF to roll back a state law that limits rent control. “If they’re going to exempt them, they should exempt us,” said Vaughan, whose group has registered and reported its lobbying to the city.

Under the proposed rules, nonprofits — even if they are exempt — still must report such spending if they are lobbying the city to get money, property or permits for themselves. The recommended changes, along with other proposed amendments to the lobbying regulations, now head to the Los Angeles City Council for its approval.

WETA
December 30, 2017

Ethics measure approved to be on South Dakota’s 2018 ballot

<https://www.pbs.org/newshour/politics/ethics-measure-approved-to-be-on-south-dakotas-2018-ballot>

Supporters of a constitutional amendment targeting government corruption have turned in enough valid signatures to put the ballot question before South Dakota voters in 2018, the state’s chief elections official said Friday.

More than 51 percent of voters supported a similar initiative in November 2016, but Republican lawmakers scrubbed it from state law just months later, citing constitutional concerns. If passed, the new constitutional amendment would largely be protected from legislative changes.

Secretary of State Shantel Krebs’ office said in a statement that the amendment is the first question to be placed on the November 2018 ballot. Measure supporters say it would put the state’s voters back in charge.

The newly dubbed Constitutional Amendment W would tighten campaign finance and lobbying restrictions. It also would create an independent ethics commission and prevent the Legislature from altering or rejecting laws approved by voters without returning to the ballot.

The amendment would replace a voter-imposed ethics overhaul called Initiated Measure 22, the initiative that South Dakota lawmakers repealed this year.

The amendment's approval for the ballot comes as some lawmakers have discussed changes that would make it tougher for residents to bypass the statehouse at all. South Dakota, in 1898, became the first state in the nation to adopt citizen initiatives.

A proposal from the South Dakota House speaker would ban out-of-state fundraising for initiatives. Another legislative plan would make it harder for constitutional changes to pass at the ballot box. Both would require voter support to take effect.

"The political establishment's ongoing effort to undermine and disrespect South Dakota voters is outrageous," Doug Kronaizl, spokesman for pro-amendment group Represent South Dakota, said in a statement. "What began as anger and frustration over the Legislature's brazen repeal of IM-22 has become a rallying point for South Dakotans of all political stripes who demand a cleaner government that respects its voters."

The new amendment would create a seven-member state government accountability board with broad powers to serve as a citizen ethics commission. It would require lawmakers to put \$389,000 annually indexed to inflation into a fund administered by the board.

The panel would investigate allegations of corruption and violations of lobbying, campaign finance and government ethics regulations. It would also have the authority to conduct audits of disclosures including for lobbying and campaign finance and impose sanctions such as fines on public officials.

The new amendment would also lower campaign donation limits. For example, it would decrease the contribution limit for a state representative from \$1,000 a year from individuals to \$500 per election cycle. Donations from corporations and labor unions to candidates or political parties would be banned.

Gifts from lobbyists to many public officials also would be barred. Currently, there's an annual \$100 limit on gifts that legislators and other public officials can accept from lobbyists, but gifts don't include food, beverage or entertainment for immediate consumption, among other things.

The proposed amendment also prevents the Legislature from changing the ballot question process without a public vote.

The measure's approval for the ballot could be challenged. The deadline for such a challenge is Jan. 29.

Backers needed nearly 28,000 valid signatures for the amendment to go before voters. Krebs says they turned in about 50,000 signatures, and a random sampling found roughly 71 percent were valid.