



Political Law Alert

If you have any questions regarding the matters discussed in this memorandum, please contact the following attorneys or call your regular Skadden contact.

Ki P. Hong

Partner / Washington, D.C.
202.371.7017
ki.hong@skadden.com

Kenneth A. Gross

Partner / Washington, D.C.
202.371.7007
kenneth.gross@skadden.com

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Four Times Square
New York, NY 10036
212.735.3000

1440 New York Avenue, N.W.
Washington, D.C. 20005
202.371.7000

Voters in Three States Approve Ballot Measures Involving Campaign Contribution Limits and Ethics Reforms

On Election Day in 2018, voters in three states approved amendments to rules involving a variety of ethics reforms involving lobbying, contributions and gifts.

Missouri Enacts Gift, Revolving Door and Campaign Contribution Restrictions

On November 6, 2018, Missouri voters approved Amendment 1 to the Missouri Constitution, enacting gift, revolving door and campaign contribution restrictions that are effective December 6, 2018. In addition, Missouri Gov. Michael Parson signed Executive Order 18-10 (the Parson Order) on November 20, 2018, enacting new gift and lobbying restrictions in the state effective immediately and superseding former Gov. Eric Greitens' Executive Order 17-02 (the Greitens Order).

Gifts

Effective December 6, 2018, Amendment 1 prohibits a member or employee of the General Assembly from accepting a gift from any paid lobbyist or lobbyist principal in excess of \$5 per occurrence.

In addition, effective November 20, 2018, the Parson Order enacts a new executive branch gift ban. Similar to the Greitens Order, the Parson Order prohibits lobbyists (but not lobbyist employers) from giving gifts to executive branch employees. However, the Parson Order does not adopt the exemptions included in the Greitens Order, instead adopting new exemptions that include, among others: (1) informational material such as books, reports, pamphlets, calendars or periodicals informing a public official regarding such person's official duties, or souvenirs or mementos valued at less than \$10; and (2) any item, provision of any service or granting of any opportunity with a reasonably discernible cost or fair market value when such item, service or opportunity is necessary for a public official or employee to perform his or her duty in his or her official capacity, including, but not limited to, entrance fees to any sporting event, museum or other venue when the official or employee is participating in a ceremony, public presentation or official meeting therein.

Like the Greitens Order, the Parson Order does not apply to employees of the Missouri secretary of state, treasurer, auditor, attorney general, or lieutenant governor, all of whom are required by statute to establish internal codes of conduct for their offices.

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Revolving Door

Missouri statutes impose a six-month “cooling-off” period before a former member of the General Assembly may act as a paid lobbyist after his or her term expires. Effective December 6, 2018, Amendment 1 to the Missouri Constitution lengthens the period to two years for members of the General Assembly, and now covers former employees of the General Assembly as well.

In addition, effective November 20, 2018, the Parson Order effectively re-enacts the Greitens Order’s cooling-off period, prohibiting employees who leave the Office of the Governor from acting as an executive lobbyist until the end of the administration in which they served.

Campaign Finance

Effective December 6, 2018, Amendment 1 enacts the following restrictions on campaign contributions:

- Per-election limits on contributions from individuals and PACs have been lowered from \$2,600 to \$2,500 for candidates for state senator and to \$2,000 for candidates for state representative. Amendment 1 does not change the contribution limits for other state or local offices, or the ban on corporate contributions to candidates.
- As noted in our August 2018 mailing, the Missouri Ethics Commission promulgated rules earlier this year that require federal PACs participating in Missouri elections to register, report and comply with requirements similar to those applicable to state PACs if their activity exceeded certain contribution or expenditure thresholds. However, Amendment 1 prohibits contributions to candidates by a federal PAC unless the federal PAC has filed the same financial disclosure reports that would be required of a state PAC, even if the federal PAC’s activity has not exceeded the contribution or expenditure thresholds. Given the restrictions on state-registered PACs, this may make it impractical for certain federal PACs to give in the state. The Missouri Ethics Commission is currently reviewing whether Amendment 1 will require any changes to the rules, and we are monitoring for further developments.
- Amendment 1 prohibits contributions to a candidate for legislative office made through another person so as to conceal the identity of the actual source of the contribution. There is a rebuttable presumption that a contribution from a committee or organization primarily funded by a single individual, committee or other entity

is intended to circumvent contribution limits if that individual, committee or other entity has already reached its contribution limit under applicable law. Missouri will consider a committee or organization “primarily funded” by a single individual, committee or other entity if it receives more than 50 percent of its annual funding from that individual, committee or other entity.

New York City Lowers Contribution Limits

In New York City’s 2018 general election, voters passed a charter amendment that will lower contribution limits. New York City currently limits contributions to \$5,100 for citywide offices, \$3,950 for borough president and \$2,850 for City Council positions per election cycle. These limits apply both to candidates not participating in New York City’s public financing system (nonparticipating candidates) and to candidates participating in the public financing system (participating candidates).

Although the charter amendment will take effect January 12, 2019, the new limits will not apply until after the 2021 election cycle for most candidates. For elections held after the 2021 general election, New York City will lower the limits for nonparticipating candidates to \$3,500 for citywide offices, \$2,500 for borough president and \$1,500 for City Council positions per election cycle. Limits for participating candidates will be lowered to \$2,000 for citywide offices, \$1,500 for borough president, and \$1,000 for City Council positions per election cycle. Participating candidates also may opt into these limits for the 2021 election cycle to receive additional matching funds from the city.

The amendment does not affect the city’s corporate ban or its limits on contributions by lobbyists and those doing business with the city.

Florida Enacts Unusually Long Revolving Door Restrictions

On November 6, 2018, Florida voters approved Amendment 12 to the Florida Constitution, enacting revolving door restrictions lasting longer than those in most other states. Prior to Amendment 12, former executive and legislative officials and employees were subject to revolving door restrictions for two years after leaving office or state employment. Effective December 31, 2022, such former officials and employees will be subject to six-year revolving door restrictions prohibiting lobbying on issues of policy, appropriation or procurement. The restrictions also will cover high-level local officials.

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Additional Contacts

Melissa L. Miles

Counsel / Washington, D.C.
202.371.7836
melissa.miles@skadden.com

Matthew Bobys

Counsel / Washington, D.C.
202.371.7739
matthew.bobys@skadden.com

Charles M. Ricciardelli

Counsel / Washington, D.C.
202.371.7573
charles.ricciardelli@skadden.com

Tyler Rosen

Associate / Washington, D.C.
202.371.7035
tyler.rosen@skadden.com

Shayla K. Parker

Associate / Washington, D.C.
202.371.7534
shayla.parker@skadden.com

Jeremy F. Regan

Associate / Washington, D.C.
202.371.7073
jeremy.regan@skadden.com

Theodore R. Grodek

Associate / Washington, D.C.
202.371.7262
theodore.grodek@skadden.com

Kelvin Reese

Head Political Reports Analyst
202.371.7498
kelvin.reese@skadden.com