



Political Law Alert

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Notable Political Law Developments in New York, Texas and Los Angeles

Below, please find a summary of notable political law developments in New York, Texas and the city of Los Angeles.

New York State Reduces Contribution Limits Beginning in November 2022

Late last year, the New York Campaign Finance Reform Commission adopted a binding recommendation that state contribution limits be reduced following the 2022 election cycle. The New York legislature had established the one-time commission to make recommendations with the force of law to implement a public campaign finance system for statewide and state legislative public offices. The commission submitted its final report, which included recommendations for the administration and financing of the public financing system, on December 1, 2019. The legislature had until December 22, 2019 to modify or abrogate the recommendations by statute, which the legislature failed to do. Currently, legal challenges to the powers delegated to the commission are ongoing.

The new limits, which would take effect November 9, 2022, for candidates seeking statewide office would be \$18,000 per election cycle, divided equally between the primary and general elections (reduced from a current maximum combined limit of \$69,700). Contributions to candidates for state senate will be limited to \$10,000 per election cycle, divided equally between the primary and general elections (reduced from a current combined limit of \$19,300). Contributions to candidates for state assembly will be limited to \$6,000 per election cycle, divided equally between the primary and general elections (reduced from a current combined limit of \$9,400). The new limits apply regardless of whether a candidate is participating in the public finance system. The \$5,000 aggregate limit on contributions by corporations and LLCs per calendar year is unchanged.

Texas Raises Threshold Triggering Lobbying Registration

Effective January 1, 2020, the Texas Ethics Commission adopted a rule raising the thresholds triggering state lobbying registration. A person now must register as a lobbyist if he or she is compensated or reimbursed in excess of \$1,560 (previously \$1,000), not including reimbursements for a person's own travel, food or lodging expenses, and spends more than 40 hours of his or her compensated time during a calendar quarter to lobby.

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In addition, independent of the threshold described above, a person must register as a lobbyist if he or she makes total expenditures to lobby in excess of \$780 (previously \$500) during a calendar quarter, not including expenditures for a person's own travel, food or lodging expenses.

Los Angeles Limits Developer Contributions

Beginning with the 2022 general elections for city office, the city of Los Angeles will prohibit contributions to the mayor, city attorney, member of city council, or a candidate or a city controlled committee for these elected city offices from applicants, owners and principals applying for certain significant planning entitlements with the city. Applicants and owners are persons identified in an application for a significant planning entitlement. Principals are defined as an applicant or owner's board chair, president, CEO, CFO, COO, functional equivalent of these aforementioned positions, a person holding a 20% ownership interest in an owner or applicant, or an individual authorized to represent the applicant or owner before the planning department concerning the planning entitlement. The prohibited

period for contributions begins from the time an application is submitted until 12 months after the date a letter of determination is issued, or, if there is not a letter of determination, the date the decision on the application is final. If the application is withdrawn or terminated, the restriction applies until the day after the termination or the filing of the withdrawal.

At the time of the application for the significant planning entitlement, an applicant is required to certify that they will comply with these restrictions and notify owners and principals accordingly. If found in violation of these restrictions, one may not be an applicant, owner or principal on a new application for 12 months after the determination of the violation, unless the Ethics Commission determines mitigating circumstances exist.

This ordinance is effective starting on the first day a candidate for elected city office may file a declaration of intent to solicit and raise contributions for the 2022 general election. This date has not yet been finalized, but will immediately follow the 2022 primary elections.

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