



Political Law Update

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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One Manhattan West
New York, NY 10001
212.735.3000

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

Illinois Governor Certifies Ethics Reform Package Into Law

On October 8, 2021, Illinois Gov. J.B. Pritzker certified S.B. 539, an ethics reform package, into law. The act makes a number of changes to the state’s lobbying, campaign finance and conflict-of-interest laws, and takes effect on January 1, 2022, except where noted below.

Notable changes under the act include:

Changes to the State’s Lobbying Law

- **State Registration for Local Lobbying:** The act broadens Illinois’ lobbying law to require state registration for lobbying at the county, municipal or township level. An individual who lobbies a covered local official, as well as that individual’s employer, must register with the Illinois secretary of state if they receive any compensation for lobbying, even if lobbying constitutes a small percentage of their job duties. As with lobbying at the state level, lobbying at the local level covers attempting to influence legislative action as well as executive and administrative action, including, but not limited to, procurement.

Under state law, a lobbyist and the lobbyist’s employer must register each calendar year before the lobbyist engages in lobbying, no later than two business days after the lobbyist is employed or retained. Thus, lobbyists registered in the city of Chicago, along with their employers, may need to register with the state before the city’s January 20 deadline for lobbyists to renew their registration.
- **Preemption of Inconsistent Local Lobbying Laws:** No unit of local government, other than the city of Chicago, may regulate lobbying in a manner inconsistent with the act, and all existing laws and ordinances that are inconsistent with the act are superseded. The law is unclear as to the meaning of the term “inconsistent.” Specifically, it is unclear whether a locality’s lobbying registration and reporting requirements would be deemed “inconsistent” with the act’s registration and reporting requirements for lobbying at the local level.
- **Registration for Grassroots Lobbying:** The act expands coverage of grassroots lobbying, requiring registration for soliciting others to communicate with a covered official to influence any state or local legislative, executive or administrative action. Under current law, grassroots lobbying at the state level generally does not trigger registration. A participant in a grassroots communication or event sponsored by a registered entity may be required to register, but not if the participant reports its grassroots expenditures to the registered entity.

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- **Registration and Reporting for Outside Consultants:**

Any lobbyist or lobbyist employer who retains a consultant must provide information about the consultant's services on its registration and disclose the consultant's expenditures on its reports. A consultant is defined as any person who, for compensation, merely provides advisory services to a lobbyist or lobbyist employer for the ultimate purpose of influencing any legislative, executive or administrative action, subject to certain exemptions.

A consultant is not required to register as a lobbyist for providing advisory services. However, if in the course of providing services as a consultant, the consultant makes a lobbying contact with a covered official, or makes an expenditure on behalf of or benefiting a covered official, the consultant will be required to register as a lobbyist. The act also extends the contingent fee prohibition to cover compensation for consultants.

- **Covered State Officials Under the Lobbying Law:** The act expands the list of state officials covered under the lobbying law to include the deputies of the governor, secretary of state, attorney general, the treasurer and the comptroller. Please note that some of these deputies are currently listed as covered officials by the secretary of state.

Campaign Finance: Expanded Sessional Ban on Fundraising

The act expands the sessional ban on fundraisers for constitutional officers, state legislators and candidates for these positions. The ban currently covers fundraisers held in Sangamon County — where Springfield, the state capital, is located — during the regular legislative session, beginning on February 1, and the fall veto session. The act expands the ban to cover fundraisers held anywhere in the state during the full length of the regular session, the fall veto session and any special session, as well as the day before the start of any session. There is an exemption for fundraisers held during or on the day before a special session that are scheduled at least 14 days in advance.

Conflict-of-Interest Laws and Post-Employment Restrictions

- **New Restrictions on Compensated Lobbying by Government Officials:** Included in the act are new restrictions on compensated lobbying by certain state or local officials. For example, state legislators and executive branch constitutional officers are prohibited from lobbying, for compensation, the governing body of a county, municipality or township, or an official thereof, on behalf of any lobbyist or lobbyist employer that is registered to lobby the General Assembly or the state executive branch. Also, elected or appointed county, municipal and township officials may not lobby, for compensation, the governing body of a county, municipality or township, or an official thereof, on behalf of any lobbyist or lobbyist employer that is registered to lobby their jurisdiction.
- **Changes to Post-Employment Restrictions for State Personnel:** The scope of a one-year revolving door ban for former state personnel is broadened under the act to cover those who participated in the fiscal administration of a state contract of \$25,000 or more. Currently, the law covers only those who participated in the award or issuance of such state contracts.
- **New Post-Employment Restrictions for Constitutional Officers and State Legislators:** The act prohibits executive branch constitutional officers and state legislators who step down during their term from engaging in lobbying at the state level that requires registration until the earlier of when their unexpired term ends or six months after leaving office. These prohibitions are effective January 1, 2022, for executive branch officers and January 11, 2023, for legislators.

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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

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

Shayla K. Parker

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

Theodore R. Grodek

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

Karina Bakhshi-Azar

Associate / Washington, D.C.
202.371.7365
karina.bakhshi-azar@skadden.com

Sam Rothbloom

Associate / Washington, D.C.
202.371.7354
sam.rothbloom@skadden.com

Kelvin Reese

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

Minkeun Oh

Senior Political Reports Analyst
202.371.7499
minkeun.oh@skadden.com

Jennifer Shaw

Senior Political Reports Analyst
202.371.7426
jennifer.shaw@skadden.com

John Mannion

Political Reports Analyst
202.371.7559
john.mannion@skadden.com