



New Lobbying Disclosure Requirements

Source of Funding

Source of Funding

SCOPE:

- The Public Integrity Reform Act of 2011 (“PIRA”) amended Legislative Law 1-A
- Requires lobbyists who lobby on their own behalf and clients, who devote substantial resources to lobbying activity in New York State, to make publicly available, each source of funding over \$5,000 for such lobbying
- Source of Funding increases transparency by informing the public about efforts to influence government’s decision-making process
- The new disclosure requirements are first applicable in the 2012 July/December Client Semi-Annual Report due January 15, 2013

Statutory Reference: Legislative Law 1-A § 1-h(c)(4) and § 1-j(c)(4)

Source of Funding Terms

Responsible Party

- Any individual responsible for filing the Client Semi-Annual Reports with the Commission, *e.g.* Chief Administrative Officer, or designee

Contribution

- Any payment to, or for the benefit of, the Client and which is intended to fund, in whole or in part, the Client Filer's activities or operations

Amount of Contribution

- For each Contribution not specifically designated for lobbying in New York, the product of:
 - The dollar amount of the Contribution and
 - Reportable Compensation and Expenses divided by Total Expenditures
- The amount of Contribution also includes, in addition to the amount yielded by this formula, any Contribution specifically designated for lobbying in New York

Expenditure Threshold

TWO THRESHOLD REQUIREMENTS:

- Client has spent in excess of \$50,000 in Reportable Compensation and/or Expenses for lobbying during the Expenditure Threshold Period

and

- Client expenditures on lobbying in New York constitute at least 3% of the Client Filer's Total Expenditures during the Expenditure Threshold Period

When the \$50,000 - 3% Expenditure Threshold is met, all Contributions over \$5,000 must be reported in the appropriate threshold period

Need to know:

Disclosure is only required if BOTH requirements are satisfied

Expenditure Threshold Period

2013 Client Semi-Annual Reports:

Client Semi Annual Filing Due Dates	Filing Period	Twelve-Month Calculation Dates	Calendar Year Calculation Dates
January 15, 2013 (2012 J/D CSA)	Begins: Ends:	January 1, 2012 December 31, 2012	January 1, 2012 December 31, 2012
July 15, 2013 (2013 J/J CSA)	Begins: Ends:	July 1, 2012- June 30, 2013	January 1, 2013 June 30, 2013

Need to Know:

Client must determine whether the Expenditure Threshold has been met using both the 12-month and Calendar Year Calculation

Reportable Compensation

COMPENSATION:

- Any salary, fee, gift, payment, loan, advance or any other thing of value paid, owed, given or promised to a retained or employed lobbyist for the purpose of lobbying

Need to know:

Contributions reportable under Article Fourteen of the Election Law are exempt.

Reportable Expenses

LOBBYISTS WHO LOBBY ON THEIR OWN BEHALF:

- Any expenditures incurred by or reimbursed to the lobbyist (employed or designated) for lobbying

CLIENT FILER:

- Any expenditure reimbursed to the lobbyist for lobbying

Need to know:

Expenses reportable under Article Fourteen of the Election Law are exempt

Amount of Contribution Formula

Dollar Amount of
Single Source
Contribution



Reportable
Compensation
and Expenses



Total
Expenditures



Amount of
Contribution
Specifically
Designated for
Lobbying



Amount of Contribution to be Reported

Amount of Contribution Example

ABC COMPANY

- \$100 million/year in Total Expenditures during the Expenditure Threshold period to run the organization
- \$5 million in reportable compensation and expenses during the Expenditure Threshold period
- John Doe Contributes \$10,000 to ABC Company in a 12-month period

Amount of Contribution to be Reported

$$\text{\$10,000} \times (\text{\$5,000,000} / \text{\$100,000,000}) = \text{\$500}$$

Amount of Contribution Example

TRADE ASSOCIATION EXAMPLE

- Acme Trade Association incurs \$5 million of Total Expenditures during the Expenditure Threshold Period
- Of that \$5 million, \$1 million is spent on Reportable Compensation and Expenses in New York
- XYZ Corp. is a member of the Trade Association, and pays \$25,000 in membership dues. XYZ Corp. also purchases various books and materials from the Trade Association, totaling an additional \$1,000
- During the Expenditure Threshold Period, Acme Trade Association determines that a requests XYZ Corp. provide an additional \$4,000 to support the lobbying activities of the association

Amount of Contribution to be Reported

$$\mathbf{\$25,000 \times \$1M/\$5M + \$4,000 = \$9,000}$$

Single Source

- Any person, corporation, partnership, organization or entity that makes a Contribution

Other Relationships that Constitute a Single Source:

- Two or more persons whom the Client knows live in the same household
- Two or more corporations, partnerships, organizations or entities that the Client knows or has reason to know are related
- A sole proprietorship and its sole proprietor if the Client knows or has reason to know of the relationship

Contribution Reporting Requirements

KEY POINTS:

- For the 2012 July/December Client Semi-Annual Report due January 15, 2013, Contributions received from any Single Source between January 1, 2012 and June 30, 2012 do not need to be reported or aggregated
- Lobbyists who lobby on their own behalf are only required to report Contributions from a Single Source on their Client Semi-Annual reports, additional reporting is not required on the Bi-monthly Report

Contribution Reporting Requirements

WHAT IS PUBLICLY DISCLOSED:

- Name of the Single Source
- Name and address of principal place of business, if any
- Date the Client Filer received the Contribution(s)
- Amount of the Contribution(s)

REFERENCE:

Source Funding Regulations – Page 6

Contribution Reporting Requirements

**Client Semi-Annual Reporting Period
January 1 – June 30**

**Expenditure
Threshold
met**

**Aggregate all
Contributions
from a Single
Source**

**Sum of all
Contributions
Total >\$5,000**

**Disclose each
Contribution**



Contribution Reporting Requirements

July 1- December 31 Semi-Annual Reporting Period

Disclosure of Contributions may depend on what happened in the previous reporting period (January 1 – June 30)

RULES TO FOLLOW:

- If the Client Filer has met the Expenditure Threshold for the July 1-December 31 reporting period, then it must report Contributions from a Single Source in excess of \$5,000 received during this reporting period
- If the Client Filer also met the Expenditure Threshold during the prior reporting period (January 1 – June 30), and received Contributions from a Single Source in excess of \$5,000 during that period, it must disclose all Contributions, regardless of amount, received from the Single Source during the July 1-December 31 reporting period
- If the Client Filer also met the Expenditure Threshold during the prior reporting period (January 1 – June 30), and received Contributions from a Single Source totaling \$5,000 or less during that period, the Client Filer must aggregate all Contributions, regardless of amount, received from the Single Source during the entire calendar year. If the sum of such Contributions exceeds \$5,000, the Client Filer must report each Contribution

Exemptions

Clear and convincing evidence that disclosure of the Single Source will cause harm, threats, harassment, or harm to the property or individuals associated with the Single Source

FACTORS:

- Specific evidence of present threats, harms or reprisals
- Severity, number of incidents and duration of past and present harm
- Pattern of threats
- Evidence of harm, threats or harassment against similar organizations or views
- The impact of disclosure on the ability of the Single Source(s) or Client Filer to maintain ordinary business operations and the extent of the resulting economic harm

STATUTORY EXEMPTION FOR:

- 501(c)(3) Entities
- Any governmental entity

Need to Know:

501(c)(4) entities may apply for a blanket Exemption utilizing the above factors

Exemptions

KEY POINTS:

- Submit an Exemption form no later than two days prior to the due date of an applicable Client Semi- Annual Report
- Commission will inform the Client Filer of the decision in writing
- Denials of Exemptions can be appealed, if Client filer does not appeal, the Client Filer has 15 days to amend the Client Semi-Annual report and include information from the Single Source