



## New York Governor's Budget Proposal Could Result in Major Expansion of State's Lobbying Law

### *Significant Impact on Interactions with Local Governments*

On Feb. 20, 2015, the Governor of New York State announced a series of ethics reforms as part of his budget proposal amendments. Most of the proposed statutory changes pertain to new disclosure obligations for public officials who maintain outside employment, and penalties for failure to comply. However, the proposal also includes a notable change to the New York State Lobbying Act that could significantly affect individuals and entities who interact with local governments throughout the State.

### **Expanded Application of Lobbying Act**

The Governor has proposed redefining the Lobbying Act's definition of municipality to cover all governmental subdivisions with a population greater than **5,000**, and school districts of any size. If the proposal is adopted as part of the budget, effective immediately, any individual or entity that expends more than \$5,000 attempting to influence legislation, regulation, procurement, or certain other enumerated activities by a local government with a population of more than 5,000, or any of those actions by a school district, will be required to register with and disclose the activity to State Joint Commission on Public Ethics (JCOPE).

### **Current Application of Lobbying Act to Local Governments**

Current law defines "lobbying" or "lobbying activities" to include attempts to influence:

- > the passage or defeat of any local law, ordinance, resolution, or regulation by any municipality or subdivision thereof;
- > the adoption, issuance, rescission, modification or terms of an executive order issued by the chief executive officer of a municipality;

- > the adoption or rejection of any rule, regulation, or resolution having the force and effect of a local law, ordinance, resolution, or regulation;
- > any determination by a municipal officer and employee with regards to a governmental procurement; or
- > the outcome of any rate making proceeding by any municipality or subdivision thereof.

However, these activities are only considered lobbying – potentially triggering registration obligations with JCOPE – if it occurs: (i) in a local government with a population of more than 50,000 individuals (covering most counties, 13 cities, 21 towns and one village), (ii) before an industrial development agency in one of those jurisdictions with a population of more than 50,000, (iii) public authorities, or (iv) public corporations. Additionally, the law expressly excludes school districts. Thus, under current law, there is no requirement that persons or entities seeking to influence the legislative, regulatory, or procurement process in the hundreds of political subdivisions with 50,000 residents or less, or school districts, register as a lobbyist or disclose the activity.

#### **Proposal Creating Obligation to Register and Report Interactions with Local Governments**

Changing the definition of municipality could have a major impact on businesses and consultants, as well as the local government officials with whom they interact. Activities that traditionally were not considered “lobbying” would suddenly trigger registration obligations, and interactions with countless local political subdivisions would have to be disclosed to the State. This will mean new compliance obligations for consultants and their clients, and new insight into certain municipal officials’ activities.

#### **Government Law Compliance Practice**

Greenberg Traurig’s Government Law Compliance Practice is available to assist with questions regarding New York State’s lobbying, ethics, and election laws, and to assist with the development or implementation of compliance policies. GT has a broad range of experience in New York City and State, and provides advice to some of the world’s leading corporations, lobbying firms, public officials, candidates, advocacy organizations, and others who seek to navigate New York’s complex political law compliance requirements.

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