



New York State Public Integrity Reform Act ("PIRA") *An Overview for Lobbyists and Their Clients*

The following summarizes PIRA's key changes to the state ethics laws pertaining to lobbyists and their clients.

EXPANDED DEFINITION OF LOBBYING

- ◆ PIRA expanded the definition of lobbying to include not only "advocacy" to affect the passage of legislation or a resolution, but also the "introduction of legislation or a resolution."

Source: Legislative Law § 1-c(c)(i).

DISCLOSURE OF SOURCE OF FUNDING

- ◆ PIRA enacted historic new requirements calling for the disclosure of source of funding for certain clients of registered lobbyists and registered lobbyists who lobby on their own behalf.
- ◆ Clients of registered lobbyists and registered lobbyists who perform lobbying activities on their own behalf that have spent at least \$50,000 and at least three percent of their total expenditures during the previous year on lobbying activities within New York State must "disclose each source of funding over \$5,000 used for such lobbying" and the amounts received from each source".
- ◆ Lobbyists may seek an exemption to avoid disclosure based upon a "clear and convincing" showing that it may cause harm, threats, harassment, or reprisals to the source of funding or its property.
- ◆ On July 31, 2012, JCOPE adopted proposed regulations implementing these new disclosure and reporting requirements. These regulations must be promulgated in accordance with the State Administrative Procedures Act ("SAPA".) In accordance with the requirements of SAPA, a Notice of Proposed Rulemaking was published in the New York State Register on September 12, 2012. The proposed regulations are currently open for public comment. A copy of the proposed regulations is available on JCOPE's website. (http://www.jcope.ny.gov/about/ethc/Final%20Source%20Funding%20Regs_082312.pdf)

Source: Legislative Law § 1-h(c).

REPORTABLE BUSINESS RELATIONSHIPS

- ◆ PIRA also enacted requirements for clients of registered lobbyists and all registered lobbyists to disclose certain types of business relationships they have with state officers and employees or companies in which state officers and employees have significant involvement. Under PIRA, the relationships that must be disclosed are referred to as "Reportable Business Relationships."
- ◆ The term "**reportable business relationship**" means a relationship in which compensation is paid by a lobbyist or by a client of a lobbyist in exchange for any goods, services or anything of value, the total value of which is in excess of \$1,000 annually, to be performed or provided by or intended to be performed or provided by:

This document is intended only as a brief description of major changes in state ethics laws made by PIRA. It is not intended to be a comprehensive guide to all state ethics laws applicable to lobbyists, their clients, or employers, and public corporations which engage in lobbying activities. Nor should it be considered a substitute for legal counsel.

- (i) any statewide elected official, state officer, state employee, Member of the Legislature or legislative employee, or
 - (ii) any entity in which the lobbyist or the client of a lobbyist knows or has reason to know the statewide elected official, state officer, state employee, Member of the Legislature, or legislative employee is a proprietor, partner, director, officer, or manager, or owns or controls 10 percent or more of the stock of such entity. This threshold is reduced to one percent in the case of a corporation whose stock is regularly traded on an established securities exchange.
- ◆ JCOPE's guidelines to be utilized by lobbyists and their clients in complying with these new disclosure and reporting requirements are available on JCOPE's website. (<http://www.jcope.ny.gov/about/lob/Reportable%20Business%20Relationships%20Guidelines%20FINAL.pdf>)

Source: Legislative Law §§ 1-c(w), 1-e(c)(8), and 1-j(b)(6).

GIFTS: CLARIFICATION OF DEFINITION OF A "WIDELY ATTENDED EVENT" & ADDITION OF STATUTORY EXEMPTION FOR FOOD AND BEVERAGES LESS THAN \$15.

PIRA made two important changes to the ban, contained in Public Officers Law § 73(5), on soliciting, accepting or receiving gifts:

- ◆ The "widely attended event," exception to the definition of a "gift" is defined as an event which at least 25 individuals other than members, officers, or employees from the governmental entity in which the public official serves, attends, or were, in good faith, invited to attend, and which is either related to the attendee's duties or responsibilities, or allows the public official to perform a ceremonial function appropriate to his or her position.
- ◆ An additional statutory exemption was added to exclude food or beverage valued at \$15 or less from the definition of "gift."
- ◆ In the near future, JCOPE will be providing further guidance on the gift ban and its exemptions.

MANDATORY ETHICS TRAINING FOR REGISTERED LOBBYISTS

- ◆ Every individual registered as a lobbyist must complete an ethics training course at least once in any three-year period in which he is registered as a lobbyist.
- ◆ The course curriculum will include at least the following: (1) explanations and discussions of the Public Officers Law, Election Law, and Legislative Law, and their respective regulations; (2) summaries of advisory opinions; (3) underlying purposes and principles of the relevant laws; and (4) examples of practical applications of these laws, regulations, and principles.
- ◆ JCOPE is in the process of developing the ethics training course.

Source: Legislative Law § 1-d.