



2009 Ethics, Lobbying & Campaign Finance Law

Why now?

In late 2008, a state senator and a Boston city councilor were indicted for accepting bribes, the now former speaker of the House was under suspicion for steering state business to an associate, and the governor of Illinois tried to sell a U.S. Senate seat.

In response, Governor Deval Patrick convened task force to review the adequacy of the state's ethics and lobbying laws. The 12 member group was comprised of legislators, academics, public officials, and advocates including Common Cause executive director Pam Wilmot, former Common Cause President and former attorney General Scott Harshbarger, and Common Cause Massachusetts board member Peter Sturges.

Over the course of 60 days, the task force heard public testimony, reviewed the current law, and drafted legislation which Governor Patrick filed at the start of the new session.

"Reform before revenue" became a mantra at the state house, and within months both houses had passed their own versions of the bill. The inconsistencies were reconciled in conference committee, and many of the strongest aspects of each proposal were adopted.

On July 1, 2009 Governor Patrick signed the legislation into law reshaping the state's ethics, lobbying, and campaign finance laws for the first time in over a decade.

What are people are saying?

Shaken by scandals alleging bribery, bid-rigging and worse, the Massachusetts Legislature has taken extraordinary steps in the 2009 session to repair its reputation. Spurred by Governor Patrick's threat to veto a sales tax increase worth \$900 million in the state budget - and a fiscal crisis that has helped focus the mind - the Legislature has cleaned up gross abuses in the state pension system, proposed reorganization and reform of transportation agencies, and, late Wednesday, offered a package of toughened ethics and campaign financing laws. The ethics bill has its imperfections, but it is probably the most significant reform in a generation.

—BOSTON GLOBE

When legislators and their powerful leaders are regularly arrested, it's not unreasonable for people to conclude there is a culture of corruption in the State House...legislators have, to some degree, addressed this issue with one of the most sweeping ethics reform bills to come through the Legislature in a long time. The bill was signed into law Wednesday.

—PATRIOT LEDGER

"The ethics reform bill raises the level of expectation inside the building to what the public is entitled to - and expects."

—GOVERNOR DEVAL PATRICK

"Together we have done what so many thought public leaders could never achieve and that is to bring real reform to Beacon Hill."

—SPEAKER OF THE HOUSE ROBERT DELEO

"It sends the message...that violations of ethics and campaign finance laws come with steep consequences."

—SENATE PRESIDENT THERESE MURRAY

"This is a serious, thoughtful, and comprehensive bill.... In fact, it is the most significant ethics, lobbying, and campaign finance disclosure reform in decades."

—COMMON CAUSE MASSACHUSETTS

A few key provisions.

Changes to **ethics**.

- **Bans gifts to public officials**, making it a civil violation for gifts of \$50 to \$1,000 and a felony for gifts with a value greater than \$1,000. Penalties apply to both the recipient and the giver.
- Allows the attorney general to convene a **state-wide grand jury** to streamline investigations.
- Increases penalties for **bribery** convictions to up to 10 years in prison, a \$100,000 fine, or both.
- **Strengthens the Ethics Commission's authority** to enforce ethics laws and to investigate and prosecute alleged ethics violations.
- Increases penalties for **obstruction of justice and other criminal violations** of the ethics laws.
- Increases the civil penalty on all **ethics law violations** from \$2,000 to \$10,000 per violation.
- Requires that **income derived from bribes**, corrupt gifts and illegal activity counts as gross income for tax reporting purposes.

Changes to **lobbying**.

- **Requires lobbyists to disclose all retainers and expenditures**, including those made for strategy and research.
- Reduces the threshold for **incidental lobbying** for executive and legislative agents from 50 hours to 25 hours.
- Requires lobbyists to complete a **annual certification course** and increases penalties for late filing.
- Gives the secretary of state **civil enforcement authority over the lobbying laws**, including authority to subpoena documents and testimony,, conduct adjudicatory proceedings, impose civil fines of up to \$10,000 per violation, and suspend a violator's license.
- **Increases criminal penalties** for violations, and mandates suspension of license for 10 years for felons.
- **Closes a loophole** in existing law related to so-called "success fees" in which lobbyists are paid bonuses if legislation passes.

Changes to **campaign finance**.

- Requires the **disclosure of sham issue ads** and mass mailings and who is paying for them.
- **Eliminates special committee arrangements** between state political parties and elected officials, allowing only individual contributions up to \$5,000 to a political party.
- Prohibits individuals from making **committee checks** payable to themselves.
- Prohibits the use of **campaign funds for payment of fines** due to ethical violations.
- Requires that **legal defense funds are maintained separately from campaign funds** and disclosed.
- Prohibits the name of candidates from appearing on a state ballot if a civil action has been initiated against the person for **failure to file reports or statements**.
- Improves reporting by **increasing number of reports to be filed by political candidates** (twice in non-election years and three times in election years), increasing penalties for late-filed reports, and requiring that candidates report large contributions within 24 hours in the days preceding an election.
- **Increases number of candidates required to report**, including mayors in cities with more than 40,000 residents.