

November 8, 2018

Obligations of Directors, Officers and Managers of Organizations That Register to Lobby

If an organization is registered as a lobbyist with New York State or New York City, its board members and senior managers have specific reporting and compliance obligations.

1. **Organization Must Report Lobbying by Board Members:** NY State and NYC require an organization that is a registered lobbyist or client to report any lobbying that its board members conduct on the organization's behalf, even if the lobbying is uncompensated.¹
2. **Reportable Business Relationships:** Board members and executive management of an organization registered as a lobbyist with NY State (and of clients of such registered lobbyists) must disclose reportable business relationships.²
3. **Gift Ban**
 - a. **NYC:** In addition to lobbyists and their relatives, NYC's ban on gifts from lobbyists applies to the officers or employees of a lobbyist organization "who engage in any lobbying activities or who are employed in such lobbyist's division that engages in lobbying activities and the spouse or domestic partner and unemancipated children of such officers or employees."³ NYC's gifts ban does not apply to gifts from clients of registered lobbyists.
 - b. **NYS:** NYS' ban on gifts from lobbyists and clients applies to any officer or employee of an organizational lobbyist or client "who engages in any lobbying activities or who is employed in an organization's division that engages in lobbying activities of the organization."⁴ It also applies to the spouse or unemancipated child of such individual if: a) it is reasonable to infer that the intent of the gift was to influence a public official to reward official action, or b) the gift could reasonably be expected to influence the official's performance of official duties.⁵
4. **Contributions to Candidates for NYC Office:** Contributions by NYC-registered lobbyists to NYC political campaigns are not matched by the NYC Campaign Finance Board and are subject to lower contribution limits than other individuals. If the lobbyist is an organization, this includes contributions by any officer or employee of such lobbyist who engages in lobbying activities of the organization or is

¹ 19 NYCRR 943.3(g); NYC Clerk Advisory Op. 2012-1, <http://www.cityclerk.nyc.gov/html/lobbying/2012-1.shtml>.

² 91 NYCRR § 943.14(b)(3).

³ NYC Admin Code Title 53, § 1-16(b).

⁴ NY Legis. Law §§ 1-e, 1-m.

⁵ 19 NYCRR 934.3(b).

employed in an organization's division that engages in lobbying activities of the organization and the spouse or domestic partner and unemancipated children of such officers or employees. It is unclear whether it also includes the CEO, CFO and/or COO, and any person employed in a senior managerial capacity, which is defined as "a high level supervisory capacity, either by virtue of title or duties, in which substantial discretion and oversight is exercised over the solicitation, letting or administration of business transactions with the city, including contracts, franchises, concessions, grants, economic development agreements and applications for land use approvals."⁶

5. **Political Fundraising for NYC Candidates:** The requirement to report political fundraising performed for a candidate for a NYC office applies to registered lobbyists, any officer or employee of an organizational lobbyist who actually engages in lobbying, and any officer or employee employed in an organization's division that engages in lobbying. It also applies to the spouse or domestic partner and unemancipated children of such officer or employee.⁷
6. **Paid Political Consulting for NYC Candidates:** The requirement to report paid political consulting performed for a candidate for a NYC office applies to registered lobbyists.⁸ It does not appear to apply to officers, directors or employees of a lobbyist organization who do not themselves engage in lobbying.

Note: the only requirements discussed here that apply to *clients* of registered lobbyists are:

- NY State's Reportable Business Relationships disclosure requirement,
- NY State's ban on gifts to public officials, and
- NYS and NYC's requirement to report volunteer lobbying by board members on the organization's behalf.

Therefore, an organization could avoid subjecting its non-lobbying directors, officers and employees to all other requirements by having each employee who lobbies register separately as a lobbyist, in lieu of registering the organization itself. The downside of such approach is that each lobbyist would have to pay a separate registration fee and file separate bi-monthly reports.

Where can I find more information about the obligations of organizations that lobby?

Lawyers Alliance's [FAQ's About Nonprofits and Lobbying](#) is available on our website.

This alert is meant to provide general information only, not legal advice. Lawyers Alliance staff are available to help qualified nonprofits with their business, transaction and compliance legal needs. Please contact Senior Policy Counsel Laura Abel, (212) 219-1800 x283, label@lawyersalliance.org, or visit www.lawyersalliance.org for further information.

⁶ NYC Campaign Finance Law §§ 3-702(3), (16), 3-703(1-a), available at <https://www.nyccfb.info/law/act/>

⁷ NYC Admin. Code § 3-211(h).

⁸ NYC Admin. Code § 3-211(i).

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