

## San Francisco and Montana Pass Campaign Finance Regulations Affecting Government Contractors

June 20, 2018

On June 8, 2018, Montana Gov. Steve Bullock signed an executive order requiring recipients of major government contracts to disclose certain political activities. All business entities seeking contracts valued at more than \$25,000 for services or \$50,000 for goods will be required to disclose certain political expenditures made within two years prior to the submission of their bid or offer. Among other activity, the executive order will require disclosure of expenditures on “electioneering communications,” which include advertisements that identify specific candidates or refer to a political party, ballot issue or other question in Montana elections. The executive order aims to shed light on political activity by government contractors that was not previously required to be disclosed.

San Francisco also recently passed legislation aimed at increasing transparency of city contractor political activity. Among other provisions, the legislation will double the pay-to-play “restricted period,” prohibiting city contractors from making contributions to the elected official, or candidates for the elected office, that approved the contract for up to one year after the approval of the contract. Additionally, any political committee receiving more than \$10,000 from a business entity must disclose one of the principal officers of the donor and whether the business entity has a contract with the city. The ordinance is effective June 29, 2018.

States and localities are increasingly enacting new rules to disclose political activity that is not required to be disclosed at the federal level. Politically active companies that contract with government entities should regularly review state and local disclosure laws to ensure compliance.

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