



Public Affairs Council

Compliance Webinar: State Lobbying Rules and Regulations

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Kenneth A. Gross
Senior Political Law Counsel and Consultant

kgross@akingump.com
Washington, DC
+1 202.887.4133

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Lobbying Laws

What is Lobbying?

- Lobbying activity typically includes:
 - Lobbying contacts even if the communication does not include words of influence
 - Research and preparation for such contacts
 - Strategizing, planning and possibly other background work
 - “Education” is often a good description of lobbying activity
- Covered officials:
 - Concept varies widely across states; some states cover virtually all public employees, unlike the federal definition
 - Important to understand who is covered for compliance
- Travel time
- Door opening
- Hide-behind lobbying
- Subject matter experts

Lobbying Laws

- Three categories of activities may trigger lobby registration and reporting requirements at federal, state and local levels:
 - Attempt to influence legislation
 - Attempt to influence legislation or executive branch rulemaking
 - Attempt to influence legislation or any decision of executive branch agency and procurement lobbying

Traditional Lobbying Laws

- Category 1 lobbying (attempting to influence legislation)

Maine

Montana

Nebraska

Nevada

North Dakota

Oregon

South Dakota

Wyoming

- Category 2 lobbying (attempting to influence legislation or rulemakings)

Alaska

California (except retirement systems)

Colorado

Hawaii*

Iowa

Minnesota (as to state actions/decisions)

New Mexico

South Carolina

Utah (as to state actions/decisions)

Vermont

Washington

West Virginia

Wisconsin

* New law taking effect January 2027 will cover procurement activities and move to Category 3

Trend Toward Category 3 Lobbying Laws

- Beyond “traditional” lobbying, trend toward regulation of Category 3 lobbying (including procurement)

Alabama

Arizona

Arkansas

California (placement agents)

Connecticut

Delaware

D.C.

Federal

Florida

Georgia

Idaho

Illinois

Indiana

Kansas

Kentucky

Louisiana

Maryland

Massachusetts

Michigan

Minnesota*

Mississippi

New Hampshire

New Jersey

New York

North Carolina

Ohio

Oklahoma

Pennsylvania

Puerto Rico

Rhode Island

Tennessee

Texas

Utah**

Virginia

* Political subdivisions only

** Local and educational decisions only

Note: Hawaii’s lobbying law will cover procurement activities beginning in January 2027

Local Lobbying

- Some state lobby laws cover local lobbying
 - Alabama, Arkansas, Georgia, Illinois, Louisiana, Massachusetts, Minnesota, Mississippi, Missouri, New York and Utah
- Some Florida county lobby laws cover lobbying municipalities within the county, such as Miami-Dade County, Broward County, Palm Beach County and Hillsborough County (Tampa)
- Several local jurisdictions have their own lobby laws
- Major cities:
 - New York City
 - Chicago
 - Los Angeles
 - San Francisco
 - Houston
 - Detroit
 - Louisville

Compliance

- Tracking of time
 - Necessary to determine if employee or company has exceeded registration thresholds
 - Preference is contemporaneous tracking of time
 - At least keeping time on a weekly basis, if not daily
 - Estimating time without back-up is not advised
 - Putting down 100% is not a solution if not lobbying all the time
- Pre-clear non-registered employees' communications with public officials to avoid unregistered lobbying activity

Compliance - Tracking Issues

- General rules for the disclosure of issues on which the registered lobbyists work:
 - Generally, a filer does not disclose issues that only non-registered employees work on
 - A company or trade association does not disclose contacts and lobbying activities of its outside consultants, only the contacts and activities of its in-house lobbyists
- Description of issues should include bill number (if applicable), a brief description of the legislation and the portions of the bill lobbied
- Typically, state law does not require the filer to identify by name the individual lobbied

Contingent Fee Restrictions

- Contingent fee bans under the lobbying laws
- Restrictions in 40 states, including: California, Connecticut, Florida, Massachusetts and New York
- Types of compensation that could be permissible:
 - Retainer or flat fee
 - Target-based compensation (carries some risk)
 - Discretionary bonus
 - Should take into account multiple factors
 - Not formula-based
 - No portion of compensation traced to a particular contract

“In its inception, the offer ... necessarily invited and tended to induce improper solicitations, and it intensified the inducement by the contingency of the reward.”

- Justice Oliver Wendell Holmes, Jr. on contingent fees

Grassroots Lobbying

- Grassroots lobbying: communicating with the public or segment of the public, including with vendors and employees, asking them to contact their government representatives regarding legislation
 - In 30 states, grassroots lobbying triggers registration
 - In five additional states, grassroots lobbying does not trigger registration but if already registered, grassroots expenditures must be reported (Alaska, Florida, Kentucky, Texas and Wisconsin)
 - Grassroots communications may require disclaimers identifying sources of funding

Social Media

- Direct lobbying
 - Email
 - Direct messages
 - Tagging
 - Texting
- Indirect lobbying (laws governing grassroots may cover these activities)
 - X (formerly twitter) - tweets and retweets
 - Facebook
 - TikTok
 - Threads

NDAA Contract Award Prohibition

- Taking effect on June 30, 2026, the Department of Defense will be prohibited from entering a contract with any party that is a party to a contract with an entity engaged in lobbying activities on behalf of Chinese military companies on the DoD's 1260H List.
 - This prohibition was passed by Congress as part of the National Defense Authorization Act for Fiscal Year 2025 (FY25 NDAA).
 - The prohibition applies throughout the corporate chain – *i.e.*, it would restrict contracting opportunities to current and prospective defense contractors based on their activity as well as the activity of their parents and subsidiaries.
 - The law includes a safe harbor for contractors that make “reasonable inquiries” to confirm that their outside lobbying firms, consultants, law firms and other third parties do not engage in lobbying activities for companies on the 1260H List.

Pay-to-play and Gift Laws

Federal Pay-to-Play Laws

- There are federal pay-to-play laws that apply to the financial services sector that impact all states and localities. Specifically, these laws regulate:
 - Municipal bond transactions (MSRB Rule G-37);
 - Investment adviser transactions with public pension funds (SEC Rule 206(4)-5);
 - Swap transactions involving public entities (CFTC Pay-to-Play Rule, 17 C.F.R. § 23.451); and
 - Certain other municipal transactions (*e.g.*, FINRA Rules).

State and Local Pay-to-Play Laws

- The requirements of state- and local-level pay-to-play laws vary considerably by jurisdiction
- Strict liability may come into play when a company has a contract with a state or locality and makes political contributions to certain elected officials in those jurisdictions
- Some jurisdictions cover contributions by spouses and/or children (e.g., Connecticut, New Jersey, Denver, Illinois, Kentucky, Pennsylvania and Philadelphia)
- In some jurisdictions, like New York City, registered lobbyists are subject to lower limits on political contributions; in others, registered lobbyists/employers have additional disclosure obligations
- An increasing number of jurisdictions are imposing strict liability for government contractors for gifts, including meals or other things of value, not just political contributions
- More and more RFPs requiring certification no gifts have been provided

Types of State and Local Gift Laws

- Absolute ban regardless of value (e.g., Florida lobbyist law)
- Dollar limits - Some are per occasion (e.g., Florida interested party law - \$100 per occasion) and some are per period (e.g., California - \$630 per 12-month period - increased in 2025 and remains effective through 2026)
- Prohibition on gifts that “may reasonably tend to influence an official”—most common gift restriction language

Practical Considerations

- Valuation
 - Fair market value/face value vs. cost vs. value on secondary market
- Tax and tip
- Buydowns
- Splitting
- Bargained-for in an arm's-length agreement
- Gift to agency

Pay-to-play and Gift Law Compliance

- Pre-clearance is the most effective way to achieve compliance
- Types of preclearance strategy
 - Preclear everyone and everything
 - Preclearance thresholds
- Gift preclearance software

Enforcement of Lobby, Pay-to-play and Gift Laws

- Civil fines to criminal penalties under lobby laws
- Strict liability under pay-to-play laws
- Losing business in jurisdictions where procurement activity is defined as lobbying
- **Illinois:** former House Speaker Madigan trial and the “ComEd Four” bribery verdicts
- **Federal:** Honest Services Fraud (18 U.S.C. § 1346), but Supreme Court has overturned some recent convictions
 - *McDonnell v. United States* (2016)
 - Courts have been very skeptical of prosecutors’ efforts to enforce this statute without a quid pro quo
 - *Percoco v. United States* (2023)
 - Action against former official who was private citizen
 - *Householder v. United States* (2026)
 - On April 27, 2026, the Supreme Court declined to take case seeking to vacate conviction against former-Speaker of the Ohio House and limit the definition of quid pro quo. Political contributions can be bribes.
- **Federal:** Federal funds bribery/gratuities (18 U.S.C. § 666) challenged at Supreme Court in 2024 in *Snyder v. United States*. Federal prosecutors have used this statute to prosecute “gratuities” to state/local government officials without a quid pro quo.
 - The Court found that a payment after the award of a contract is not a bribe and is not a federal crime. However, it may be pursued under state and local gratuity laws.

Recent Developments

Recent Developments

- Effective January 1, 2026, Texas increased its registration and reporting thresholds:
 - A person must register as a lobbyist if the person receives compensation/reimbursement in excess of \$1,990 in a calendar quarter (previously \$1,930). The 40 hour per quarter de minimis exception remains unchanged.
 - A person must also register as a lobbyist if he or she spends more than \$990 per calendar quarter (previously \$970).
 - Lobbyist salary reporting ranges have been updated; compensation/reimbursement must be reported as exact amount if it exceeds \$1,144,330 (previously \$1,112,200).
- Effective January 1, 2026, Michigan increased its registration and reporting thresholds:
 - Employers who spend more than \$3,200 for lobbying in any 12-month period must register (previously \$3,175)
 - Reporting threshold for travel and lodging reimbursements increased to \$1,050 (previously \$1,025)
 - Threshold for reporting food and beverages provided to public officials from January 1 through the end of the reporting period increased to \$500 (previously \$475)

Recent Developments

- Effective January 1, 2026, Pennsylvania increased its lobbying compensation and expense thresholds triggering registration and reporting to \$4,000 (previously \$3,000)
- Effective for 2026, South Dakota raised the legislator cumulative gift limit from lobbyists to \$130.85.
- As of May 6, 2026, Utah law no longer considers contacts with local or education officials related to “a purchasing or contracting decision” as lobbying activity requiring registration and reporting.
- Taking effect July 1, 2026, North Dakota will require elected and appointed officials to file third-party-paid travel disclosures within 15 days of a funded trip specifying: the travel purpose, destination, dates, funding source, cost, and whether the expenses were for transportation, lodging, meals, entertainment, or other activities.
- Last year, New Hampshire adopted a law changing the filing frequency for lobbyist reports. Beginning in 2027, lobbyist reports will be due three times per year (Jan. 31, May 31 and Sept. 30). Reports are currently filed quarterly.
 - The Secretary of State’s Office also recently launched a new online portal for lobbying registration and reporting.

Recent Developments

- In May 2026, the Connecticut House of Representatives unanimously passed an amendment to the state ethics code that would permit public officials or state employees to accept as a gift admission from a public college or university hosting a college sporting event for themselves and another person once per calendar year.
 - The proposal must still pass the Senate and be signed by the Governor to become law.
- As of May 6, 2026, Utah law now provides that expenditure reporting is no longer required for admission, attendance, and travel to sporting, recreational, or artistic events hosted by public or nonprofit higher education institutions if the official's attendance is to build a relationship with the institution.
- Effective January 6, 2026, the Kentucky House and Senate adopted resolutions providing that no person may engage in lobbying for or against any measure in certain areas that are designated as the House or Senate Chambers.

Recent Developments

- Last year, Hawaii's governor signed a new law that will expand the scope of the state's lobbying law to require registration for procurement activities. The state will also have the power to void government contracts if a contractor does not comply with lobbyist registration requirements. The law becomes effective on January 1, 2027.
- Effective January 1, 2026, Rhode Island increased the maximum value of gifts interested persons can make to public officials to \$50 with an aggregate annual limit of \$150.
 - The limit was previously \$25, with a \$75 annual aggregate limit.
- Effective January 1, 2026, Virginia raised its annual gift limit to \$131 (previously, \$108), which will remain in effect until 2030.
- Starting January 2026, the Georgia Ethics Commission launched a new online platform for filing lobbying and campaign finance reports—"PeachFile." Filers must create their own accounts with the new system and designate persons authorized to complete and submit filings.

Recent Developments

- Effective July 1, 2025, Idaho requires all lobbyists to file monthly reports disclosing all lobbying activities by the 15th day of each month (covering the prior month). Previously, legislative lobbyists were required to file monthly reports only during legislative sessions and lobbyists registered for the executive branch *only* file semi-annual reports.
 - Also as of July 1, Idaho began regulating indirect lobbying activities—also known as “grassroots lobbying”—as lobbying.
- New gift limits took effect in Washington state on July 27, 2025:
 - The aggregate annual gift limit increased from \$50 to \$100 per public official.
 - Gift cards valued \$25 or less that are provided to legislative employees are not considered gifts.

Recent Developments

- Effective June 1, 2025, Minnesota's lobbying law covers attempts to influence any political subdivision of the state (a court previously delayed the law's implementation). This includes county and city governments, school districts and townships. Previously, only metropolitan areas with populations over 50,000 were covered. Lobbyist principals must also now round the amounts spent on categories of lobbying activities to the nearest \$5,000 instead of \$20,000 on their annual reports.
 - Minnesota also recently amended the definition of “lobbyist” to include any individual who is compensated over \$3,000 in a calendar year from a business whose primary source of revenue is derived from providing government affairs services.
 - An individual who provides administrative support to a registered lobbyist (and who makes no lobbying contacts) is not required to register, but expenses for lobbying activities must be reported by the lobbyist.
 - The expenditure threshold for citizen lobbyists increased from more than \$250 in personal funds spent on lobbying annually to more than \$3,000 annually.

Recent Developments

- Montana adopted new lobbyist registration and reporting thresholds which became effective on October 1, 2025:
 - The \$3,000 lobbyist/principal registration thresholds will be indexed for inflation and updated on January 1 of each odd-numbered year
 - The principal reporting threshold will decrease from \$5,000/month to \$3,000/month
- In April 2025, Georgia adopted a new law that changes the filing frequency for legislative lobbyists' reports. Now, a single monthly report is due on the fifth of each month (the same schedule currently used by state agency, vendor and State Transportation Board lobbyists) even when the legislature is in session.
- Effective January 1, 2025, South Carolina increased the expenditure limits for lobbyist principals to \$75 per day and \$600 per calendar year, per public official. The previous limits were \$70 per day and \$560 per calendar year.

Recent Developments - Foreign Influence

- During recent state legislative sessions, legislatures in several states considered laws requiring persons engaged in lobbying and other activities on behalf of foreign persons to register as foreign agents – like the federal Foreign Agents Registration Act (FARA).
 - “Baby FARA” law was passed in 2026 in Indiana; laws were passed in 2025 in Arkansas, Louisiana, Nebraska, Oklahoma and Texas.
 - Oklahoma’s law applies to lobbying on behalf of all foreign entities, rather than those only from designated adversary nations.
 - A much broader state-level FARA law was vetoed by Gov. Kemp of Georgia in 2024.
 - Similar laws have been introduced in Alabama, Florida, Illinois, Kansas, Missouri, and Tennessee.
- Regulating foreign influence in state policymaking and elections (*e.g.*, banning foreign national activity on ballot measures).
 - Alabama law enacted in March 2026 and is set to take effect later this year
 - Iowa bill passed the state House by a unanimous vote in March 2026.

Questions?



Kenneth A. Gross

Senior Political Law Counsel and Consultant

Washington, DC

kgross@akingump.com

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