

Key Pay-to-Play Provisions Regulating Government Contracts, by State Jurisdiction, 2007

	MSRB, Rule G-37	CT	SC	OH	KY	WV	HI	NJ
Pre-Negotiation Period	2 years prior to negotiations.	No	No	2 years prior to negotiations.	No	No	No	18 months or full term of governor.
Pay-to-Play Contribution Limit During Pre-Negotiation Period	\$250/election to officeholders in the dealer's election district. Exemptions: good faith efforts to comply.	N/A	N/A	\$1,000 per two years.	N/A	N/A	N/A	\$300/yr from all persons in the aggregate associated with the business entity.
Negotiations through Termination Period	Yes	Yes	Awarding of contract through termination.	Yes	No	Yes	Awarding of contract through termination.	Yes
Post-Termination Period	2 years after the contract	No	No	No	No	No	No	No
Applies to no-bid and competitive-bid contracts	No-bid contracts only.	Both.	No-bid contracts only.	No-bid contracts only.	No-bid contracts only.	Both.	Both.	Both, except the law does not apply to highway contracts [New Jersey v. Mineta].
Pay-to-Play Contribution Limits of Business Entity	\$250/election to officeholders in dealer's own election district, if permitted by state and local law.	\$0	\$0	\$0	\$0	\$0	\$0	\$300/yr altogether from commencement through termination of contract.
Pay-to-Play Contribution Limits of PAC Associated with Business Entity	\$250/election	\$0	N/A	\$1,000 per two years.	\$1,000/election	N/A	N/A	\$300/yr altogether from commencement through termination.

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Pay-to-Play Contribution Limits of Officers and Partners of the Business Entity	\$250/election to officeholders in dealer's own election district.	Of individuals and immediate family members who are officers, serve in a managerial capacity, or have at least 5% ownership interest.	N/A	Of individuals and their spouses with at least 20% ownership interest--\$1,000 per two years contribution limit for each individual.	Of individuals with a "substantial" ownership interest--\$1,000/election contribution limit for each individual.	N/A	Generally not applicable, except to officers who "maintain, finance or control" the business entity.	All principals with at least 10% ownership interest; Section 527 under control of the entity; and spouses of an individual contractor— contributions are limited to \$300/yr for all such persons in the aggregate from pre-negotiation period through completion of contract.
Pay-to-Play Aggregate Contribution Limits for Business Entity	\$250/election in the aggregate	\$0/ through termination of contract in the aggregate.	N/A	\$1,000 per two years in the aggregate	N/A	N/A	N/A	\$300/yr aggregate in pre-negotiation stage; through termination of contract.
Committees Subject to Limit	Issuer of municipal securities.	State candidates and state/local party committees.	Candidates for pertinent state and local office.	Candidates for pertinent state office.	Gubernatorial candidates.	All state candidates and parties.	All state and local candidates, parties and committees.	Candidates for governor and state and county parties.
Disclosure Requirement	Investors must submit reports of all contributions by entities, PACs, and their executives.	Prequalification reports for government contractors, updated monthly, posted on the Internet.	Regular campaign reports.	Regular campaign Reports.	Regular campaign reports.	Regular campaign reports.	Regular campaign reports.	Contractors shall file annual reports of all contributions from the business and its officers and partners; and entities shall sign a sworn statement of no violations prior to awarding of contract.
Cure	Yes	Limited	No	No	No	No	No	Yes

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Back Door Prohibition	Soliciting, coordinating or laundering of funds are prohibited.	Soliciting and laundering of funds are prohibited.	Laundering of funds is prohibited.	Laundering of funds is prohibited.	Laundering of funds is prohibited.	Soliciting and laundering of funds are prohibited.	Soliciting and laundering of funds are prohibited.	Soliciting, coordinating, earmarking and laundering of funds are prohibited.
Enforcement Agency	MSRB; SEC	State Elections Enforcement Commission and Dept. of Administrative Services	South Carolina Ethics Commission	Ohio Elections Commission	Kentucky Elections Commission	West Virginia Ethics Commission	Hawaii Campaign Spending Commission	Contracting agency in the Department of Treasury; ELEC for campaign reporting violations.
Penalties for Violations	Suspension of license; revocation of contract.	Revocation of the contract and eligibility for future contracts for 1 year; fines for violation of election laws.	Fines for violating election laws.	Fines for violating election laws. No penalty has ever been levied.	Any person found guilty of violating contribution limits to a gubernatorial candidate shall not be eligible for a government contract for the governor's term of office.	Fines for violating election laws.	Fines for violating election laws.	Revocation of contract; ineligibility for additional contracts for four years; and any other penalties for violations of contract and election laws.
Statutory Cite	MSRB Rule G-37	Conn. Gen. Stat. §9-333n(g)	S.C. Code Ann. §8-13-1342	ORC Ann. §3517.13	KRS §121.056	W.Va. Code §3-8-12	HI Rev. Stat. §11-205.5	N.J. Perm. Stat. §19:44A-20.13

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