

Community Associations Institute

LEGISLATIVE ACTION COMMITTEE (LAC)

OPERATIONAL GUIDELINES



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Legislative Action Committee Basics

What is a LAC?

LAC stands for Legislative Action Committee. A LAC is CAI's official voice with legislators and regulators in a state. A LAC allows CAI to speak with one voice on legislative and regulatory matters that affect community associations, community association managers and CAI business partners. A LAC is made up of a balance of CAI members and appointees from chapters within a state. The LAC is a committee of CAI's national office and is a partner with CAI's chapters within its state.

How is a LAC structured?

A LAC is made up of CAI members. Each LAC must have a balance of CAI members so that no one membership category has a majority of seats on the LAC. A LAC ranges in size of no less than 6 members with a maximum of 20 members. Each LAC is made up of a mix of chapter delegates and at-large delegates. Chapter delegates are appointed by a chapter and each chapter gets a number of appointments based on the number of chapters in the state. At-large delegates are appointed by the existing LAC membership.

Why are LACs committees of CAI's national office?

The Board of Trustees (BOT) structured LACs as a committee of CAI's national organization to ensure that CAI advocates for consistent public policy positions across the country as guided by our member-developed public policy statements. Also, because the LAC represents all members of CAI within a given state, regardless of their 'home' chapter, this structure ensures that there is oversight in the LAC activities on the legislative front, but also in the LACs obligation to serve all of CAI chapters.

What is the official name of the LAC?

In states where they operate, the LAC is referred to as the [State name] Legislative Action Committee.

How does one get to serve on a LAC?

LAC service is based on self-nominations. Nominations can be submitted to a chapter board or to the LAC itself during the appointment process. Nominations are reviewed and approved by the chapter or by the LAC, depending on the type of delegate position under consideration. All nominees approved by the LAC and chapter are given a final review and approval by the president of the BOT. LAC members serve at the discretion of the president of the BOT.

Legislative Action Committee Basics

How does a LAC relate to CAI chapters in my state?

The LAC is the voice of CAI on legislative and regulatory matters in the state. As such, the LAC and chapters should work as partners in identifying and setting public affairs goals for CAI members within a state. Chapters have a voice on the LACs through the chapter delegate process. LACs and chapters should strive to work cooperatively in communicating the public policy accomplishments of CAI and to engage our members in a dialogue on our ongoing public policy goals.

Can a LAC make a contribution to a candidate for office?

No, because CAI's LACs are funded by a mandatory advocacy support fee charged to all members, federal law prohibits such funds from being contributed to political campaigns. All advocacy support fees are required to be used solely for LAC advocacy or support expenses.

A LAC is not prohibited from forming a Political Action Committee (PAC) to allow CAI members to support political candidates, but such an entity and funding must be segregated from the activities of the LAC. Formation of a PAC must be separately authorized by the chair of the Government and Public Affairs Committee and by the president of the BOT.

What are the rules governing CAI's LACs?

Legislative Action Committees are governed by CAI's LAC Guidelines which provide for information on the formation, operation and governance of a LAC in a given state.

PREAMBLE

Each day, decisions affecting the authority for community are decided. These decisions are made by legislatures, agencies and courts in local, state and federal jurisdictions. As the national advocate for community associations, Community Associations Institute (CAI) is committed to encouraging the active participation of community association advocates in helping define community association law.

As part of our commitment to advocacy, CAI fosters the formation of Legislative Action Committees (LACs) to ensure that the voice of community associations is heard and heeded. Members of a LAC are CAI's representatives before state legislatures, regulatory bodies and the courts. CAI provides guidance to the development of LACs as well as the tools to maximize their effectiveness. All such efforts reflect CAI's dedication to representing the government and public affairs interests of CAI members.

In order to ensure vibrant and effective community associations, it is critical that CAI and its members integrate themselves into the public policy process. As the community association model expands, government will increasingly try to regulate and control a host of issues important to our industry. Affecting that process in a positive way is the role of the LAC volunteer. To assist you and your LAC in achieving that success, it is critical to be as prepared as possible and to ensure that your LAC operates in a manner consistent with other LACs.

The following *CAI LAC Operational Guidelines* provide minimum standards for LACs. These Guidelines reflect the input of numerous LAC delegates, chapter leaders, and other CAI members. They also incorporate many lessons learned by existing LACs over the years, and also outline the annual reauthorization process requested by CAI's Board of Trustees. This process is designed to ensure that each LAC meets basic standards to retain its delegated authority.

It is CAI's intent that the following *LAC Operational Guidelines* will serve as a valuable resource to LAC and chapter leaders, while helping every LAC achieve enhanced success in the service of CAI members.

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LAC Purpose and Scope

Legislative Action Committees, LACs, are committees of the Government and Public Affairs Committee (G&PA Committee) of the Community Associations Institute (CAI). Acting in conjunction with the national office and state chapter(s), LACs lobby on behalf of CAI members and organize grassroots activities related to community association issues in their state.

As provided here, and through other policies and procedures that may be promulgated by the G&PA Committee and/or Board of Trustees (BOT), CAI authorizes the formation and operation of state LACs in states with one chapter (single-chapter LAC) and states with more than one chapter (multi-chapter LAC).¹

LACs exist to represent the interests of, and to provide regular communications to, CAI members regarding state legislative, regulatory, and *amicus curiae* activities of relevance to the creation and operation of community associations. While chapters bear the primary responsibility for addressing local issues on behalf of CAI members, a LAC may also participate in local activities if it determines such involvement is appropriate to effectively represent CAI members. In such instances, the LAC must coordinate its efforts with the existing local chapter or chapters.

When a LAC is authorized to operate in a state, no CAI chapter, member, LAC staff, contractor, or advocate shall conduct state-level advocacy activities in that state on CAI's behalf except as requested or authorized by the LAC or by CAI's president and the chair and vice chair of the G&PA Committee.

No LAC, LAC delegate, staff, contractor, or advocate shall conduct advocacy activities at the federal level on CAI's behalf except as requested or authorized by CAI's Government and & Public Affairs Department (G&PA Department).

All appointed LAC delegates are covered by CAI's Directors and Officers Liability Insurance Policy.

LAC Oversight

LACs serve as committees of the G&PA Committee. The G&PA Committee has oversight responsibility for all LACs, and all communications between LACs and the G&PA Committee will be coordinated through the national office. CAI National shall provide advisory and technical support to the LACs, as well as manage the G&PA Committee's oversight.

¹ The use of the term "state" in this document is meant to include the District of Columbia. CAI recognizes the unique status of the District of Columbia, where the U.S. Congress may consider matters affecting the District that are of potential concern or interest to CAI's District of Columbia LAC. To ensure a unified voice at the federal level, the District of Columbia LAC shall coordinate any federal legislative and regulatory efforts with CAI's G&PA Department.

Establishing a Legislative Action Committee

Application and Review Processes

In states without a LAC, CAI members interested in forming one must submit a completed *Application for LAC Authorization* to the G&PA Department, along with the required attachments. The application has to be submitted by the president or president-elect of at least one CAI chapter seeking to form the LAC. Only one LAC is authorized to operate on behalf of CAI within a state.

Prior to submitting the application, members of the prospective LAC and state chapter are required to solicit CAI members to serve on the committee. In multi-chapter states, all chapters must be invited to participate; however, an inability to secure a consensus from all chapters will not preclude the chapter(s) that wishes to form a LAC from submitting an application.

Once an application has been submitted, the G&PA Department, in consultation with the G&PA Committee, will review the application and provide a recommendation to the BOT. Upon its review, the BOT may officially authorize, defer or refuse the LAC's application.

A new LAC may commence operations once it receives a *LAC Certificate of Authorization* from the BOT and has scheduled a LAC Orientation & Development Program through the G&PA Department.

LAC Structure

CAI's membership represents a diverse set of individuals who are residents of community associations, community association managers and businesses that serve community associations. Our efforts are best when they are informed by the experience and knowledge of each of these groups. As such LACs must meet the following requirements:

- A LAC shall consist of no less than 6 and no more than 20 members.
- All LACs are required to assure a balance of CAI member categories on the LAC.
- No one membership category shall have a majority on any LAC.
- No more than one person, per company, per membership category may serve on any one state LAC.
- Only one LAC may be authorized in a given state.

Any variance from these requirements must be approved by the chair of the G&PA Committee and by the president of the BOT.

Definition of Company

A company is considered to be any entity, partnership, corporation, or business association where there is a single ownership structure, no matter how denominated:

- Any Business Partner with multiple offices in a state.
- A management company with multiple offices across a state [operating under a single brand name].
- Multiple franchisees of a single franchisor in a state.
- Any Business Partner or Management Company with multiple locations operating under unique names, but owned or controlled by a single entity or holding company.
- Other businesses with more than one location in a state.
- A community association.

The purpose of this requirement is to ensure diversity and opportunity to serve on a LAC. If the LAC membership is below the membership cap, the president of CAI may waive this requirement at his/her discretion.

The LAC Nominations

For existing LACs, there are two ways in which a CAI member may come to serve on a LAC:

- Be appointed by a CAI chapter as a chapter delegate.
- Be appointed by the existing members of the LAC as an at-large delegate.

Chapter Delegates

Chapter delegates play a critical role in the LAC process. A chapter delegate speaks for the interests of the chapter they represent and also serves as the LAC spokesperson to the chapter. The role of the delegate is one of the most important on the LAC as this person works to keep the chapter and its members informed of the work and challenges faced by CAI in the state legislature.

Nomination Process

Each CAI chapter is contacted during the appointment process and asked to submit nominees to serve as the chapter delegate(s). The chapter should seek volunteers who will speak for the chapter and who will be actively engaged in working to ensure communication between the chapter and the LAC.

Chapter nominees shall be selected by the chapter's board of directors.

Upon its selection of candidates, each candidate should review and complete the following forms:

- 1) The *LAC Nominee Information Forms*.
- 2) LAC Delegate Annual Conflict of Interest Policy and Disclosure Form.

Once a delegate is approved by the chapter board, the nomination and supporting forms should be forwarded to the chair of the LAC.

Chapter Delegate Allotment

Because the number of CAI chapters in a state varies, the BOT has developed a formula for the number of delegates that a chapter may appoint. That formula is:

- In states with *one chapter*, the chapter shall nominate up to six chapter delegates to serve on the LAC.
- In states with *two chapters*, each chapter shall nominate up to three chapter delegates to serve on the LAC.
- In states with *more than two chapters*, each chapter shall nominate up to two chapter delegates to serve on the LAC.

The LAC Nominations

At-Large Delegates

A CAI member may also be nominated to serve on a LAC by being nominated by members of the existing LAC. These members are at-large delegates. At-large delegates may be appointed to ensure that the LAC has representation and expertise from a specific CAI membership category or geographic location.

At-large delegates are selected by an existing LAC to fill upcoming vacancies. The LAC approves nominations of at-large delegates by a majority vote.

As with chapter delegates, at-large nominees must review and complete the following forms:

- 1) The *LAC Nominee Information Form*²
- 2) LAC Delegate Annual Conflict of Interest Policy and Disclosure Form

Delegate Eligibility Requirements

All LAC delegates must be CAI members in good standing at the time of their nomination and remain so during their term. They must also be current on all CAI financial obligations, including payment of the Advocacy Support Fee.

If there are enough eligible candidates to fill all of the available seats on a LAC then no more than one person per company or association, per membership category, may serve on the LAC.

A CAI member may serve on more than one LAC provided they have a membership in a CAI chapter in the states where they desire to serve.

Terms

All LAC members serve a two year term. No LAC member may serve more than five consecutive terms³.

LAC Member Obligations

LAC representatives have the duty to represent CAI in the legislative and regulatory forums in their state. This is a critical responsibility and one that requires the active service of ALL members of the LAC. As such LAC volunteers are expected to meet the following obligations:

- A commitment of time of up to 20 hours per month during an active legislative session, not including time spent at LAC functions or education events; OR
- A commitment to assist in raising funds for the LAC; OR
- A commitment to donate funds for support of the LAC.

² For a LAC member continuing service this form need only be submitted once and updated appropriately.

³ For current LAC members, the term limit clock begins the year this requirement was adopted (2012)

In addition to one of the above, a LAC volunteer is expected to:

- Provide key contacts with legislators or potential industry allies in support of the LAC efforts.

The LAC may adopt internal policies that may vary from the above obligations; however, recognizing that each volunteer has different levels of resources to contribute, under no circumstances will service on the LAC be conditioned on financial contributions.

LAC Delegate Removal

LAC delegates serve at the pleasure of the president of the BOT and can be removed with or without cause at any time.

LAC delegates who take a public position that is at odds with CAI public policy statements or a position adopted by the LAC is subject to immediate removal.

A LAC, by a majority vote of its members, may recommend the removal of a delegate to the president of BOT.

A LAC may adopt policies not in conflict with the document to govern member removal.

LAC Nomination Approval & Authorization Process

Nomination Approvals

Prior to the termination of the LAC authorization period, CAI staff will contact the LAC with information on initiating the re-authorization process.

The sitting LAC chair or his/her designee shall submit all relevant delegate nominations and information forms to CAI's G&PA Department by the 15th of each September for approval of new nominees and delegates and authorization of the LACs status.

The G&PA Department will verify the eligibility of nominees and coordinate with the LAC chair to resolve problems or address concerns.

Upon verification of LAC nominee eligibility and delegate compliance with LAC structure, nominations will be forwarded to CAI's president for approval.

Once chapter and at-large delegate nominees have been appointed as official LAC delegates for upcoming terms, the LAC and/or the local chapter(s) may, by majority vote at a meeting, nominate additional at-large delegates, as needed, to fill vacancies or rectify demographic imbalances in membership categories.

Nominations and completed forms should be sent to the G&PA Department via mail to

**LAC Appointments
C/O CAI G&PA Department
6402 Arlington Blvd, Suite 500
Falls Church, VA 22042**

Or by Fax to 703-970-9558

OR VIA Email to Lfekadu@caionline.org

All nominees will be notified of their status by early October or within a reasonable amount of time after their nomination is submitted to G&PA Department.

LAC Authorization

Each LAC will be reauthorized on a two-year cycle by the CAI president every even-numbered year.

Unless modified by the G&PA Department, a LAC will be reauthorized provided that it has:

- Complied with the LAC guideline requirements on structure, or received an appropriate wavier.
- Consistently managed its operations and represented CAI in a responsible and effective manner.
- Complied with all LAC reporting requirements.
- Held a planning session, and established an advocacy agenda.
- Submitted all nominations to the G&PA Department on schedule.

If the CAI president finds that a LAC is not in compliance with the requirements of the guidelines he/she may take appropriate action by placing it on probation or moving it into receivership.

LAC Probation and Receivership

A LAC that does not fulfill the requirements set forth in the reauthorization process as determined by the G&PA Department will be placed on probationary status for 90 days. A letter to all LAC members and chapters in the state will be provided by the G&PA Department detailing what action is needed for reauthorization. During the probationary period, all Advocacy Support Fees collected from members in the state will be held by CAI and managed by the G&PA Committee or its designee. Such fees will be used solely for advocacy purposes to represent CAI members in the state. Once the LAC has met the requirements of reauthorization, all remaining Advocacy Support Fees will be released.

In the event a LAC fails to satisfy the requirements for reauthorization within 90 days, the BOT will either disqualify the LAC or place it in receivership until it meets the reauthorization requirements or is disqualified. When a LAC is either disqualified or placed in receivership, CAI's Finance & Administration Department will secure and hold the LAC's financial assets and all Advocacy Support Fees collected from members in the state. Such assets and fees will be managed under the direction of G&PA Committee or its designee, and will be used solely for advocacy purposes to represent CAI members in the state. All remaining assets and Advocacy Support Fees will be released when a LAC is removed from receivership or, in the case of disqualification, when a new LAC is authorized.

The BOT may also place a LAC in receivership at any time if it is not managing its operations or representing CAI in a responsible and effective manner.

If a LAC is disqualified, no chapter, member, LAC staff, contractor or advocate is permitted to conduct any state-level advocacy activities in that state on CAI's behalf unless authorized to do so by CAI's president or BOT.

LAC OPERATIONS

Name

Each authorized LAC shall operate as the “Community Associations Institute’s (*name of state*) Legislative Action Committee” unless otherwise approved by the G&PA Committee and by the president of the BOT.

Objectives

Each LAC must operate within the legal and ethical requirements applicable to lobbying within its state. To fulfill their authorized purpose, LACs shall organize and operate to achieve the following general objectives:

- Promote and follow CAI’s *Public Policies* at the state level.
- Ensure that CAI members and chapters have regular opportunities to provide input on the development of state advocacy priorities.
- Identify, analyze, monitor and actively participate in the development of state legislation, regulations or other public policy initiatives of relevance to the creation and operation of community associations, supporting or opposing proposals as appropriate.
- Serve as the CAI point of contact for state government officials and the media regarding state legislation, regulations or other public policy initiatives of relevance to the creation and operation of community associations.
- Disseminate information on state legislative, regulatory, or other public policy initiatives and developments to CAI members and chapters within the state, and others as appropriate, to involve interested and affected individuals in advancing CAI’s state advocacy efforts.
- Educate and inform state government officials regarding the interests and concerns of community associations, their residents and the professionals who serve them.
- Engage lobbyist or advocacy support for the LAC.
- Share relevant information and developments with the G&PA Department.

LAC OPERATIONS

Records

LACs must maintain appropriate historical records and ensure their availability to future LAC delegates. In addition to retaining the *LAC Certificate of Recognition* from the BOT, examples of other records to retain include, but are not limited to:

Meeting minutes	Letters of engagement
Annual budgets	Employment agreements
Quarterly financial reports	Job descriptions
Delegate rosters	Fundraising materials
Issue surveys	Articles written by LAC delegates
Correspondence	Annual goals
Press releases	Subcommittee or task force reports
Activity reports	Policies
Contracts	

Meetings

LACs should meet regularly, and meetings may be called by the chair or by agreement among a majority of appointed delegates. A majority of appointed delegates must be present, either physically and/or by audio or video connection, in order to constitute a quorum for a meeting and to conduct business.

All LAC meetings should be conducted in accordance with recognized parliamentary procedures. To facilitate adequate meeting preparation and participation, an agenda and relevant materials should be distributed to delegates at least one week prior to each meeting unless exceptional circumstances dictate otherwise. Minutes should also be recorded and filed for all LAC and LAC subcommittees, task force and officer or executive committee meetings.

All LAC meetings should be open to CAI members and staff except under extraordinary circumstances when a majority of delegates may vote to close the meeting. Each LAC may determine whether meetings are open to individuals who are not CAI members.

LAC meetings shall accomplish the following activities annually:

- Elections.
- Strategic planning, including reviewing short and long-term objectives.
- Establish an advocacy agenda, adjust existing objectives as necessary.
- Develop and approve a budget.
- Delegate orientation.
- Review CAI's *Public Policies*.
- Evaluate advocacy and communications effectiveness during the prior year.
- Identify and appoint subcommittee delegates and chairs.

Finances

CAI supports LAC operations by collecting a mandatory Advocacy Support Fee from CAI members in the states.⁴ These Advocacy Support Fees are distributed monthly to the appropriate LAC contact.

LACs are encouraged to raise and expend funds for general operations to accomplish their state advocacy objectives. Additional revenue sources may include, but are not limited to:

- Monthly, annual or other contributions from the local CAI chapter(s).
- CAI corporate sponsorships.
- Contributions from individuals and community associations.
- Fundraising events.

Appropriate LAC expenditures may include, but are not limited to:

- Printed information on LAC positions.
- Recognition awards for government officials.
- Maintaining a website.
- Phone, fax and e-mail communications.
- Duplication and postage.
- Travel for designated LAC delegates to present testimony or for other advocacy efforts.
- Administrative support.
- Services of a contract lobbyist or advocate.

Inappropriate LAC expenditures: LAC funds cannot be used to support a candidate for elected office.

LACs must maintain complete financial records according to generally accepted accounting principles. In each LAC state, a single chapter must be responsible for reporting the LAC's financial records within the chapter's financial statements, but as a separate program area.

The LAC's bank accounts shall be maintained separately from those of the chapter. The LAC must use the chapter's Employee Identification Number, when required, and must directly assist the chapter in preparing and filing all required income tax statements and other materials necessary to ensure the LAC's compliance with relevant laws and regulations.

With multi-chapter LACs, the LAC and all chapters in the state must confer to select one chapter to assume the financial reporting duties. If the LAC and the chapters in the state are unable to select a chapter, CAI's president will designate a chapter to assume these duties. A chapter that is responsible for reporting a LAC's financial records must secure the approval of CAI's president to transfer those duties to another chapter in the state.

⁴ The CAI Board of Trustees has capped the \$15 Advocacy Support Fee for community associations by capping it at \$45 per association, effective August 1, 2006. The Advocacy Support Fee is not mandatory for public officials with a conflict of interest.

LACs must develop and adopt an annual budget. This budget must be distributed to the entities specified in this document.

LACs must provide financial reports (balance sheet, statement of revenues and expenses, and bank statements) to the G&PA Department no later than two weeks after the end of each quarter. LACs may file financial reports more frequently, if desired.

LACs should use prudent business judgment to maximize their financial resources, and must not incur financial liability beyond what is provided for in their annual budgets unless additional resources are secured through donations or fundraising efforts.

Chapter Reporting Guidelines for Federal Form 990

LACs are required to file their tax information on an annual basis with a chapter within their state that is either the closest geographically or in terms of a working relationship (i.e. could be the largest chapter in the state).

LAC Responsibility

- Provide chapter with detailed information on income and expense including any 1099 investment income.

Chapter Responsibility

- Include all LAC income and expense on the tax filing.

All income from the LAC, whether from Advocacy Fees received from CAI or direct fundraising, is reported on Page 1 of Form 990 on line 8 under “Contributions and Grants”.

For a conservative interpretation, all LAC expenses including personnel costs are considered lobbying expenses, and must be listed as such on PART IX, Functional Expenses, page 10, line 11d as Lobbying expenses. Checklist #5 on Page 3 should be checked yes and Section III for Schedule C completed.

Schedule C, Part III-A is completed as follows:

1. No
2. No
3. Yes or No as applicable

Schedule C, Part III-B is completed as follows:

1. Total amount of chapter rebates received
2. All LAC expenses for current year and any applicable carryover from last year
3. The current nondeductible percentage from CAI Membership Dues (17%) invoices times the amount on line 1
4. If applicable, then add total amount of excess
5. Zero

For further detailed assistance, please contact Bruce Townsend, CAI’s Chief Financial Officer at btownsend@caionline.or or 703.970.9264 or consult a professional tax advisor.

Legislative Action Committee Governance

Officer Positions:

An authorized LAC shall elect officers from its membership. Such officers shall include:

- A chairperson (who shall serve as liaison to the G&PA Department).
- A vice chairperson.
- A secretary.
- A treasurer.

Each LAC shall also designate a person to serve as a federal affairs liaison to coordinate federal affairs issues between the LAC and the national G&PA staff.

Depending on the size of the LAC, the positions of secretary, treasurer and federal affairs liaison may be combined.

No delegate shall hold more than one office, except when the offices of secretary, treasurer and or federal affairs liaison are combined.

LACs should ensure that the officers represent a balance of CAI membership categories and no one membership category can make up all of the officer positions.

Officers should be noted on LAC rosters and changes communicated promptly to the G&PA Department.

Officer Elections:

Officers are elected by a majority vote at the first LAC meeting of the term.

Officer Terms:

The term for a LAC officer is from the date of election until a successor is elected the following term. The chair and vice chair are each limited to three terms of cumulative service in these two positions.

An officer who will not be reappointed as a LAC delegate for the following term will continue to serve until elections are held, at which time his or her term as both an officer and a delegate expires.

Legislative Action Committee Governance

Officer Resignation:

Chair resignations should be submitted in writing to the G&PA Department.

Officer (other than the chair) resignations must be submitted in writing to the LAC chair, who shall forward a copy of the letter to the G&PA Department.

Officer Removal:

Officers serve at the pleasure of LAC delegates, and may be removed by a majority vote of delegates.

Officers may also be removed at the direction of the president of the BOT.

The chair or designee must notify the G&PA Department in writing of any officer removal(s).

Filling Officer Vacancies:

Officer vacancies resulting from resignation, removal or other causes shall be filled by electing another officer to complete the unexpired term. (See Officer Election section.)

If the office of chair is vacant, the vice chair, or next ranking officer, will serve as acting chair until a replacement is elected.

LAC ADVOCACY

Decisions & Positions

During meetings, LAC decisions and positions on legislative, regulatory and operational issues are to be made by a majority vote of duly appointed delegates. Each LAC shall determine what authority it will grant to its officers to make decisions between meetings on matters that require the LAC's attention. A LAC may use an e-mail and/or fax ballot for a delegate vote, which will be binding provided that a majority of appointed delegates vote within an appropriate timeframe established by the LAC.

LACs and the G&PA Department should maintain regular communication to avoid any potential confusion over, or conflict with, CAI's *Public Policies*. LACs shall strive to ensure that they do not propose legislation or regulations or take positions on legislation or regulations proposed by others that would be in conflict with such policies.

If the LAC anticipates that a particular issue or position may be divisive or create controversy, it is strongly encouraged that the LAC leadership takes such issues to the full group for vetting and approval. This helps to create consensus as well as strengthen the decision-making processes of the LAC.

LAC ADVOCACY

Except as noted below, a LAC must notify the G&PA Department as far in advance as possible if it believes it may need to consider or adopt any legislative or regulatory position that would be in conflict with CAI's *Public Policies*. Such notification should include why the LAC believes it may be necessary to deviate from such policies. Upon this notification, the G&PA Committee, BOT, officers or president will consider the circumstances as detailed by the LAC and may advise it with a recommendation or requirement.

Should there be insufficient time to notify the G&PA Department that it believes it must adopt a legislative or regulatory position that would be in conflict with CAI's *Public Policies*, a LAC must submit, as soon as possible, a written explanation of any such action for consideration by the G&PA Committee and/or BOT.

Any deviation by a LAC from CAI's *Public Policies* will not alter those policies.

LACs are encouraged to use the G&PA Department's grassroots network to inform members about key issues and significant legislative developments.

***Amicus Curiae* Participation**

LACs may participate in preparing and filing *amicus curiae* (friend of the court) briefs as provided for in CAI's *Amicus Curiae* Request Submission & Review Procedures as adopted and modified from time to time by the G&PA Committee and/or BOT. An outline of these procedures is available on the Issues and Advocacy section of the CAI website under the Advocacy Activity link.

Political Contributions & Campaign Participation

LACs must not make financial contributions to any candidates for political office or to any Political Action Committee (PAC). However, LAC delegates are allowed to make personal contributions to candidates or PACs.

As a representative of CAI, LACs are not allowed to endorse or oppose any political candidate. However, LAC delegates can participate in political campaigns so long as each delegate volunteers on his or her own behalf and does not imply in any way that he or she represents CAI.

LAC COMMUNICATIONS

Regular communication among LACs, chapters, members and the G&PA Department is vital to ensure that LACs have the necessary information, assistance and support to advance our industry's advocacy agenda. Each LAC should appoint a delegate as a communications liaison to ensure that communication continues between CAI members, LAC delegates and chapters.

The G&PA Department supports LACs through training programs, an issues resource center, legislative tracking reports, legislative alerts, legislative/regulatory analysis, strategic planning and other support as needed.

To maximize their effectiveness, LACs should routinely provide the board or other authorized representative(s) of the local chapter(s) with the following information:

- At least three activity reports for dissemination to CAI members and other interested parties during the year.
- A copy of the annual budget, distributed as specified in this document.
- A copy of the current roster.
- Copies of enrolled bills and enacted regulations affecting CAI members or a summary of such bills and regulations along with information on how they may be obtained.
- All meeting minutes.

LACs shall routinely provide each delegate and the G&PA Department with the information listed above and the following additional material:

- All LAC subcommittee, task force, officer or executive committee meeting minutes.
- Quarterly financial reports, distributed as specified in this document.
- A copy of any executed advocacy agreement, management contract, and letter of engagement and/or employment agreement.
- Copies of pertinent communications that may aid the G&PA Department in assisting the it or other LACs (please see the Records section under LAC Operations on page 8).

COMMUNITY ASSOCIATIONS INSTITUTE

Application for LAC Authorization

1. CAI Chapter President/President-elect submitting application: _____

2. Please list the CAI chapter or chapters seeking authorization for a state LAC:

3. This is an application for: [] a single-chapter LAC [] a multi-chapter LAC.

4. Each chapter in the state has been asked to participate in the LAC? [] Yes [] No

5. Each chapter in the state will participate in the LAC? [] Yes [] No

If no, please list the chapter(s) that have declined to participate and state, on a separate attachment, why the LAC should be authorized without the unanimous participation of all chapters in the state: _____

6. Please indicate which chapter in the state will administer the LAC’s financial operations as outlined in the LAC Operational Guidelines: _____

7. Each CAI member nominated to serve as a delegate to the LAC has read, understands, and agrees to abide by CAI’s LAC Operational Guidelines and pledges that the LAC will serve the best interests of CAI members. [] Yes [] No

8. Each CAI member nominated to serve as a delegate to the LAC understands the legal and ethical specifications that apply to lobbying in the state and pledges that the LAC will operate according to those specifications. [] Yes [] No

9. The following materials are included with this application:

- a. A letter from an authorized representative of each chapter attesting that the chapter has voted to participate in a LAC.
b. A list of CAI members nominated to serve as LAC delegates, along with completed LAC Nominee Information Forms for each.
c. A proposed LAC budget.
d. A list of LAC operational and advocacy objectives for the following year.

10. I understand CAI’s Public Policies and LAC Operational Guidelines, and pledge that the LAC will serve the best interests of CAI members.

Signature of Chapter President or President-elect Date

COMMUNITY ASSOCIATIONS INSTITUTE

LAC Nominee Information Form

1. Name: _____

2. Gender: _____

3. Race: _____

4. Association, Firm, Company, etc.: _____

5. Address: _____

6. Phone: _____ Fax: _____ E-mail: _____

7. Membership Category: _____ CAI Membership Number: _____

8. I have been a member of CAI since: _____

9. I wish to be a LAC (choose one) chapter delegate at-large delegate because: _____

10. My qualifications to be a LAC delegate include: _____

11. I am a member of the following professional organizations: _____

12. By signing below I acknowledge that I have read, understand, and will abide by CAI’s *Public Policies* and *LAC Operational Guidelines*, and pledge that I will serve the best interests of CAI members.

13. By signing below I acknowledge that I understand the legal and ethical specifications that apply to lobbying in the state and pledge that I will serve according to those specifications.

Signature

Date

Legislative Action Committee Delegate Conflict of Interest Policy

The Delegates of the Legislative Action Committee (LAC) owe a duty of loyalty to Community Associations Institute (CAI) which requires that in serving CAI they act, not in their personal interests or the interests of others, but rather solely in the interests of CAI. Delegates must have undivided allegiance to CAI's mission and *Public Policies*, and may not use their positions as delegates, information they have about CAI, the LAC or strategies related to their activities, in a manner that allows them to secure a pecuniary or any other benefit for themselves, their relatives, or other organizations they belong to or serve.

The conduct of personal business between the delegate and CAI or the delegate and the LAC is discouraged. Business transactions involving CAI or the LAC in which a delegate has an interest shall not be prohibited, but shall be subject to close scrutiny by the Government and Public Affairs Department at CAI. Such proposed transactions shall be reviewed carefully by the Government and Public Affairs Department to determine that those transactions are in the best interests of CAI or the LAC. Any matter in which one has a personal interest is, de facto, a conflict of interest.

The issue is whether, despite the conflict, the transaction is commercially reasonable and in the best interests of CAI or the LAC. For the purposes of this policy, a delegate has an interest in a proposed transaction if the delegate has a financial interest in the transaction that is not shared by the membership at large or a substantial portion of the membership of CAI, or has a financial interest in any organization involved in the proposed transaction (except an interest as a shareholder in a publicly traded company) or holds a position as trustee, director, general manager or principal officer in any such organization.

Prior to participating in any briefings, discussions, strategy sessions or lobbying activities that affect any programs or interests of other organizations to which delegates are affiliated or which affect a delegate personally, the delegate must make full disclosure to the best of his or her knowledge of any interest inconsistent with this policy in a proposed issue, transaction, legislative or regulatory strategy, or policy position by submitting a written report to the President, Chair of the Legislative Action Committee and the Vice President of the Government & Public Affairs Department for CAI.

A delegate with a dual interest in a proposed issue, transaction, legislative or regulatory strategy, or policy position shall not vote on or participate in a discussion of the matter.

A delegate shall not use inside information about CAI or the LAC for his/her personal benefit or for the benefit of any other organization, or use such inside information or his/her position as a delegate to the detriment of CAI. Inside information is information obtained by a delegate through the delegate's position that has not become public information.

Each delegate has a duty to place the interests of CAI and adherence to CAI's *Public Policies* foremost in any dealings involving CAI and has a continuing responsibility to comply with the requirements of this policy. On an annual basis, each delegate is required to complete a *Delegate Disclosure Statement*.

Adopted by the CAI Board of Trustees on August 4, 2003

Legislative Action Committee Delegate Disclosure Statement

The *Delegate Disclosure Statement* is designed to help delegates meet their continuing responsibility to disclose potential conflicts of interest.

Part A of this *Delegate Disclosure Statement* provides instructions that should be retained by each delegate and used as necessary during his or her current term of service to report potential conflicts of interest as they may arise. In Part B, you should list all organizations, associations or businesses in which you are involved that do business with or compete with Community Associations Institute (CAI) or a Legislative Action Committee of CAI. Part C is a year-end report in which you should describe any business transaction with CAI or a Legislative Action Committee of CAI during the past year in which you had an interest.

Parts B and C of this form should be completed, signed and returned as soon as possible to the attention of CAI's, Government & Public Affairs Department at 6402 Arlington Boulevard, Suite 500, Falls Church, VA 22042. You may also fax your completed form to the attention of the CAI's Government & Public Affairs Department at 703-970-9558. Your appointment as a LAC delegate will not be final until your completed form has been returned to the Government & Public Affairs Department and you have received a final letter of approval. Until you have received final approval, you may not participate in any meetings or functions of the Legislative Action Committee.

Part A. Instructions for Disclosure of Potential Conflicts of Interest (Retain for Future Use)

If you have reason to believe that you may have any interest in a proposed issue, transaction, legislative or regulatory strategy, or public policy position that is inconsistent with the *Legislative Action Committee Delegate Conflict of Interest Policy*, you must prepare a brief letter to the President, Chair of the Legislative Action Committee and the Vice President of Government & Public Affairs (hereinafter referred to as the "LAC Conflict Compliance Officers") describing your potential conflict of interest. Until you receive a response from the Vice President of Government & Public Affairs you may not participate in any discussions relating to your potential conflict of interest.

A LAC delegate is considered to have an "interest" in a transaction, issue, legislative or regulatory strategy or public policy position if the delegate, or the business entity with which the delegate is associated, or any member of the delegate's family has a direct or indirect financial interest in or is a member of an association, organization or business involved in or affected by the proposed transaction, issue, legislation or regulation; or holds a position as a trustee, director, general manager, principal officer or is staff in any such association, organization or business. A LAC delegate's "interest" will not be considered in conflict if the general membership of CAI or all members of the same membership category share the same interest.

The LAC Conflict Compliance Officers will review a delegate’s letter describing a potential conflict of interest to ensure that the interests of CAI are not adversely affected or abrogated and may recommend measures to remedy actual conflicts. Until the delegate receives a ruling from the LAC Conflict Compliance Officers, he or she is prohibited from discussing, voting on or attempting to affect other LAC delegates on any subject that relates to the potential conflict of interest.

Part B. Organizations, Associations, or Businesses in Which You Have an Interest that are Doing Business with or Competing with Community Associations Institute

In the space below, please list all organizations, associations or businesses that conduct business, or compete in any way, with Community Associations Institute or the Legislative Action Committee if: (1) you have a substantial financial interest, or (2) you are a member, trustee, director, general manager, principal officer or employee.

Name of Organization, Association, or Business	Nature of Your Interest in the Organization, Association, or Business
_____	_____
_____	_____
_____	_____
_____	_____

(Attach additional sheets if necessary.)

I certify that the above information is correct to the best of my knowledge.

Name of LAC Delegate: _____

Signature: _____

Date: _____

Please return Part B to the attention of CAI’s Government & Public Affairs Department at 6402 Arlington Boulevard, Suite 500, Falls Church, VA 22042. You may also return this via fax to 703-970-9558.

Part C. Transactions during the Past Fiscal Year.

In the space below, please provide a description of any and all business transactions of the Legislative Action Committee during the past fiscal year in which (1) you have a substantial financial interest, or (2) that involve an organization, association or business in which you have a substantial financial interest, or (3) that involved an organization, association or business in which you hold a position as trustee, director, general manager, principal officer or staff. Include a brief description of each transaction, and a description on your interest in the transaction. Enter “N/A” if you have no transactions to report.

(Attach additional sheets if necessary.)

I certify that the above information is correct to the best of my knowledge.

Name of LAC Delegate: _____

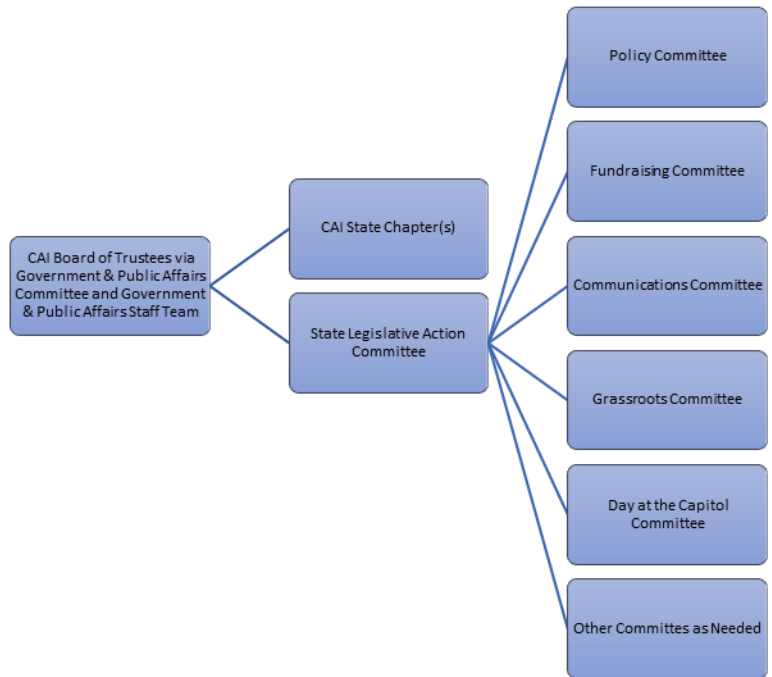
Signature: _____

Date: _____

Please return Part B to the attention of CAI’s Government & Public Affairs Department at 6402 Arlington Boulevard, Suite 500, Falls Church, VA 22042. You may also return this via fax to 703-970-9558.



CAI’s LEGISLATIVE ACTION COMMITTEE STRUCTURE



The CAI Legislative Action Committee (CAI LAC) has delegates appointed by the CAI state chapter(s) and delegates selected by the CAI Legislative Action Committee – each of which are approved by the CAI Board of Trustees. CAI LACs and chapters should strive to work cooperatively in communicating the public policy accomplishments of CAI and to engage our members in a dialogue on our ongoing public policy goals. These delegates speak for the interests of their chapter they represent and serves as the LAC spokesperson to the chapter and ensure that chapter leaders, chapter executive director(s) and CAI members are engaged regularly to provide input into the development of state advocacy priorities. It is important these delegates communicate regularly with the CAI chapter executive director and chapter board of directors regarding issues and business of the legislative action committee.

The CAI LAC must work cooperatively with CAI Government & Public Affairs Committee and staff in compliance with the LAC Operational Guidelines using policy positions consistent with CAI’s Public Policies.

Committee Structure

Leadership – there shall be a Chair, Vice Chair, and Secretary/Treasurer – these individuals are responsible for communicating with the CAI LAC lobbyist and CAI National Government and Public Affairs Committee and staff.

LAC Officers: An authorized LAC shall elect officers from its appointed delegates. Such officers shall include:

- **A LAC chair** – who shall serve as liaison to the G&PA Department, speak for the LAC and CAI.
- **A vice chair** – who shall serve as substitutes for the chair in his/her absence.
- **A secretary** – who shall serve as record minutes for LAC meetings.
- **A treasurer** – who shall serve as the person maintains the LAC financial accounts. The treasurer must submit a budget and financial reports to headquarters office as required by the LAC Operational Guidelines.
- **A federal affairs liaison** – who shall serve as to coordinate federal affairs issues between the LAC and CAI national.

Committees/Volunteer Leaders

Policy Committee – the policy committee is responsible for reviewing the proposed legislation, recommendation CAI’s position (see policy positions below) to full LAC, and working with the LAC (and others) on amendments, grassroots, etc.

Fundraising Committee – the fundraising committee is responsible for raising money for the LAC using corporate sponsorship programs and Dollar a Door program. The LAC shall work with the chapter to promote the fundraising cooperatively with chapter programming.

Communications Committee – the communications committee works cooperatively with the chapter to distribute messaging to members to keep them informed on legislative activities and to demonstrate value of our efforts. The committee is responsible for at least the following communication:

Pre-session communications to all state members regarding what to expect in the upcoming session.

During session – here is what bills have been introduced, stay tuned for calls to action

During session calls for action.

End of session report (within 30-days of session)

Engagement with legislators (ongoing)

Articles for chapter emails and/or publications, as needed

Grassroots Advocacy Committee – The grassroots advocacy committee is responsible for recruiting and engaging grassroots advocates to work for the committee to maintain relationships with legislators and to be available, as needed, to provide testimony for hearings, distribute calls to action, etc. The committee will work with CAI’s staff team for managing the database of advocates, communication with advocates, various grassroots campaign, and engaging grassroots through CAI’s engagement platform. Grassroots initiatives are critical for successful industry accomplishments and ensuring the voice of CAI members are heard in their state legislatures and local municipalities.

Day at the Capitol Committee – will plan the Day at the Capitol event to engage CAI members, grassroots advocates, LAC members, and others to meet with legislators before session or early in the session to demonstrate constituent connects and cultivate relationships. Days at state capitols are invaluable opportunities for CAI LACs and member advocates to connect with their state legislators to ensure strong public policy is made on behalf of the community association housing model.



ANNUAL ADVOCACY PLAN FOR LEGISLATIVE COMMITTEES AND CHAPTERS

ONE TO TWO MONTHS PRECEEDING SESSION

Schedule meetings with leadership, members of committees of jurisdiction, and other important legislators with CAI LAC and advocates to hear issues, share resources, offer solutions, etc.

Email correspondence to all legislators throughout the U.S. from CAI offering CAI as a resource for upcoming legislative sessions.

Hold CAI LAC pre-session calls to develop a plan of action for the CAI LAC's meeting schedule, discuss new legislative initiatives and any legislative fixes relevant to the new session, and regular communication schedules between the LAC and membership during session.

DURING SESSION

Early: Schedule meetings with leadership, members of committees of jurisdiction, and other important legislators with CAI LAC and advocates to hear issues, share resources, offer solutions, etc...

Early: Email correspondence to all legislators throughout the U.S. from CAI

Throughout: engage grassroots, tell stories, meet with legislators, meeting weekly/monthly with the LAC, review legislation impacting community associations as introduced, track legislation that impacts community associations, testify on behalf of CAI in the state legislature, communicate regularly with CAI state lobbyist, engage CAI Government and Public Affairs staff on CAI LAC calls

Within 30 days of ADJOURNMENT (pending Governor's action)

- Publish legislator scorecard
- Publish end of session report
- Work with chapter to present end of session education program
- Debrief as a chapter/legislative action committee to determine what worked and what didn't work
- Correspond with legislators who were supportive thanking them for their support.
- Consider legislator award

DURING SUMMER/OFF-SEASON

- Promote Constituent in Your Communities – whereby associations invite legislators to their community to meet with the board, residents, see events, etc...

- Strategic planning sessions for the next session
- Engage grassroots advocates to connect with District offices (state and federal)
- LAC cultivate relationships with legislators through attending fundraisers, hosting meetings etc..

THREE – FOUR MONTHS BEFORE SESSION STARTS

Convene a Community Association Roundtable conversation regarding public policy issues – listen and learn; include real estate industry, builders, bankers, local municipalities (league of cities and association of counties), other groups; even anti-HOA groups.

Connect with committees of jurisdiction of community association bills and leadership and invite them to a presentation from CAI legislative action committee to discuss issues/priorities, etc...

NOVEMBER

Following the election, reach out to newly elected legislators to introduce them to CAI-specific issues.