

## Campaign cash shows Cagle is favorite with Georgia Capitol lobbyists

As soon as a seemingly annual bill that used-car dealers worried would raise taxes on their customers began to stall again in the Georgia Senate in March, their lobbyists knew who to thank.

As far as they were concerned, it was Lt. Gov. Casey Cagle, the front-runner in the Republican race for governor, to the rescue. Just like last year.

“We look forward to Lt. Gov. Casey Cagle and the Senate once again stopping the tax increase, as they have done in the past,” Mo Thrash, one of their lobbyists, told The Atlanta Journal-Constitution at the time.

So when Cagle was recently recorded saying he helped get a bill passed to block an opponent from receiving campaign help, and reports surfaced that he bought a condo from a lobbyist, few Capitol denizens thought much of it.

The statehouse influence crowd knows Cagle as the guy who can get things done, and he has for 12 years in his role as president of the Senate, where he can breathe life into legislation or smother it.

They’ve flooded his campaign with their money and checks from their clients, not all of whom have been on the winning side of Senate debates.

“Casey is not afraid to make the tough call,” said Jay Morgan, one of the leading contract lobbyists at the Capitol. “Sometimes that tough call is not what I want him to do or what my client wants him to do.”

### **Checks rolling in**

Before the 2018 legislative session, Cagle’s campaign had received more than \$240,000 from about 85 lobbyists, their family members or firms, according to an AJC review of campaign disclosures. His four Republican opponents in last month’s primary had about a dozen lobby supporters combined.

Lt. Gov. Casey Cagle and Secretary of State Brian Kemp emerged as the top finalists in Tuesday’s election.

In the weeks after the session, Cagle received at least an additional 20 contributions from lobbyists, worth about \$40,000.

That total doesn’t include the hundreds of thousands of dollars collected from state association political actions committees representing various industries with lobbyists at the Capitol, such as doctors, car dealers and insurance agents.

Nor does that figure include big money given to an “independent” federal political fund run by Cagle’s

backers, which has been able to take unlimited checks from lobbyists, their clients and others with interest in making sure he wins the race.

When asked about lobbyist donations, Cagle said: "Anybody is welcome to donate to my campaign. We don't filter. But I have a very long record of standing up for what I believe in and for what is right for the citizens of our state.

"I hope that people contribute to me for the sole purpose that they buy into our vision and the fact that we have a proven, consistent conservative record. If they're thinking anything different, then they're going to be disappointed."

Exact, up-to-date financial figures won't be known until next month because state law doesn't require candidates to file full reports from early April until early July. Separate from the campaign, the Georgia Conservatives Fund, which is run by Cagle backers, hasn't filed a report since last summer after making regular disclosures for close to a decade.

The fund's lawyer, **Josh Belinfante**, said it filed a tax return last year and the committee asked for an extension this year.

"We believe that is the only kind of filing that the committee's required to make and are looking into why it even filed (other reports) in the past," he said. "As we have in the past, we will disclose all information that the law requires us to."

Cagle's campaign had raised \$6.8 million as of March 31, and the Georgia Conservatives Fund raised well over \$2 million in the months leading up to the 2017 session alone, according to its last reports.

Another outside group, Changing Georgia's Future, has run TV ads and reported \$230,000 in contributions before the primary.

Of that, \$50,000 came from a lobbying outfit, Connect South, and \$100,000 from a limited liability company that listed an Athens post office box as its address and was formed six days before the contribution was given, according to records from the Secretary of State's Office and the state ethics commission.

The group put the money behind ads attacking Cagle's opponent in the July 24 Republican runoff, Secretary of State Brian Kemp.

### **Relationship building with business lobby**

Sara Henderson, the executive director of Common Cause Georgia, a government watchdog group, said the money from lobbyists fits a pattern for Cagle.

"It shows he puts moneyed interests above the voters of Georgia," Henderson said. "The fact that he is basing his policy off his relationships with lobbyists and their clients is a problem.

"It would appear if you want something done, you need to give Casey Cagle a campaign contribution."

As lieutenant governor, Cagle doesn't officially sponsor or vote on bills. His positions on most legislation aren't publicly known during a session. His power is wielded behind closed doors, where Senate leaders decide which bills to vote on, or if a bill gets rewritten, or if bills will be ignored during the 40 days of lawmaking.

Car dealers have flooded Cagle's campaign, and the "independent" fund, with money at the right time.

New- and used-car dealer lobbyists have battled for the past few years over how their customers are taxed.

New cars are currently taxed based on sales price, whereas used cars are taxed at the generally lower "book value."

So, if somebody buys a used car for \$10,000 and owes the current 7 percent tax, but the state values the vehicle at \$8,000, that person pays the taxes on the \$8,000, not on what he or she paid for it. The difference in taxes would be \$140 in that scenario.

New-car dealers — who also sell about 40 percent of used cars in the state — have lobbied the past few years to see the state use the same basis — the sales price — for taxing both new and used cars. The House has supported the change, but the Senate, which Cagle leads, hasn't.

In the months leading up to the 2018 legislative session, Cagle's campaign received about \$145,000 from 75 car dealers, some who opposed the stalled legislation and some who supported it. The new- and the used-car dealers associations — their lobbying arms — also contributed.

Since the legislative session's end, car dealers have continued to invest in Cagle's campaign. Thrash's Georgia Independent Automobile Dealers Association gave an extra \$2,500 on May 15, the same day the new-car dealer's association, the Committee for Automobile Retail Dealers of Georgia, gave \$6,600.

Cagle and the fund his supporters started have gotten contributions from the gaming industry, which has pushed casino legislation, and fantasy sports giants wanting to regulate their industry, both efforts that have stalled in recent years.

His campaign received \$1,000 from the mobile home lobby in April, shortly after the General Assembly cut taxes on sales of mobile homes.

His campaign got \$6,600 from Colonial Group of Savannah last year, only a few months after the Senate passed a tax break on the final night of the session for giant yacht owners to help jump-start one of the company's business ventures. Before the 2017 session, the company, which operates a collection of shipping, oil and gas businesses, gave the Georgia Conservatives Fund \$25,000.

One of the company's lobbyists is a former top aide to Cagle.

### **Top industry lobbyists showing loyalty**

Few lobbyists have shown as much support for Cagle as Trip Martin, whose firm, GeorgiaLink, has among the longest lists of clients at the Capitol.

Martin, who represents the Atlanta Braves, Children's Healthcare, Comcast, the small-loan association, CVS, Delta Air Lines, new-car dealers, horse racing interests, Georgia Power, UPS and dozens of others, contributed \$5,000 a few weeks after the 2018 session ended.

He and his partners have given about \$30,000, and 21 of his clients have contributed more than \$90,000 to Cagle's campaign.

In the days leading up to the 2017 session, about one-third of all contributions to the Georgia Conservatives Fund came from Martin's clients.

"He's been a good friend since he started serving down there," Martin said. He noted that one of his partners, Skin Edge, was the Senate minority leader when Cagle won a Senate seat in 1994.

"He has always been reliable, he's always kept his word," Martin said. "From a business perspective, he was always good to deal with. He knows how the state runs, he knows the budget."

Martin, like other lobbyists the AJC talked to, said Cagle hasn't always sided with them. Martin, for instance, was hired by Delta, which was hoping the General Assembly would back a \$50 million-a-year tax break on jet fuel this session.

Cagle helped scuttle the tax-break bill after Delta broke ties with the National Rifle Association.

Delta has contributed about \$22,000 to Cagle campaigns since 2006, including \$4,000 to his gubernatorial bid.

Cagle said what happened with the tax-break bill showed he's not afraid to go against donors. "I've had to do that with other donors as well," he said.

Martin wasn't surprised.

"As pure as we all try to be, politics is still the art of compromise," he said.

Morgan also represents a long list of clients, including cigarette maker Altria, AT&T, the Georgia Hotel and Lodging Association, the Grady Health System, Motorola, Procter & Gamble, Southern Company Gas, Florida managed care giant Wellcare and private prison company The Geo Group.

Morgan, a longtime Republican activist, paid to cater a fundraiser for Cagle last year, and his clients have donated about \$70,000 to his campaign.

They've also been big donors to the Georgia Conservatives Fund. AT&T, for instance, donated \$10,000 to it in January, a few days before the 2018 legislative session began.

**Belinfante**, the lawyer for the Georgia Conservatives Fund, filed paperwork in February — during the session — naming Morgan as the chief executive officer of the entity and nursing home lobbyist Russel Carlson as the chief financial officer and secretary. Cagle's campaign fundraiser had been the CFO of the fund for years, but Belinfante changed that in October.

Morgan said the move was largely made to "create a firewall" between the fund and Cagle's campaign. The fund and his campaign are not legally allowed to coordinate.

Morgan says Cagle is the best candidate in the race and the one most likely to continue the Republican

Party's political dominance at the Capitol, which has lasted 16 years.

"Casey is one of those guys who you sit with who, if he tells you something is going to happen, that's what he tries to make happen," Morgan said.

### **A question of lobby influence**

State Rep. Scot Turner, R-Holly Springs, who has been targeted in the past by the state's big-business lobby, said it's important for voters to know where candidates such as Cagle are getting their money.

"For anyone who says lobbyist dollars don't mean action, they aren't paying attention," said Turner, who has not endorsed either Kemp or Cagle in the runoff but supported a third, unsuccessful candidate, Clay Tippins, in the GOP gubernatorial primary.

"There is no doubt that lobbyists who have good relationships get more done at the Capitol," he added. "So long as the playing field is level, the important thing is that voters know where the money is coming from so they can make an informed decision."