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NEWSLETTER

California Adopts New Disclosure Rules Affecting Lobbyist Employers

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By Carol A. Laham and Eric Wang

The California Fair Political Practices Commission recently adopted a new regulation that will affect reporting requirements of lobbyist employers and $5,000 filers. These groups are required to disclose on their quarterly reports payments to lobbyists, payments to lobbying firms, activity expenses, and "other payments to influence legislative or administrative action." Previously, "other payments to influence" were reported as a lump sum. In response to criticism that millions of dollars in lobbying expenses were not being meaningfully disclosed, the FPPC adopted a regulation that requires itemization of these expenses.

Beginning July 1, lobbyist employers and $5,000 filers must itemize all payments to influence of $2,500 or more that were made during a reporting period. They must identify the payee, the amount paid, and the primary purpose of the payment. The FPPC has supplied nine "payment codes" from which a filer must choose when identifying the primary purpose of the payment. The payment codes include such categories as salary and compensation for non-lobbyist employees (who spend 10% or more of their compensated time in a month engaged in lobbying) and public affairs expenses for coalition building, grassroots campaigns, and public policy initiatives.

The first report to be submitted under the new regulation is the October 2016 quarterly report.

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