

1 Adopt 2 Cal. Code Regs., Section 18626 to read:

2 **§ 18626. Contingency Fees Prohibition.**

3 (a) For purposes of Section 86205, subdivision (f), the phrase “any payment in any way  
4 contingent” means every type of payment, including payment of a fee, salary, bonus,  
5 commission or any other form of compensation, which payment is dependent to any degree on  
6 the defeat, enactment, or outcome of any proposed legislative or administrative action.

7 (b) A contract for lobbying services does not, in itself, violate Section 86205(f) if it:

8 (1) Expressly states the agreed upon terms of compensation to be received in return for  
9 those lobbying services.

10 (2) Provides no discretion to make the agreed upon payment dependent to any degree on  
11 a specific outcome of the proposed legislative or administrative action for which the lobbying  
12 services are to be rendered.

13 Note: Authority cited: Sections 83112, Government Code. Reference: Section 86205,  
14 Government Code.