

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18614. Payments for Lobbying Services.

(a) The following payments from a client to a lobbying firm shall be considered payments for lobbying services:

(1) Payments for services related to a matter on which the client expressly or implicitly authorizes the lobbying firm to communicate directly with an elected state official, legislative official or agency official for the purpose of influencing legislative or administrative action.

(2) Payments for legislative-related services only if, within one year after the services are provided, the client, either directly or through an affiliated entity, expressly or implicitly authorizes the lobbying firm to communicate directly with an elected state official, legislative official or agency official for the purpose of influencing legislative or administrative action on the same or substantially the same matter.

(3) Payments for research or preparation of a proposed initiative measure only if, within one year after the initiative-related services are provided, the client, either directly or through an affiliated entity, expressly or implicitly authorizes the lobbying firm to communicate directly with an elected state official, legislative official or agency official for the purpose of influencing legislative or administrative action on the same or substantially the same matter. However, such payments need not be reported if they are required to be disclosed, and are in fact disclosed pursuant to Chapter 4 (commencing with Section 84100) of Title 9 of the Government Code.

(b) The following payments from a client to a lobbying firm shall not be considered payments for lobbying services:

(1) Payments for litigation.

(2) Payments for legislative-related or initiative-related services performed by a lobbying firm for a client which are not reportable pursuant to subsections (a)(2) or (a)(3). However, payments for legislative-related services shall be reported by the client as "other payments to influence legislative or administrative action" pursuant to Government Code Section 86116(i) if either of the following applies:

(A) At the time the payment is made, the client is required to be registered on the lobbying firm's registration statement.

(B) Within one year after the services are provided, the client, either directly or through an affiliated entity, expressly or implicitly authorizes another lobbying firm or a lobbyist employed by the client to communicate directly with an elected state official, legislative official or agency official for the purpose of influencing legislative or administrative action on the same or substantially the same matter.

(c) The following definitions apply to this section:

(1) "Legislative-related services" includes researching, monitoring, analyzing or drafting statutes, regulations or pending or proposed legislative or administrative action, providing advice or recommending strategy concerning pending or proposed legislative or administrative action, and similar services in the absence of express or implied authorization to engage in direct communication.

(2) "Direct communication" means appearing as a witness before, talking to (either by telephone or in person), corresponding with, or answering questions or inquiries from, any elected state official, legislative official or agency official, either personally or through an agent who acts under one's direct supervision, control or direction.

(3) "Affiliated entity" includes, but is not limited to, an organization which has a parent

or subsidiary relationship to the client, an organization that is primarily funded or managed by the client or the parent entity of the client, or an organization of which the client is a member.

(d) When a payment for initiative-related or legislative-related services made to a lobbying firm in a previous reporting period must be reported retroactively pursuant to this section, the payment shall be reported on the report for the then current calendar quarter and the lobbying firm and lobbyist employer shall indicate the calendar quarter in which the payment was made or received. If the payment was previously reported in the current calendar year as "other payments to influence legislative or administrative action," the lobbyist employer shall indicate on the report for the then current calendar quarter that the amount has been deducted from "other payments to influence legislative or administrative action" and instead reported as a payment to a lobbying firm. For purposes of subsections (a)(2) and (a)(3), the lobbying firm and lobbyist employer shall indicate, in addition to the information required by 2 Cal. Code Regs. Sections 18613(a) and 18616(b), that the payment was for initiative-related or legislative-related services and the date upon which the person making the payment or the affiliated entity authorized the lobbying firm to engage in direct communication.

(e) This section shall not be construed to require any entity to report payments it receives for services prior to the calendar quarter in which the entity qualifies as a lobbying firm.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 86114 and 86116, Government Code.

HISTORY

1. New section filed 8-25-88; operative 9-24-88 (Register 88, No. 36). For prior history, see Register 86, No. 38.