



New 2015 Fundraising Restrictions on California Lobbyists & Limits on California Lobbying Firms

02.12.2015 | By **Frederick T. Dombo III, Amber R. Maltbie**

Lobbyists subject to new fundraising restrictions in 2015

Effective January 1, 2015 lobbyists and their cohabitants are prohibited from hosting fundraising events for candidates and elected officials (for which the lobbyist is registered to lobby) in their homes. Additionally, the definition of contribution has been amended to include any payment by a lobbying firm to host a fundraising event, at the lobbying firm, for a candidate. This eliminates for lobbying firms the previous "in office fundraiser" exception to the definition of contribution, which allowed lobbying firms to avoid making in-kind contributions to candidates by hosting the events in their offices and keeping the total cost of the event under \$500. Now, under the revised rules, all costs by a lobbying firm that hosts a fundraising event for a candidate, including the value of the space, will constitute in-kind contributions to the candidate. Such costs will aggregate toward their limit on contributions to each recipient, as well as their Major Donor status, along with any direct monetary contribution they make. This new rule applies regardless of whether the lobbying firm is registered to lobby the candidate's agency. This change in the long standing definition of contribution comes at a time when increased term limits put a premium on using fundraising events to cultivate relationships with members of the Legislature.

Non-fundraising events hosted by lobbying firms continue to be subject to the \$10 per month gift limit. Note that these new provisions do not apply to federal candidates.

Black Out Period for Lobbyist Employer Contributions

In response to an unprecedented spate of corruption cases involving incumbent State Senators, the California State Senate adopted Senate Resolution 44, which creates a blackout period during which members of the Senate are prohibited from soliciting or receiving contributions from lobbyist employers. For

2015, the black-out is for the period immediately preceding the passage of the state budget and a 30 day period preceding the end of the legislative session. Note that Senate Resolution 44 does not apply to non-incumbent candidates or members of the State Assembly.

Contribution and Gift Limits Adjusted for 2015 – 2016

The Fair Political Practices Commission adjusts contribution and gift limits biennially to reflect changes in the Consumer Price Index. Contributions to state candidates for 2015-2016*:

- Assembly/Senate: \$4,200 per election
- Lieutenant Governor, Secretary of State, Attorney General, Treasurer, Controller, Superintendent of Public Instruction, Insurance Commissioner and Board of Equalization: \$7,000 per election
- Governor: \$28,200 per election
- PACs that make contributions to state candidates: \$7,000 per calendar year

*(Primary and general are separate elections; candidates may receive the maximum for each).

Gift Limits

Elected officials, candidates, and certain employees designated in their agency's conflict of interest code are now subject to a \$460 per calendar year limit, in the aggregate, from a single source (up from \$440). Gifts of \$460 or more received in a twelve month rolling period may disqualify the recipient from voting on matters affecting the donor. Some agencies impose limits or bans that are more strict on certain sources, such as entities seeking business with the agency.

Please contact us for advice regarding how these changes may affect your existing policies or processes; or your strategy for 2015-2016.