



Spotlight on Lobbyist Employers: New California Reporting Requirements Begin October 2016

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Continuing its efforts to increase transparency in the political process in California, the Fair Political Practices Commission (FPPC) adopted a new regulation in early 2016 that is aimed at shedding light on shadow lobbying. Beginning in the Third Quarter of 2016 (covering the period of July 1 – September 30, 2016) registered Lobbyist Employers in California will be required to itemize other payments to influence legislative or administrative action. This includes expenses for the following activities:

- Salary of employees other than lobbyists who are engaged for 10% or more of their time in one month in activities related to lobbying;
- Expenses reimbursed by the lobbyist employer or incurred by the lobbyist employer for goods or services used by a lobbyist;
- Legislative related-services performed by a lobbying firm under Regulation 18614(b)(2);
- Consultants and government relations (other than lobbyists);
- Public affairs activities including coalition building and grassroots campaigns;
- Advertising related to lobbying efforts;
- Research including feasibility studies, analysis, polling and public opinion research;
- Lobbying events including event planning, rentals, equipment, and transportation for members or the public; and
- All other payments not covered by one of the specific categories.

Previously, the aggregate amount of these payments was required to be reported but the payee was not disclosed. Now, any such payments of more than \$2,500 to a single source (aggregate) during the quarter will be itemized to disclose the category of payment, name and address of payee, and amount. This is the

first major overhaul of the Lobbyist Employer reporting requirements in over 25 years, and the FPPC took the opportunity to update its reporting form, Form 635, and the corresponding instructions. A brand new Form 640 was also added to capture the itemized other payments to influence; this form must be filed in conjunction with the lobbying report. The first report under this new regime is **due on October 31**.