

1 Amend 2 Cal. Code Regs., Section 18616 to read:

2 **§ 18616. Reports by Lobbyist Employers and Persons Spending \$5,000 or More to**
3 **Influence Legislative or Administrative Action.**

4 (a) Payments to be Reported in General. Persons filing periodic reports under
5 ~~Government Code~~ Section 86116 ~~shall~~ must report payments in the following categories:

6 (1) Payments to lobbying firms.

7 (2) Payments to lobbyists.

8 (3) Activity expenses.

9 (4) Other payments to influence legislative or administrative action, specifically,
10 payments for or in connection with:

11 (A) Support or assistance of lobbyists;

12 (B) Direct communication with a legislative, agency, or elective state official for the
13 primary purpose of influencing legislative or administrative action; and

14 (C) Soliciting or urging persons other than the filer or the filer's employees to enter into
15 direct communication with a legislative, agency, or elective state official for the primary purpose
16 of influencing legislative or administrative action.

17 (5) Contributions to elected state officers, state candidates, and committees controlled by
18 or primarily formed to support those officers or candidates.

19 (b) Payments to Lobbying Firms. Lobbyist employers ~~shall~~ must disclose on their
20 periodic reports the total amount of payments, including reimbursement for expenses, made to
21 each lobbying firm during the period, and the name and address of the lobbying firm ~~which~~ that
22 received the payments. If the payment to the lobbying firm was made through another person,
23 the lobbyist employer ~~shall~~ must report the name and address of both the payee and the lobbying

1 firm. The lobbyist employer ~~shall~~ must indicate on the report if the payment was made for
2 services provided in a previous calendar quarter. To the extent that payments to a lobbying firm
3 are only partially in connection with lobbying activities, the lobbyist employer ~~shall~~ must report
4 only that portion which was made for lobbying activities.

5 (c) Payments to Lobbyists. Lobbyist employers ~~shall~~ must disclose on their periodic
6 reports the total amount of all direct and indirect payments, such as salaries and reimbursement
7 of expenses, made to lobbyists during the filing period in consideration for or in connection with
8 their activities as lobbyists. A lobbyist's salary includes gross wages paid plus any benefits that
9 ~~which~~ are in lieu of wages such as the granting of stock options or the purchase of annuities. ~~It A~~
10 lobbyist's salary does not include, ~~however,~~ routine fringe benefits that are made on behalf of all
11 employees, such as the employer's contribution to health ~~plans,~~ or retirement plans, or similar
12 benefits; ~~etc., which are made on behalf of all employees~~ nor does it include the payment of the
13 employer's payroll taxes. To the extent payments made to a lobbyist are only partially in
14 connection with his or her activities as a lobbyist, a filer may apportion the payments based on
15 the percentage of the lobbyist's compensated time that ~~which~~ is spent influencing or attempting
16 to influence legislative or administrative action.

17 (d) Activity Expenses. All persons filing reports under ~~Government Code s~~ Section 86116
18 ~~shall~~ must disclose each activity expense made or incurred during the period, regardless of
19 whether it is paid for during the period. An activity expense previously reported as incurred but
20 not paid need not be reported again when actual payment is made. When reporting activity
21 expenses, the filer ~~shall show~~ must disclose: the full name and address of the payee; the total
22 amount of the expense; the amount attributable to each elected state officer, legislative official,
23 agency official, state candidate or member of the immediate family of one of those persons who

1 is the beneficiary of an activity expense; each official's full name, title and agency; and together
2 ~~with a description of the benefit and each official's full name, title and agency.~~ The filer shall
3 must also report the total of all activity expenses incurred during the period.

4 (e) Contributions.

5 (1) Except as provided in paragraph (2), all persons filing periodic reports under
6 ~~Government Code s~~Section 86116 shall must disclose all monetary and non-monetary
7 contributions totaling \$100 or more made by the filer to state candidates, elected state officers,
8 and committees controlled by or primarily formed to support those officers or candidates. For
9 each reportable contribution, the filer ~~shall~~ must disclose the date the contribution was made, the
10 candidate, officer, or committee receiving the contribution, and the amount of the contribution.

11 (2) Notwithstanding paragraph (1), if a filer has made contributions totaling \$100 or more
12 to an elected state officer, state candidate, or a committee controlled by or primarily formed to
13 support an elected state officer or state candidate, and the filer or a committee sponsored by the
14 filer has previously reported those contributions in a campaign statement ~~pursuant to Chapter 4~~
15 ~~of the Political Reform Act which has been~~ filed with the Secretary of State, the filer may
16 disclose only the name and identification number of its committee on its periodic report in lieu of
17 the information required by paragraph (1) with respect to those contributions.

18 (f) Other Payments to Influence Legislative or Administrative Action. All persons who
19 file periodic reports under ~~Government Code s~~Section 86116 shall must report the total of all
20 other payments to influence legislative or administrative action made by the filer during the
21 reporting period, and effective July 1, 2016, must disclose information regarding payments of
22 \$2,500 or more as provided below. The total amount reported shall must include the following:

23 (1) Compensation of Employees Other Than Lobbyists. This ~~shall~~ includes a

1 proportionate share of the compensation paid to employees other than lobbyists who are engaged
2 for 10 percent or more of their compensated time in a calendar month in or in connection with
3 the activities described in subdivision (a)(4) of this regulation. Such employees include those
4 providing research services and those preparing materials to be used by a lobbyist or to be used
5 in direct communication or in soliciting or urging others to engage in direct communication for
6 the primary purpose of influencing legislative or administrative action. Compensation includes
7 gross wages paid plus any benefits ~~which~~ that are in lieu of wages such as the granting of stock
8 options or the purchase of annuities. ~~It~~ Compensation does not include, ~~however,~~ routine fringe
9 benefits that are made on behalf of all employees, such as the employer's contribution to health
10 ~~plans, or retirement plans; etc., which are made on behalf of all employees~~ nor does it include
11 the payment of the employer's payroll taxes.

12 (2) Payments Other Than Compensation. This ~~shall~~ includes payments made by the filer
13 for all of the following:

14 (A) ~~Payments made by the filer for~~ Expenses incurred by a lobbyist in connection with
15 his or her activities as a lobbyist. All such expenses paid directly by the filer ~~shall~~ must be
16 reported as other payments to influence legislative or administrative action, regardless of the
17 nature of the expense.

18 (B) ~~Payment by the filer of~~ Expenses incurred by the filer for goods or services used by
19 a lobbyist or used to support or assist a lobbyist in connection with his or her activities as a
20 lobbyist.

21 (C) ~~Payments of any~~ Other expenses ~~which~~ that would not have been incurred but for
22 the filer's activities to influence or attempt to influence legislative or administrative action, ~~i.e.,~~
23 such as those activities described in subdivision (a)(4) of this regulation.

1 (3) Other Payments to Influence of \$2,500 or more. Other payments to influence made by
2 the filer during the reporting period totaling \$2,500 or more to a payee must be listed on a
3 separate form provided by the Commission and submitted with the report required under Section
4 86116. The filer should not include overhead expenses, including rent, utilities, office supplies
5 and subscriptions to legislative tracking services. The filer must disclose:

6 (A) The name and business address of the payee;

7 (B) The total payments made during the reporting period;

8 (C) The cumulative amount paid during the calendar year; and

9 (D) One of the following codes to describe the primary purpose of the payment:

10 i. [C] for compensation of employees other than lobbyists under subdivision (f)(1);

11 ii. [E] for expenses incurred by a lobbyist and paid directly by the filer, or expenses
12 incurred by the filer for goods or services used by a lobbyist or used to support or
13 assist a lobbyist in connection with his or her activities as a lobbyist;

14 iii. [L] for legislative related-services performed by a lobbying firm in the absence of
15 express or implied authorization to engage in direct communication related to
16 researching, monitoring, analyzing or drafting statutes, or recommending strategy,
17 providing advice, or similar services concerning pending or proposed legislative or
18 administrative action under Regulation 18614(b)(2);

19 iv. [A] for advertising, including billboards, print, radio, television, text, email and other
20 electronic advertising;

21 v. [P] for public affairs, including public relations, political consulting, grassroots
22 campaigns, coalition building, publications and media relations; and

23 vi. [O] for all other payments.

1 (g) Exceptions.

2 (1) Notwithstanding subdivision (f) of this regulation, a filer need not report
3 compensation or other payments for services ~~which~~ that are solely secretarial, clerical, or manual
4 or are limited solely to the compilation of data and statistics.

5 (2) Except for payments to lobbyists and the compensation of employees other than
6 lobbyists ~~which~~ that must be reported under subdivision (f)(1)~~-of this regulation~~, a filer need not
7 report any regular, ongoing business overhead ~~which~~ that would continue to be incurred in
8 substantially similar amounts regardless of the filer's activities to influence legislative or
9 administrative action.

10 (3) A filer does not have to report any part of the costs of producing a regularly published
11 newsletter or periodical whose circulation is limited to an organization's members, employees,
12 shareholders, other affiliated individuals and those who request or purchase the publication. This
13 exception applies only to those costs regularly incurred in publishing and distributing the
14 newsletter or periodical. If additional costs are incurred because the newsletter or periodical is
15 issued on other than its regular schedule, expanded in circulation, or altered in style, size, or
16 format for the primary purpose of influencing or attempting to influence legislative or
17 administrative action, such additional costs are reportable under subdivision (f)(2)(C)~~-of this~~
18 ~~regulation~~.

19 (4) Except as provided in ~~Government Code s~~ Section 86116.5, which is applicable to all
20 state and local agencies that file reports pursuant to ~~Government Code s~~ Sections 86115 and
21 86116, dues or similar payments made by any person for membership in a bona fide association,
22 including any federation, confederation, or trade, labor, or membership organization, some
23 portion of which is used to influence legislative or administrative action, are not payments to

1 influence legislative or administrative action.

2 (5) Reduced Reporting. In lieu of reporting expenses in accordance with subdivision (f)
3 of this regulation, a filer that makes payments to influence a ratemaking or quasi-legislative
4 proceeding, as defined in ~~Government Code~~s Section 82002(b) or (c), before the California
5 Public Utilities Commission ~~shall~~ may report the total of any payments made for the following:

6 (A) Compensation paid to all attorneys for time spent appearing as counsel and preparing
7 to appear as counsel in those proceedings, excluding time spent preparing written testimony for
8 those proceedings;

9 (B) Compensation paid to all witnesses for time spent testifying and preparing to testify
10 in those proceedings, excluding time spent preparing written testimony for those proceedings;
11 and,

12 (C) For purposes of subdivision (g)(5), compensation ~~shall have~~ has the same meaning as
13 in subdivision (f)(1) ~~of this regulation~~.

14 (D) The reduced reporting of ~~Government Code~~s Section 86116(h)(2) and this
15 subdivision does not apply to payments to an individual who is a lobbyist under ~~Government~~
16 ~~Code~~s Section 82039, to payments for expenses incurred by that individual or to payments
17 described in subdivision (a)(4)(C).

18 (h) Optional Reporting. In addition to reporting total payments for any period, a filer may
19 apportion payments reported on the basis of whether they were made to influence legislative
20 action or to influence administrative action.

21 (i) Applicability of ~~Government Code~~s Section 86115(b). For the purpose of determining
22 whether ~~Government Code~~s Section 86115(b) is applicable to any person, all payments made
23 during any calendar quarter ~~which~~ that are required to be reported by this regulation ~~shall~~ should

1 be combined and a report ~~shall~~ must be filed if the total is \$ 5,000 or more. If, however, the only
2 reportable payments made are activity expenses ~~within the meaning of Government Code s~~ under
3 Section 86111(a), no report ~~shall be~~ is required.

4 (j) Reporting Specific Lobbying Interests.

5 (1) The filer shall report each bill or administrative action with regard to which a partner,
6 owner, officer or employee of the filer, or a lobbying firm with which the filer has contracted,
7 either has engaged in direct communication, or has been directed by the filer to engage in direct
8 communication, with a qualified official for the purpose of influencing legislative or
9 administrative action on behalf of the filer during the reporting period, either by reference to its
10 legislative or administrative identification number or by brief textual description.

11 (2) A filer shall not report bills or administrative actions which have died" prior to the
12 reporting period, shall not report bills or administrative actions which the filer or its agent is only
13 watching" or monitoring," and shall not report bills or administrative actions which the filer or its
14 agent has not attempted to influence during the reporting period.

15 (3) The definitions contained in 2 Cal. Code Regs. section 18239 of the terms direct
16 communication," qualifying official," and influence legislative or administrative action" shall
17 apply to this subdivision.

18 Note: Authority cited: Section 83112, Government Code.

19 Reference: Sections 86115, 86116 and 86116.5, Government Code.