



# California Fair Political Practices Commission

June 2, 1986

Robert J. Wolfe, Executive Director  
California Association of Rehabilitation  
Facilities  
1121 L Street, Suite 410  
Sacramento, CA 95814

Re: Your Request for Advice  
Our File No. A-86-150

Dear Mr. Wolfe:

This is in response to your letter of April 30, 1986, regarding the lobbying disclosure provisions of the Political Reform Act (Gov. Code Sections 81000-91015). Specifically, you have asked if the California Association of Rehabilitation Facilities (CARF) should register and file reports as both a lobbying firm and a lobbyist employer because it has three in-house employees who are registered to lobby on CARF's behalf, and it also contracts with the California Association for Adult Day Services (CAADS) to provide CAADS with the lobbying services of two of CARF's in-house lobbyists.

Because it employs lobbyists to influence legislative and administrative action on its behalf, CARF meets the definition of "lobbyist employer" contained in Government Code Section 82039.5 which states:

"Lobbyist employer" means any person, other than a lobbying firm, who:

- (a) Employs one or more lobbyists for economic consideration, other than reimbursement for reasonable travel expenses, for the purpose of influencing legislative or administrative action, or
- (b) Contracts for the services of a lobbying firm for economic consideration, other than reimbursement for reasonable travel expense, for the purpose of influencing legislative or administrative action.

Mr. Wolfe  
June 2, 1986  
Page Two

As you can see, Section 82039.5 specifically excludes lobbying firms from the definition of "lobbyist employer." Therefore, CARF may only be registered as a lobbyist employer under the Act.

Your letter also states that you received oral advice from this office that the lobbyists employed by CARF must register and file reports as lobbying firms. Although CARF's three lobbyists are salaried employees of the Association, the procedures established to implement the lobbying disclosure provisions of the Act, as amended effective January 1, 1986, provide that in-house employee lobbyists who also lobby on behalf of an entity other than their direct employer must register and file reports as lobbying firms. Therefore, the two Association lobbyists who provide lobbying services to both CARF and CAADS must register and file reports as lobbying firms, showing both CARF and CAADS as employers.

Please call me at 322-5662 if you need assistance in completing the required registration and disclosure forms.

Sincerely,

*Carla Wardlow*

Carla Wardlow  
Political Reform Consultant

CW:cah



CALIFORNIA ASSOCIATION OF REHABILITATION FACILITIES

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April 30, 1986

Technical Assistance and Analysis Division  
California Fair Political Practices Commission  
P.O. Box 807  
Sacramento, CA 95804-0807

RECEIVED  
AND FILED  
In the office of the Secretary of State  
of the State of California  
APR 30 1986  
MARCH FONG ELI, Secretary of State  
H. D. - SACTO.

Attention: Colleen

Dear Sirs:

This is a request for a ruling. We are also submitting completed lobbying reporting forms for January, February and March of 1986. Also enclosed are registration and certification forms which your office has recently requested.

On February 14, 1986, we registered as both a lobbying firm and as a lobbyist employer. Subsequently, we were advised by phone that we could not be both. We were told that since our principal business is not lobbying that we were not a lobbying firm. We were instructed that any employees of our Association who perform lobbying work for another Association must register as lobbying firms even though they are on our payroll exclusively.

We have followed your instructions but we request a formal ruling on this issue.

We request that you consider the following:

1. The California Association of Rehabilitation Facilities employs three staff part of whose duties is to provide lobbying services. We pay all salary, payroll taxes, health insurance, and other benefits. The California Association for Adult Day Services contracts with our Association to provide association management services and lobbying. Two of our employees are assigned by us to provide the lobbying service and other services required for the other association.

We are not "operated for profit" but we perform the work of a lobbying firm for this other association. We are non-profit in that revenue over expenses is not distributed to any share holders. However, contract revenue for providing these services can be "profitable" and used for other purposes in the conduct of the work of a trade association.

2. Our employees do not meet the definition of a lobbying firm.
  - a. They are not "business entities" i.e. an "organization or enterprise operated for profit".
  - b. They are not individual contract lobbyists.

We request that a ruling be made that we report as both an employer and as a lobbying firm and that our employees be considered as employees of this Association.

Sincerely,



Robert J. Wolfe  
Executive Director

RJW:nl

Enclosures

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CALIFORNIA ASSOCIATION OF REHABILITATION FACILITIES

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4-30-86

Colleen

This letter  
was used as  
cover letter  
to submission  
of reporting  
forms

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April 30, 1986

Technical Assistance and Analysis Division  
California Fair Political Practices Commission  
P.O. Box 807  
Sacramento, CA 95804-0807

Attention: Colleen

TO 1230 J ST.  
Bob Wolfe

Dear Sirs:

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We request that a ruling be made that we report as both an employer and as a lobbying firm and that our employees be considered as employees of this Association.

Sincerely,



Robert J. Wolfe  
Executive Director

RJW:nl

Enclosures



# California Fair Political Practices Commission

May 6, 1986

Robert J. Wolfe  
California Association of  
Rehabilitation Facilities  
Hotel Senator Building  
1121 L Street, Suite 410  
Sacramento, CA 95814

Re: 86-150

Dear Mr. Wolfe:

Your letter requesting advice under the Political Reform Act has been received on May 2, 1986 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact the Technical Assistance and Analysis Division at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,

*Jeanne Pritchard*  
Jeanne Pritchard  
Chief  
Technical Assistance and Analysis  
Division

JP:plh



# California Fair Political Practices Commission

September 18, 1986

Robert J. Wolfe  
Executive Director  
California Association of  
Rehabilitation Facilities  
1121 L Street, Suite 410  
Sacramento, CA 95814

Re: Your Appeal of Formal Advice  
Our File No. A-86-150

Dear Mr. Wolfe:

I apologize for the delay in responding to your letter of June 24, 1986, to Gregory Baugher which appeals advice you received on June 2, 1986, from Carla Wardlow. Mr. Baugher has referred your letter to me for response.

After reviewing the materials you have provided, as well as the amended lobbying disclosure provisions of the Political Reform Act (Gov. Code Sections 81000-91015), I have concluded that Ms. Wardlow's original advice to you is correct. Those lobbyists employed by the California Association of Rehabilitation Facilities which also represent the California Association for Adult Day Services should be registered and file reports as lobbying firms and should report both associations as employers.

Please contact me at (916) 322-5901 if you have any further questions.

Sincerely,

A handwritten signature in cursive script that reads "Diane M. Griffiths".

Diane M. Griffiths  
General Counsel

DMG:plh

# Memorandum

To : Bob Leidigh

Date : July 24, 1986

From : **FAIR POLITICAL PRACTICES COMMISSION**

Carla Wardlow *Carla Wardlow*

Subject: California Association of Rehabilitation Facilities (CALARF)

You have asked me to provide you with some background information in connection with CALARF's appeal of my advice that CALARF may not file reports as both a lobbyist employer and a lobbying firm.

When we first began developing the forms and procedures to implement the amended lobbying registration provisions, we encountered several lobbyists, lobbyist employers and lobbying firms which could potentially file more than one type of report. We had lobbying firm employees who represent clients other than those represented through the firm. We had in-house employee lobbyists of associations who also own lobbying firms. We had associations like CALARF receiving payments from other associations for the services of their in-house employee lobbyists. We even had a lobbying firm whose two owners have joint and separate clients, and in addition, their secretary wanted to register to lobby for one of the owner's separate clients.

In each of these cases, we instructed the individual lobbyists involved to register and file reports as separate lobbying firms. It was the only way to keep everything consistent and create the least amount of confusion for the public and for the Secretary of State.

In addition, CALARF cannot file reports as a lobbying firm because:

1. It employs lobbyists to lobby on its own behalf. Therefore, CALARF is first a lobbyist employer. The definition of "lobbyist employer" specifically excludes lobbying firms (Gov. Code Section 82039.5).

2. CALARF does not meet the definition of a "lobbying firm" (Section 82038.5) because that section applies only to individual contract lobbyists and to business entities which contract for economic consideration to provide lobbying services on behalf of others. It was intended to apply only to entities which are in the business of providing lobbying services. In addition, CALARF does not, according to Mr. Wolfe, meet the definition of a "business entity" (Section 82005).

Bob Leidigh  
July 24, 1986  
Page 2

Although Mr. Wolfe is correct in stating that CALARF's lobbyists could not be defined as "business entities," the Act does not define "individual contract lobbyist" which we have interpreted to cover all of the unusual situations described above.

Finally, Mr. Wolfe is also correct in stating that having CALARF file as both a lobbyist employer and a lobbying firm, will result in less paperwork. However, having CALARF's lobbyists file as lobbying firms does not create much more paperwork and is consistent with our advice to other filers. There is also much less potential for creating an administrative nightmare for the Secretary of State as well as confusion for the public, and it is much less likely that information will end up on the wrong report.

State of California

# Memorandum

To : Bob Leidigh

Date : July 1, 1986

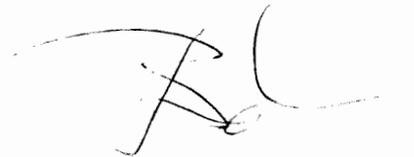
From : FAIR POLITICAL PRACTICES COMMISSION  
Greg Baugher 

Subject : California Association of Rehabilitation Facilities (CALARF)

Please review the attached and suggest a response. Is there any merit to their contention?

GB:sm  
Attachment

*Jeannie  
let's discuss*





CALIFORNIA ASSOCIATION OF REHABILITATION FACILITIES

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June 24, 1986

Gregory W. Baugher  
Executive Director  
Fair Political Practices Commission  
428 J Street, Suite 800  
Sacramento, CA 95814

Dear Mr. Baugher:

Congratulations on your recent appointment!

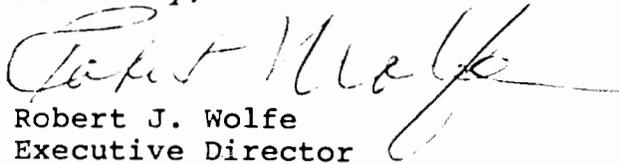
Please refer to the enclosed correspondence concerning our request for a ruling.

We wish to appeal your staff's "advice" of June 2, 1986. It is our contention that our in-house salaried employees are not "lobbying firms" nor are they "contract lobbyists". Yet, because there is no clear rule that applies in our situation, the definitions are being stretched in this manner.

Since there is no definitive rule, we request that the Commission classify our Association as both a lobbyist employer and a lobbying firm. In our judgment, it makes more sense and there is far less paperwork in meeting the intent of the law.

We respectfully request your reconsideration in this matter.

Sincerely,



Robert J. Wolfe  
Executive Director

RJW:bgw



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April 30, 1986

Technical Assistance and Analysis Division  
California Fair Political Practices Commission  
P.O. Box 807  
Sacramento, CA 95804-0807

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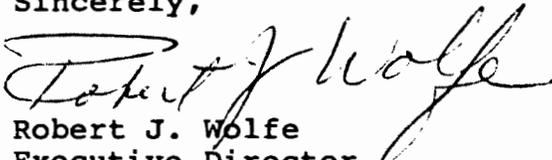
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Robert J. Wolfe  
Executive Director

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