



## FAIR POLITICAL PRACTICES COMMISSION

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March 23, 2000

J. Richard Eichman  
Certified Public Accountant  
1127 11<sup>th</sup> Street, Ste. 300  
Sacramento, CA 94814

**Re: Your Request for Advice  
Our File No. I-00-071**

Dear Mr. Eichman:

This letter is in response to your request for advice regarding the Political Reform Act (the "Act").<sup>1</sup> Because you have not identified a particular lobbying client on whose behalf you are requesting advice, your letter is considered a request for informal assistance.<sup>2</sup>

### QUESTION

For purposes of determining whether a lobbyist employer must file its disclosure reports electronically, are contributions made by the entity's sponsored committee counted?

### CONCLUSION

For any calendar quarter in which a lobbyist employer is not required to list individual contributions on its disclosure report, but pursuant to section 86116(g) discloses only the name and identification number of its sponsored committee, contributions made by the committee need not be counted toward the threshold for electronic filing.

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<sup>1</sup> Government Code sections 81000-91015. Commission regulations appear at title 2, sections 18109-18996, of the California Code of Regulations.

<sup>2</sup> Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Government Code section 83114; 2 Cal. Code of Regs. Section 18239(c)(3).)

## ANALYSIS

Individuals and entities that make or receive payments for the purpose of lobbying the California State Legislature and state administrative agencies must file quarterly reports under the Act disclosing those activities. (Section 86100, *et seq.*) Beginning January 1, 2000, certain lobbying entities must file their disclosure reports electronically with the Secretary of State as well as on paper.<sup>3</sup> For the period January 1, 2000 through June 30, 2000, section 84604(a)(4) provides that the following lobbying entities must file electronic disclosure reports:

“Any lobbyist, lobbying firm, lobbyist employer, or other persons required, pursuant to Chapter 6 (commencing with Section 86100), to file statements, reports, or other documents, provided that the total amount of any category of reportable payments, expenses, *contributions*, gifts, or other items is one hundred thousand dollars (\$100,000) or more in a calendar quarter.”

(Emphasis added.)

Beginning July 1, 2000, and for all reporting periods thereafter, the threshold at which lobbying entities will trigger electronic filing drops to \$5,000 or more in a calendar quarter. (Section 84605(d).)

In general, individuals and entities come under the Act's lobbying provisions by receiving or making payments to communicate directly with legislative and state agency officials for the purpose of influencing legislative or administrative action. (Sections 82038.5, 82039, and 82039.5; Regulation 18239.) Once an individual or entity qualifies as a lobbying entity under the Act, these payments must be disclosed each calendar quarter. Campaign contributions are not activities that qualify one as a lobbying entity, but they must be itemized on the lobbying disclosure reports if \$100 or more is contributed to an elected state officer, a state candidate, or to a committee primarily formed to support an elected state officer or state candidate. However, if a lobbying entity already discloses these contributions on separate reports filed under the Act's campaign disclosure provisions, or sponsors a political action committee through which all of its campaign contribution activity is disclosed, it is not required to duplicate that information on its lobbying report, but may simply provide the name and identification number under which it files campaign disclosure reports. (Sections 86114(a)(7) and 86116(g).)

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<sup>3</sup> Sections 84600-84610. These requirements were added to the Act as part of the Online Disclosure Act of 1997 (chapter 866, Stats. 1997).

Campaign contributions are specifically included in the categories of reportable payments that must be counted to determine if a lobbying entity must file electronic reports. However, when a lobbying entity is not required to report its campaign contribution activity pursuant to section 86114(a)(7) or 86116(g), it also is not required to count that activity toward the thresholds for electronic filing.

If you have questions concerning this letter, please contact me at (916) 322-5660.

Sincerely,

Luisa Menchaca  
Assistant General Counsel

By:   
Carla Wardlow  
Division Chief  
Technical Assistance Division

cc: Caren Daniels-Meade, Chief  
Political Reform Division  
Office of the Secretary of State