

AMENDED IN ASSEMBLY MARCH 30, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 2974

Introduced by Assembly Member Wolk
(Principal coauthor: Senator Florez)

February 24, 2006

An act to amend Section 86116 of the Government Code, relating to lobbying.

LEGISLATIVE COUNSEL'S DIGEST

AB 2974, as amended, Wolk. Political Reform Act of 1974: lobbying communications.

Existing provisions of the Political Reform Act of 1974 require the reporting of certain information on a quarterly basis by a lobbyist employer, or a person who makes payments of \$5000 in a quarter to influence legislative or administrative action. These reports must include, among other things, expenses incurred or payments made that benefit in whole or in part any elective state official, legislative official, agency official, state candidate, or a member of the immediate family of one of these individuals.

This bill would add to the disclosures required in quarterly reports of these parties a separate accounting of each of the following that equals or exceeds \$1,000: (1) a payment to a public relations firm or other entity in connection with formulating a strategy to influence legislative or administrative action; (2) a payment for or in connection with soliciting or urging other persons to enter into direct communication with any elective state official, legislative official, or agency official; and (3) a payment to any other person required to file as a lobbying firm, as a lobbyist employer, or by virtue of making

~~payments of \$5,000 or more in a quarter to influence legislative or administrative action made on behalf of the filer that would be required to be separately accounted pursuant to (1) or (2) if made by the filer.~~ The bill would also add to the required disclosures a separate accounting of each payment of \$1,000 or more received in connection with the filer’s activities to influence legislative or administrative action.

Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing these criminal penalties on persons who fail to list these payments in their required reports.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act’s purposes with a 2/3 vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a 2/3 vote.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 86116 of the Government Code is
- 2 amended to read:
- 3 86116. Every person described in Section 86115 shall file
- 4 periodic reports containing the following information:
- 5 (a) The name, business address, and telephone number of the
- 6 lobbyist employer or other person filing the report.
- 7 (b) The total amount of payments to each lobbying firm.
- 8 (c) The total amount of all payments to lobbyists employed by
- 9 the filer.
- 10 (d) A description of the specific lobbying interests of the filer.

1 (e) A periodic report completed and verified by each lobbyist
2 employed by a lobbyist employer pursuant to Section 86113.

3 (f) Each activity expense of the filer. A total of all activity
4 expenses of the filer shall be included.

5 (g) The date, amount, and the name of the recipient of any
6 contribution of one hundred dollars (\$100) or more made by the
7 filer to an elected state officer, a state candidate, or a committee
8 controlled by an elected state officer or state candidate, or a
9 committee primarily formed to support the officer or candidate.
10 If this contribution is reported by the filer or by a committee
11 sponsored by the filer in a campaign statement filed pursuant to
12 Chapter 4 which is required to be filed with the Secretary of
13 State, the filer may report only the name of the committee, and
14 the identification number of the committee.

15 (h) (1) Except as set forth in paragraph (2), the total of all
16 other payments to influence legislative or administrative action
17 including overhead expenses and all payments to employees who
18 spend 10 percent or more of their compensated time in any one
19 month in activities related to influencing legislative or
20 administrative action, including a separate accounting for each of
21 the following of one thousand dollars (\$1,000) or more:

22 (A) A payment to a public relations firm or other ~~entity~~ *person*
23 for or in connection with formulating strategies to influence
24 legislative or administrative action.

25 (B) A payment described in subdivision (e) of Section 82045.

26 (C) A payment ~~to made on behalf of the filer by any other~~
27 ~~person filing pursuant to Section 86114 or this section that would~~
28 *be required to be separately accounted pursuant to*
29 *subparagraph (A) or (B) if made by the filer.*

30 (2) A filer that makes payments to influence a ratemaking or
31 quasi-legislative proceeding before the Public Utilities
32 Commission, as defined in subdivision (b) or (c), respectively, of
33 Section 82002, may, in lieu of reporting those payments pursuant
34 to paragraph (1), report only the portion of those payments made
35 to or for the filer's attorneys for time spent appearing as counsel
36 and preparing to appear as counsel, or to or for the filer's
37 witnesses for time spent testifying and preparing to testify, in this
38 type of Public Utilities Commission proceeding. This alternative
39 reporting of these payments made during a calendar month is not
40 required to include payments made to an attorney or witness who

1 is an employee of the filer if less than 10 percent of his or her
2 compensated time in that month was spent in appearing,
3 testifying, or preparing to appear or testify before the Public
4 Utilities Commission in a ratemaking or quasi-legislative
5 proceeding. For the purposes of this paragraph, time spent
6 preparing to appear or preparing to testify does not include time
7 spent preparing written testimony.

8 (i) A separate accounting of each payment of one thousand
9 dollars (\$1000) or more received in connection with the filer's
10 activities to influence legislative or administrative action.

11 (j) Any other information required by the commission
12 consistent with the purposes and provisions of this chapter.

13 SEC. 2. No reimbursement is required by this act pursuant to
14 Section 6 of Article XIII B of the California Constitution because
15 the only costs that may be incurred by a local agency or school
16 district will be incurred because this act creates a new crime or
17 infraction, eliminates a crime or infraction, or changes the
18 penalty for a crime or infraction, within the meaning of Section
19 17556 of the Government Code, or changes the definition of a
20 crime within the meaning of Section 6 of Article XIII B of the
21 California Constitution.

22 SEC. 3. The Legislature finds and declares that the provisions
23 of this act further the purposes of the Political Reform Act of
24 1974 within the meaning of subdivision (a) of Section 81012 of
25 the Government Code.