



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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# Second Quarter Update

Lobbying

## Regulations adopted by the Commission.

The following are regulatory changes approved by the Commission during the past quarter concerning lobbying. To receive updates for all regulations before the Commission, please sign up for our [mailing list here](#).

**None.**

## Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter concerning lobbying. To receive the monthly report with all advice letters issued, please sign up for our [mailing list here](#).

**None.**

## Commission Opinions

**None.**

## Enforcement Matters

The following are summaries of significant enforcement actions approved by the Commission in the past quarter involving violations of the Act's lobbying laws. To receive a monthly report of all enforcement actions, please sign up for our [mailing list here](#).

### Lobbying Reporting

**In the Matter of New Livable California; FPPC No. 20/392.** Staff: Marissa Corona Commission Counsel. New Livable California, a lobbyist employer, failed to timely file four lobbyist employer quarterly reports, in violation of Government Code Section 86116 (4 counts). **Fine \$2,764 (Tiers One & Two).**

**In the Matter of United Cannabis Business Association; FPPC No. 23/797.** Staff: Chance Felkins, Commission Counsel. United Cannabis Business Association, a lobbying employer, failed to timely disclose lobbying activity on two quarterly lobbyist employer reports, in violation of Government Code Section 86116 (2 counts). **Fine: \$251 (Tier One).**

## Legislation

### **SB 1404 (Glazer) – Lobbying Audits and Lobbyist Fee**

**Status:** Passed in the Senate (28-2); referred to the Assembly Elections Committee

**Short Summary:** SB 1404 would transfer the duty to conduct audits of lobbying entities from FTB to the FPPC. The bill would additionally impose an additional fee on lobbyists in an amount set by the FPPC to offset the cost of the PRA's lobbying audit program.

**Detailed Summary:**

*Existing law on lobbying audits:* Existing law requires the Franchise Tax Board to conduct audits of 25% of lobbying firms and 25% of lobbyist employers every two years. Existing law requires the FPPC to conduct mandatory audits of candidates for specified offices and authorizes the FPPC to conduct discretionary audits of any reports or statements required under the PRA.

*Transfer of audit duty:* The bill would transfer the lobbying audit duty to the FPPC, commencing with the entities selected for audit in February of 2027.

*Excluding entities with no activity and placement agents:* The bill would exclude lobbying firms and lobbyist employers from the audit selection pool if they have less than \$1 in payments or contributions. The bill would also exclude placement agents, and lobbying firms and lobbyist employers that employ only placement agents, from the audit selection pool.

*Additional lobbyist registration fee:* Existing law imposes a \$50 per year fee for each lobbyist reported on the registration statement of a lobbyist employer or lobbying firm. The bill would impose an additional annual fee on lobbyists subject to audit, in an amount up to \$500 as established by the FPPC to offset the costs associated with the lobbying audit program. The fee would be deposited in a new fund and moneys in the fund would be continuously appropriated to the FPPC to conduct the lobbying audit program.

*Additional FPPC duties:* The bill would require the FPPC to:

1. Post audits conducted by the FPPC on the FPPC website for at least 10 years from the conclusion of the audit.
2. Annually report to the Legislature on the number and type of audits completed by the FPPC.
3. Adopt regulations or policies to ensure the operational independence of audit personnel from enforcement operations under the PRA.

**FPPC Position:** Support

**FPPC Costs:** Cost re-evaluation pending.

**[SB 1151 \(Hurtado\) - Registration and Reporting Requirements for Foreign Agents](#)**

**Status:** Passed in the Senate (37-0)

**Short Summary:** SB 1151 would make the agent of a foreign principal subject to the same registration and reporting requirements as lobbyists and lobbying firms under the PRA and certain additional requirements.

**Detailed Summary:**

*Existing law:* Existing law under the PRA’s lobbying provisions requires an individual or entity that receives compensation for the purpose of influencing legislative or administrative action to register with, and submit periodic reports to, the Secretary of State. The PRA’s lobbying disclosure provisions generally require lobbyists, lobbying firms, and lobbyist employers to provide basic identifying information, such as their name, telephone number, business address, and more detailed information, such as a description of the “business activity” in which the lobbyist or their employer is engaged.

*Registration and reporting requirements:* The bill would require an individual who engages in certain specified activities related to influencing legislative or administrative action at the order, request, or under the direction or control of a foreign principal to register as an agent of a foreign principal and to file periodic reports with the Secretary of State. Registration and reporting would be in the same manner, with the same frequency, and with the same content as for lobbyists and lobbying firms.

*Additional requirement:* The bill would additionally require a foreign agent to disclose on their registration statement any compensation received, contracted, or otherwise promised to the agent by each foreign principal.

*Training and fee:* The bill would also subject foreign agents to the same ethics training requirements and the same annual fee as lobbyists.

*Commissioner restriction:* The bill would prohibit a foreign agent from being a Commissioner with the FPPC.

**FPPC Position:** No position

**FPPC Costs:** \$377,280 in the first year and \$363,280 annually thereafter for 1 position in the Legal Division and 1 position in the Enforcement Division