



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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# First 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](#).

**None.**

## Legislation

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

**Status:** Referred to the Senate Elections Committee on 2/29/24

**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 2025.

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

*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, in an amount 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.