

California Lobbying Disclosure Thresholds

When an Organization Needs to File

California's state lobbying disclosure law (the California Political Reform Act or CPRA) establishes certain lobbying thresholds and, once those thresholds have been exceeded, imposes registration and/or reporting obligations on individuals and entities that lobby various state offices. The thresholds under the CPRA do not limit your organization's lobbying, but do impose certain disclosure and reporting obligations. The CPRA applies to any entity that lobbies, whether it's a 501(c)(3), 501(c)(4), union, or for-profit, and registering under the CPRA will not affect an organization's tax-exempt status. See AFJ's resources "[Understanding California Lobbying Disclosure](#)" and "[Shaping the Future: A Compliance Guide for Nonprofits Influencing Public Policy in California](#)" for additional information on the state's lobbying disclosure laws. Tax-exempt organizations must continue to comply with [federal tax law](#) rules on lobbying as well.

CPRA Applies to State-Level Legislative and Administrative Lobbying

The CPRA applies to direct and grassroots lobbying directed at the legislative and executive branches of the state government, including the state legislature, legislative committees, and legislative employees, as well as the governor, employees of the governor's office (often called the "horseshoe"), and state boards, commissions, and agencies. It covers attempts to influence state legislation as well as state rules, regulations, or other action in a ratemaking or quasi-legislative proceeding, and the governor's approval or veto of any bill. The CPRA does not regulate local lobbying, though some local jurisdictions [separately regulate](#) local lobbying.

Thresholds for Filing

Just because an organization engages in lobbying at the state level in California does not necessarily mean it will have reporting obligations under state law. An organization is only required to report under the CPRA if it exceeds specific **monetary thresholds** or if an employee(s) of an organization spends a sufficient amount of **time** communicating with legislative, executive, or administrative officials. The three ways an organization may trigger reports are:

- **\$5,000 Filer:** Spending \$5,000 or more in a calendar quarter on direct or grassroots lobbying.
- **Employing an In-House Lobbyist:** Employing an in-house employee who qualifies as a lobbyist.
- **Hiring Contract a Lobbyist or Lobbying Firm:** Contracting with an individual lobbyist or lobbying firm.

If an organization either employs an in-house lobbyist or hires a contract lobbyist or lobbying firm, it must file reports as a "lobbyist employer." Because the lobbyist employer reports are more comprehensive than \$5,000 filer reports, any organization that files reports as a lobbyist employer will not also be required to file reports as \$5,000 filer. An organization will not be both a lobbyist employer and \$5,000 filer at the same time; it will be one or the other, or neither.

Filing Requirements of \$5,000 Filers and Lobbyist Employers

If an organization hires an in-house lobbyist, contract lobbyist, or lobbying firm, that organization qualifies as a lobbyist employer, which requires registration and quarterly reporting of lobbying expenses.

Additionally, the in-house lobbyist, contract lobbyist, or lobbying firm hired by the organization also has its own registration and quarterly reporting obligations. By comparison, \$5,000 filers are only required to file reports in quarters in which the organization spends \$5,000 or more on state-level lobbying activity, and not in quarters in which it spends less than that amount.

\$5,000 Filer

An organization will qualify as a \$5,000 filer if it spends \$5,000 or more in a calendar quarter on state-level direct and grassroots lobbying and preparation for these activities. While California law regulates certain direct and grassroots lobbying activities, it does not provide a formal definition of “lobbying.” Instead, California law uses the phrase “influencing legislative or administrative action.” Despite the lack of a formal definition, state law essentially provides the following definition of direct and grassroots lobbying:

<p>Direct lobbying is:</p> <ul style="list-style-type: none"> • a communication • with a state legislative or administrative official • for the primary purpose of influencing • a state-level legislative or administrative action. 	<p>Grassroots lobbying is:</p> <ul style="list-style-type: none"> • soliciting or urging • members of the public • to enter into direct communication • with a state legislative or administrative official • for the primary purpose of influencing • a legislative or administrative action.
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Common lobbying expenses include:

- **Staff time:** If any paid staff member spends 10% or more of her time in a calendar month on direct or grassroots lobbying, a pro rata portion of that employee’s time counts as a lobbying expense.
- **Travel and food costs related to lobbying activity:** Airfare or mileage reimbursements, per diem, and/or food costs for employees or volunteers who travel for lobbying meetings are considered lobbying expenses.
- **Public communications:** If an organization is organizing a letter writing campaign, expenses include stamps, printing costs, and staff time to supervise the volunteers. If organizing a lobby day, expenses include bus rental travel reimbursements, lunch for volunteers, etc.
- **Activity expenses:** Payments or expenses made by an organization to benefit any qualifying state officials or their family. Gifts are a specific type of activity expense.

In-House Lobbyists

An organization must file state lobbying reports when it employs an in-house lobbyist. An in-house lobbyist is a person who is a compensated employee of an organization and spends at least 1/3 of her compensated time in a calendar month in direct communications with state legislative or administrative officials. Direct communications include meetings with legislative and executive branch officials, making



phone calls, drafting letters, and other similar communications for the primary purpose of influencing state-level legislative or administrative action.

Organizations hiring an in-house lobbyist must file an electronic registration form on the [Secretary of State website](#) and file a hard copy within 10 days of qualifying as a lobbyist employer.

Contract Lobbyists and Lobbying Firms

An organization must file state lobbying reports when it hires a contract lobbyist or a lobbying firm. Contract lobbyists are not employees of the organization, but are instead consultants or contractors of an organization. The organization will trigger reports if it either hires an existing lobbyist or lobbying firm, or hires an individual or entity that qualifies as a lobbyist or lobbying firm as a result of the contract with the organization. A contract lobbyist is a contractor who receives \$2,000 or more in a calendar month from all sources for engaging in direct communications with state legislative or administrative officials. A lobbying firm is an individual or entity that receives \$5,000 or more from all sources in any calendar quarter for engaging in direct communications with state legislative or administrative officials. An organization will file the same reports regardless of whether it hires a contract lobbyist or a lobbying firm. An organization does not need to register and report under the CPRA if it hires someone solely to provide administrative testimony or solely to monitor and/or draft legislation.

Organizations hiring a contract lobbyist or lobbying firm must [authorize the lobbyist](#) to lobby on its behalf within 10 days of hiring.

Introduction to Quarterly Reporting

Organizations that trigger reporting as a \$5,000 filer must electronically file a report disclosing the organization's lobbying expenses for each quarter in which the organization spends \$5,000 or more on lobbying. This report must be filed by the last day of the month that follows the end of that quarter (e.g., if filing for the January - March quarter, the report is due by April 30.) The organization does not need to file a report if it did not spend at least \$5,000 in a particular quarter.

Organizations that hire an in-house lobbyist, a contract lobbyist, or a lobbying firm must electronically file reports each quarter, even in quarters when no lobbying expenses were incurred, until the registration expires at the end of the two-year legislative session. These reports must be electronically filed on the same schedule as \$5,000 filers.

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