



California Corporate & Securities Law

FPPC Proposes Rule Amendment To Implement Placement Agent Legislation

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The California Fair Political Practices Commission (FPPC) is charged with regulation of, among other things, lobbyist registration and reporting. As discussed in several earlier posts, [AB 1743](#) (Hernandez) amends the definition of “lobbyist” in Government Code § 82039 to include placement agents. AB 1743 defines “placement agent” in a newly added Government Code § 82047.3. These and the other provisions of AB 1743 take effect on January 1, 2011.

Recently, the FPPC has given [notice](#) of a proposed amendment to its rules in anticipation of the upcoming effectiveness of AB 1743. The proposed action is to update the FPPC’s rule defining “lobbyist” to conform to AB 1743. The proposed text of the amendment may be read [here](#). The comment period on proposed amendment ends at 5:00 p.m. on December 7, 2010.

Although this rule change falls into the category of housekeeping, it is possible that the FPPC will be proposing rules to address some of the many questions now arising under AB 1743. As fund and investment managers begin to look at AB 1743, numerous questions are arising. The FPPC has the authority to adopt rules to carry out the provisions of the Political Reform Act (Government Code §§ 81000 – 91014). Cal. Govt. Code § 83112. It would seem, however, that the FPPC has no authority adopt rules with respect to those sections of AB 1743 that do not amend or add statutes outside of the Political Reform Act (Government Code §§ 7513.8 7513.86, and 7513.87).

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