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Bill Information

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Publications

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AB-1783 Lobbying: administrative actions. (2021-2022)



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Assembly Bill No. 1783

CHAPTER 456

An act to amend Section 82002 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 22, 2022. Filed with Secretary of State September 22, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1783, Levine. Lobbying: administrative actions.

Existing provisions of the Political Reform Act of 1974 impose requirements on lobbyists and lobbyist employers involved in administrative actions, and generally define "administrative action" to mean, among other things, the proposal, drafting, development, consideration, amendment, enactment, or defeat by any state agency of any rule, regulation, or other action in any ratemaking or quasi-legislative proceeding. A violation of the act is a crime.

Existing law requires the Insurance Commissioner and the Director of the Department of Managed Health Care to approve certain transactions involving insurers and health care service plans, respectively.

This bill would expand the definition of "administrative action" under the Political Reform Act of 1974 to include any decision or approval by the Insurance Commissioner or the Director of the Department of Managed Health Care under these provisions. By expanding the scope of requirements imposed on lobbyists and lobbyist employers, the violation of which is subject to criminal penalties, the bill would impose a state-mandated local program.

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 upon a $^{2}/_{3}$ vote of each house of the Legislature and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 82002 of the Government Code is amended to read:

82002. (a) "Administrative action" means any of the following:

- (1) The proposal, drafting, development, consideration, amendment, enactment, or defeat by any state agency of any rule, regulation, or other action in any ratemaking proceeding or any quasi-legislative proceeding, including any proceeding governed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.
- (2) With regard only to placement agents, the decision by any state agency to enter into a contract to invest state public retirement system assets on behalf of a state public retirement system.
- (3) Any decision or approval pursuant to Section 1215.2 of the Insurance Code or Section 1399.65 of the Health and Safety Code.
- (b) "Ratemaking proceeding" means, for the purposes of a proceeding before the Public Utilities Commission, any proceeding in which it is reasonably foreseeable that a rate will be established, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.
- (c) "Quasi-legislative proceeding" means, for purposes of a proceeding before the Public Utilities Commission, any proceeding that involves consideration of the establishment of a policy that will apply generally to a group or class of persons, including, but not limited to, rulemakings and investigations that may establish rules affecting an entire industry.
- **SEC. 2.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.
- **SEC. 3.** The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.