

[Updates](#)

July 02, 2024

Proposed CA Legislation Would Impose FARA-like Requirements on Agents of Foreign Entities and Subsidiaries



The California State Assembly is considering legislation to impose registration requirements on agents of foreign principals who advocate before California officials.

The legislation comes while the U.S. Department of Justice seeks to boost enforcement of the Foreign Agents Registration Act of 1938 (FARA) at the federal level, and while other states consider adopting their own FARA counterparts. It could bring compliance obligations for many domestic subsidiaries of global companies.

California Senator Melissa Hurtado (D-Bakersfield) introduced [SB 1151](#), the Foreign Influence Transparency and Accountability Act (FITA) in February 2024. Citing the rise in foreign influence on U.S. elections, SB 1151 seeks to promote transparency in political activities and protect the integrity of California's political and regulatory processes by imposing certain registration requirements upon agents of foreign principals advocating on the principals' behalf before California officials. The bill's intent is to "codify provisions similar to certain provisions of the FARA."

Like FARA, SB 1151 would impose reporting obligations on agents of foreign governments and foreign political parties. Moreover, SB 1151 would require representatives of foreign companies and many domestic subsidiaries of foreign companies to register under the act. A domestic subsidiary of a foreign company is subject to SB 1151 "if the decision to contribute or expend funds is made by an officer, director, or management employee of the foreign corporation who is neither a citizen of the United States nor a lawfully admitted permanent resident of the United States."

While SB 1151 contains certain limited exemptions for agents of foreign corporations and their domestic subsidiaries, an important exemption used by foreign corporations under FARA—the Lobbying Disclosure Act (LDA)—is, as written, not present in SB 1151. Under the LDA exemption to FARA, those registered under the LDA need not also register under FARA as long as the representation is not on behalf of a foreign government or

foreign political party and principal beneficiary of their lobbying activities is not a foreign government or foreign political party. But this exemption is unavailable to representatives of foreign corporations and/or their domestic subsidiaries under SB 1151.

The bill would require foreign agents to disclose their affiliations to any foreign principals and educate themselves on the requirements of FARA. In particular, the bill would require the agent to file periodic reports with the California secretary of state in the same manner, with the same frequency, and with the same content as are required for a California lobbyist or lobbying firm. The registration must disclose any compensation received by the agent by each foreign principal. The agent would have to complete California's ethics course on lobbying and pay the same fee as required of lobbyists to take this course. SB 1151 also requires the secretary of state to provide each registered foreign agent with information regarding FARA and their obligations under FARA.

SB 1151 passed out of the California State Senate with bipartisan support and is currently being considered by the California State Assembly.

Notably, California is not alone in proposing its own version of FARA. Arizona ([HB2506](#)) and Oklahoma ([HB1150](#)) are currently debating similar measures, and Utah [implemented](#) a FARA-like regime in 2022.

© 2024 Perkins Coie LLP

Authors

Explore more in

[Political Law](#) [Corporate Political Activity](#)

Related insights

Update

[Illinois Pay Transparency Requirements Arrive](#)

Update

[Trump's FDA and USDA: Five Key Issues To Watch in 2025](#)