



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Remke and Commissioners Audero, Casher, Wasserman, and Wynne

From: Phillip Ung, Legislative and External Affairs Director

Subject: Legislative Update – February 2017

Date: February 6, 2017

Since the January Legislative Update, only one additional bill has been introduced to amend the Political Reform Act (AB 187), for a total of four bills pending at this time. Staff is not making any recommendations for the February Commission meeting. The Legislature's bill introduction deadline is February 17.

Legislation currently being tracked by Commission staff and other related documents can be found on the [Commission's Pending Legislation](#) page.

Political Reform Act or Related Bills (#1-4)

1. AB 14 (Gomez): Advertisement Disclosure and Earmarking of Funds

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Introduced: December 5, 2016

Last Action: Referred to Assembly Elections and Redistricting Committee

Summary:

The Act provides comprehensive regulations for campaign finance disclosure requiring committees that support or oppose ballot measures to use the name or phrase that clearly identifies the economic or other special interest of its donors of \$50,000 or more. If major donors share a common employer, then the employer is disclosed.

The bill redefines and recasts the Act's advertisement disclaimer provisions. The bill prescribes the disclosure statements, location, and format criteria required for television, radio, telephone, and internet advertisements with some exemptions; excludes apparel, sky writing, and certain electronic media. The bill would require on-advertisement disclosure of the top three contributors. Certain committees would be exempt from the top contributor disclosure, including major donors and individuals and entities making independent expenditures.

The bill also explicitly exempts from the definition of "advertisement" a communication paid for by a political party or a candidate controlled election committee. It should be noted that there is a potential risk for litigation as a result of the bill's expanding the advertisement rules to

general purpose committees.

The bill also narrows the circumstances for finding a person earmarked funds and exempts contributions in an amount less than \$4,400 from a single source from being considered earmarked. As currently drafted, both provisions could limit the Commission's ability to pursue money laundering cases. Lastly, the bill prohibits the Commission from using timing as the sole basis for violations related to earmarking.

2. AB 187 (Gloria): Local Ballot Measure Expenditure Reporting

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Introduction: January 19, 2017

Last Action: Referred to Assembly Elections and Redistricting Committee

Summary:

The Act subjects a committee that receives contributions totaling \$2,000 or more in a calendar year to specified reporting requirements, including requiring the committee file online or electronically each time it makes contributions of independent expenditures of at least \$5,000 to support or oppose the qualification or passage of a single state ballot measure. Existing law requires that the filing occur within 10 business days of the contribution or independent expenditure and requires detailed information relating to the committee, ballot initiative, and contribution or independent expenditure.

This bill requires a committee to file a report each time it makes independent expenditures aggregating \$5,000 or more to support or oppose the qualification of a single local ballot measure. The report would be filed with the local filing officer within 10 business days of reaching the aggregated amount.

3. SB 24 (Portantino): Statement of Economic Interests

FPPC Position: *None currently*

Status: Senate Elections and Constitutional Amendment Committee

Fiscal Estimate: None requested

Introduction: December 5, 2016

Last Action: Referred to Senate Elections and Constitutional Amendment Committee

Summary:

The Act requires the disclosures to include a statement indicating, within a specified value range, the fair market value of investments or interests in real property and the aggregate value of income received from each reportable source.

This bill would revise the dollar amounts associated with these ranges to provide for 8 total ranges of fair market value of investments and real property interests and 10 total ranges of aggregate value of income.

4. SB 45 (Mendoza): Mass Mailing Prohibition

FPPC Position: *None currently*

Status: Senate Elections and Constitutional Amendment Committee

Fiscal Estimate: None requested

Introduction: December 5, 2016

Last Action: Referred to Senate Elections and Constitutional Amendment Committee

Summary:

Commission regulations define criteria for mass mailings and specify certain forms of mass mailing that are not subject to the Political Reform Act's prohibition against mass mailings.

This bill would prohibit a mass mailing that complies with the Commission's regulatory criteria from being sent within the 90 days preceding an election by or on behalf of a candidate, state or local, whose name will appear on the ballot.