



To: Chair Miadich, Commissioners Baker, Wilson, and Wood

From: Lindsey Nakano, Sr. Legislative Counsel

Subject: **Legislative Update – February 2023**

Date: February 6, 2023

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1. General Update 1

2. Upcoming Legislative Deadlines 1

3. FPPC Priority Bills 2

4. Other Commission-Related Bills 3

1. General Update

- As of the date of this report, eight Political Reform Act-related bills have been introduced.
- Staff is continuing to reach out to and work with potential authors, interested parties, and stakeholders, and to seek bipartisan support on Commission legislation.

2. Upcoming Legislative Deadlines

- Feb. 17 – Last day for bills to be introduced.
- Mar. 31 - Apr. 10 – Spring recess.
- Apr. 28 – Last day for policy committees to hear fiscal bills introduced in their house and report them to the fiscal committees.
- May 5 – Last day for policy committees to hear and report non-fiscal bills introduced in their house.
- May 19 – Last day for fiscal committees to hear and report to the Floor bills introduced in their house.
- June 2 – Last day for each house to pass bills introduced in that house.
- June 15 – Budget must be passed by midnight.
- July 14 – Last day for policy committees to meet and report bills.
- July 15 - Aug. 14 – Summer recess.
- Sept. 1 – Last day for fiscal committees to meet and report bills to the Floor.
- Sept. 8 – Last day to amend on the floor.
- Sept. 14 – Last day for each house to pass bills.
- Oct. 14 – Last day for the Governor to sign or veto bills.

3. FPPC Priority Bills

Status and Summaries

- [SB 29](#) (Glazer) – **Codifies the Political Reform Education Program (PREP).**

Status: Referred to the Senate Elections Committee

Summary:

SB 29 would codify FPPC regulation by authorizing the Commission to establish and administer a political reform education program for persons who violate the PRA, as an alternative to an administrative enforcement proceeding, and would set forth minimum requirements for eligibility, which are consistent with the Commission's existing eligibility requirements for participation.

The bill would authorize the Commission to charge a fee, payable to the General Fund, to a participant in the program, which may not exceed the reasonable costs of administering the program.

The bill would require filing officers to waive the late filing fee for a person who completes the program.

Other Commission Proposals:

- Centralized Record of Online Campaign Ads (DATA Act)
- Paid Posts by Influencers
- Lobbying of Local Redistricting Commissions
- Authorizing File by Proxy
- Require Redaction of Private Financial Information
- Contributor Education and Certification Requirement
- Long Arm Statute
- Mandatory Electronic Filing of Statements of Economic Interests
- Minor Changes/ Cleanup Bill

4. Other Commission-Related Bills

Updates

- AB 319 (Connolly) was introduced on 1/26/23, relating to Conflict of Interest Codes.
- AB 334 (Rubio) was introduced on 1/30/23, relating to Section 1090.
- SB 248 (Newman) was introduced on 1/26/23, relating to disclosure of candidate experience.
- SB 251 (Newman) was introduced on 1/30/23, relating to incompatible offices.

Status and Summaries

- [**AB 37 \(Bonta\)**](#) – **Authorizes broader use of campaign funds for security systems and personal security.**

Coauthor: Senator Wiener

Status: Referred to the Assembly Elections Committee

Summary:

Existing law allows up to \$5,000 in campaign funds to be used to pay, or reimburse the state, for the costs of installing and maintaining home or office electronic security systems only if all of the following circumstances are met: (1) the candidate or elected officer has received threats to their physical safety, (2) the threats arise from their activities, duties or status as a candidate or elected officer, and (3) the threats have been reported to and verified by law enforcement. Existing law also require any expenditures for these purposes to be reported to the Commission, and requires the candidate or officer to reimburse the campaign fund for the costs of the equipment upon the sale of the property on which the equipment is installed.

AB 37 repeals the above provisions and instead authorizes campaign funds and surplus funds to be used to pay, or reimburse the state, for security expenses to protect a candidate, an elected officer, or the immediate family and staff of a candidate or elected officer, if those security expenses are reasonably related to the candidate or elected officer's status as a candidate or elected officer.

The bill defines "security expenses" to mean the reasonable costs of installing and monitoring a home or office electronic security system and the reasonable costs of providing personal security to a candidate, elected officer, or the immediate family and staff of a candidate or elected officer.

- **[AB 83](#) (Lee) – Prohibits contributions and expenditures by foreign-influenced business entities.**

Coauthor: Assemblymember Kalra

Status: Referred to the Assembly Elections Committee

Summary:

AB 83 expands the existing prohibition on foreign contributions, expenditures, and independent expenditures to additionally apply to a “foreign-influenced business entity.”

The bill would also require a business entity, within 7 days of making a contribution, expenditure, or independent expenditure, to file a statement of certification with the filing officer and candidate or committee avowing that the business entity is not a foreign-influenced business entity.

The bill would prohibit a person from using a contribution or donation from a business entity for the purpose of making a contribution, expenditure, or independent expenditure, or for conveying funds to another for any of those same purposes, unless the person receives the business entity’s statement of certification and complies with the other requirements of the Act.

The bill defines “foreign-influenced business entity” to mean a business entity in which any of the following occur:

(A) A single foreign principal holds, owns, controls, or otherwise has direct or indirect beneficial ownership of one percent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the entity.

(B) Two or more foreign principals, in aggregate, hold, own, control, or otherwise have direct or indirect beneficial ownership of equity or voting shares in an amount that is equal to or greater than 5 percent of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the entity.

(C) One or more foreign principals participate in any way, directly or indirectly, in the business entity’s decisionmaking process with respect to contributions or expenditures of funds in connection with a ballot measure or election.

The bill provides that it does not prohibit a business entity from sponsoring a sponsored committee and does not require a statement of certification from a sponsor solely because it has engaged in specified activities that qualify it as a sponsor.

- **[AB 270](#) (Lee) – Spot bill.**

Status: Introduced

Summary:

AB 270 is a non-substantive spot bill relating to the Political Reform Act.

- **[AB 319](#) (Connolly) – Relating to the Conflict of Interest Code for the Department of Housing and Community Development.**

Status: Introduced

Summary:

AB 319 requires an inspector, as defined, to be a designated employee for purposes of the conflict of interest code adopted by the Department of Housing and Community Development (HCD), and requires each inspector to disclose all interests in real property, excluding one's primary personal residence.

The bill would, commencing January 1, 2025, impose various related duties on HCD, including the duty to notify the FPPC of all inspectors employed by or leaving HCD, all reminders sent to inspectors about filing their statements of economic interests, and all inspectors who have submitted their statement of economic interests, but cannot be located as of August of the year the statement was submitted.

- **[AB 334](#) (Rubio) – Relating to Section 1090 and independent contractors.**

Status: Introduced

Summary:

Section 1090 of the Government Code prohibits members of the Legislature and state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members.

AB 334 would provide that, for a public entity that has entered a contract with an independent contractor to perform one phase of a project and seeks to enter into a subsequent contract with that independent contractor for a later phase of the same project, the independent contractor is not an "officer" of the public entity, for purposes of Section 1090, if the independent contractor either (1) did not have responsibilities for public contracting on behalf of the public entity under the initial contract, or (2) did not participate in making the subsequent contract through its performance of the initial contract.

- **[SB 248](#) (Newman) – Requiring disclosure of a candidate’s education, work, and military service history.**

Status: Introduced

Summary:

SB 248 requires a candidate for elective office to file a new disclosure statement that includes prior education and work history, and history of military service. The form must be submitted to the Secretary of State under penalty of perjury by the final filing date of a declaration of candidacy.

The bill requires SOS to create the form by April 1, 2024, and to post all disclosures on its website for 4 years from the date of filing.

In addition to other penalties under the PRA, the bill also authorizes a governing body with the power to remove an elected officer from an elective office to consider a violation of these requirements as grounds for removal from office.

- **[SB 251](#) (Newman) – Relating to incompatible offices.**

Status: Introduced

Summary:

SB 251 would prohibit an elected officer from being employed by any other elected officer with the same constituency. Elected officers share a constituency if any individual is represented by both officers.

The bill exempts from the term “elected officer” a person holding statewide elective office, as defined in Section 82053.