



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
1102 Q Street • Suite 3050 • Sacramento, CA 95811  
(916) 322-5660 • Fax (916) 322-0886

**To:** Chair Silver and Commissioners Baker, Ortiz, Wilson, and Wood  
**From:** Lindsey Nakano, Sr. Legislative Counsel  
**Subject:** **Legislative Update – October 2024**  
**Date:** October 7, 2024

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Subject: Legislative Update – October 2024 ..... 1

1. General Update ..... 1

2. Upcoming Legislative Deadlines ..... 1

3. Chaptered Bill List ..... 1

4. Chaptered Bill Summaries ..... 2

5. Bills Not Moving Forward ..... 19

**1. General Update**

- 13 bills amending the Political Reform Act and 1 bill amending Section 1090 of the Government Code were passed by the Legislature and signed by the Governor.
- Staff are developing legislation ideas for the 2025-26 Legislative Session. Legislation ideas will be presented to the Commission for its consideration at the November 2024 Commission meeting.

**2. Upcoming Legislative Deadlines**

- Nov. 5 – General Election
- Dec. 2 – Convening of the 2025-26 Regular Session for one-day organizational session
- Jan. 1 – Statutes take effect

**3. Chaptered Bill List**

- [AB 1170](#) (Valencia) – Electronic Filing of SEIs (Form 700s)
- [AB 2001](#) (Gallagher) – Minor Changes to PRA and Cleanup
- [AB 2041](#) (Bonta) – Use of Campaign Funds for Security Expenses
- [AB 2355](#) (Carrillo and Cervantes) – Disclaimer for Campaign Advertisements that use Artificial Intelligence
- [AB 2573](#) (M. Fong and Lee) – Gifts: Services of a Fellow

- [AB 2631](#) (Mike Fong) – FPPC Local Ethics Training Program
- [AB 2803](#) (Valencia) – Use of Campaign Funds for Legal Defense: Criminal Convictions
- [SB 948](#) (Limon and Zbur) – Treatment of General Election Contributions
- [SB 1027](#) (Menjivar) – Redaction of Bank Account Information on Statements of Organization
- [SB 1111](#) (Min) – Section 1090: Conflicts of Interest in Governmental Contracts: Financial Interests of Public Officer’s Child
- [SB 1156](#) (Hurtado) – Financial Disclosures for Groundwater Sustainability Agencies
- [SB 1181](#) (Glazer) – Contributions to Agency Officers: Disqualification: Narrowing the Scope of Section 84308
- [SB 1243](#) (Dodd) – Contributions to Agency Officers: Disqualification: Narrowing the Scope of Section 84308
- [SB 1476](#) (Blakespear) – State Bar of California

#### 4. Chaptered Bill Summaries

- [AB 1170](#) (Valencia) – **Electronic Filing of SEIs (Form 700s) [CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 9/6/24

**Short Summary:** AB 1170 would (1) require officials whose filing officer is the Commission to file their Statements of Economic Interests (SEIs or Form 700s) using the Commission’s electronic filing system, (2) require redaction of certain information from SEIs posted online by the Commission, and (3) allow for electronic retention of certain paper reports and statements.

**Detailed Summary:**

*Electronic filing of SEIs:* Existing law provides that the Commission is the filing officer for statewide elected officers and candidates and other specified public officials. Generally, these public officials file their SEIs with their agency or another person or entity, who retain a copy of the statement and then forward the original statement to the Commission. AB 1170 would instead require public officials for whom the Commission is the filing officer to file their SEIs directly with the Commission using the Commission’s electronic filing system.

*Redaction of certain information posted online:* Existing law requires the Commission to redact private information, including signatures, from the data made available on the FPPC's website for SEIs filed through the Commission's online filing system. AB 1170 would:

1. Repeal the general authority to redact private information and instead specifically require the FPPC to redact the signature, telephone number, email address, and mailing address of the filer from SEIs posted on the FPPC website.
2. Permit the filer's residential address to be redacted in specific situations from the copy of the SEI posted on the FPPC website, upon the request of the filer.
3. Codify FPPC regulation permitting redaction of personally identifying information about family members on a current or former elected officer's SEI posted on the FPPC website, if there is a reasonable privacy concern and upon the request of the filer.

*Electronic retention of reports and statements:* Existing law requires filing officers to retain certain reports and statements filed by paper for 2 years in paper format before converting those filings to electronic or other specified formats. AB 1170 would authorize filing officers to retain reports and statements filed by paper in electronic or other specified formats immediately upon receiving those reports or statements.

**FPPC Position:** Support (Sponsor)

**FPPC Costs:** Minor and absorbable

- **[AB 2001 \(Gallagher\) – Minor Changes to PRA and Cleanup \[CHAPTERED\]](#)**

**Status:** Approved by the Governor and Chaptered on 7/15/24

**Short Summary:** AB 2001 would (1) add new clarifying provisions to the section requiring local government agencies to post paper filings on its website, (2) make conforming amendments to a section that was inadvertently left out of a prior bill, relating to advertisement disclosures, (3) correct a cross-reference that was inadvertently cited incorrectly in a prior bill, (4) delete the definition of a term that is not used in the Act, and (5) make other nonsubstantive corrections.

**Detailed Summary:**

*Clarifying section on online posting of filings by local agencies:* Existing law requires a local government agency to post on its website all of the campaign reports and statements filed with that agency in paper form within 72 hours of

the filing deadline. The FPPC’s advice staff received questions from local agencies about what their duties were with regard to certain scenarios not specifically addressed in the law. AB 2001 would clarify local government agency duties by (1) requiring late filings to be posted within 72 hours of receipt, (2) providing that local agencies need not post filings erroneously filed with that agency, and (3) apply the online posting requirements to filings received by email or fax.

*Conforming changes to advertisement disclosure section:* In existing law, there are two versions of Section 84504.2 in the Government Code. One version is operative now, and the second version supersedes the existing version upon certification of the Cal-Access Replacement System by the SOS. SB 1360 (2022) inadvertently amended only the latter version of Section 84504.2. The intent was to amend both versions. AB 2001 would make the same amendments to the currently operative version of 84504.2.

*Cross-reference correction:* In 2017, the Legislature passed a bill that reorganized various provisions and also changed a citation that was cross-referenced in the bill language. The incorrect citation resulted in a broadened definition of “campaign expenditures” for purposes of determining what counts against the voluntary expenditure limit. The legislative history suggests that this was an inadvertent error. AB 2001 would correct that citation.

*Other nonsubstantive corrections:* The term “statewide election” is not used in the Political Reform Act, but is defined in Section 82052.5. The proposal would delete the definition as cleanup. AB 2001 would also make other nonsubstantive corrections.

**FPPC Position:** Support (Sponsor)

**FPPC Costs:** Minor and absorbable

- **[AB 2631 \(Mike Fong\) – FPPC Local Ethics Training Program \[CHAPTERED\]](#)**

**Status:** Approved by the Governor and Chaptered on 8/12/24

**Short Summary:** AB 2631 would require the FPPC to create, maintain, and make available a local agency ethics training course that satisfies certain requirements.

**Detailed Summary:**

*Existing law:* Existing law, passed in 2005, requires local agency officials to receive at least two hours of ethics training every two years, which includes training on the Political Reform Act. After passage of the bill adding this requirement, the FPPC voluntarily created a free online local ethics training course that would satisfy these training requirements.

*Establishes a permanent program:* AB 2631 would codify a requirement that the FPPC, in consultation with the Attorney General, create, maintain, and make available to local agency officials an ethics training course that satisfies these training requirements, thereby making this a permanent program.

**FPPC Position:** Support (Sponsor)

**FPPC Costs:** \$234,000 in the first year and \$227,000 annually thereafter for one position in IT and education software. Note: This funding was approved in the 2024-2025 State Budget.

- **SB 1027 (Menjivar) – Redaction of Bank Account Information on Statements of Organization [CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 8/19/24

**Short Summary:** SB 1027 would require the Secretary of State to redact the bank account number and the names of persons authorized to obtain bank account records from a committee’s Statement of Organization before providing the statement to the public. The bill would also authorize a committee to omit that same information from the copy of the statement filed with the local filing officer.

**Detailed Summary:**

*Existing law:* Existing law provides that a person or group of persons that receives \$2,000 or more in contributions in a calendar year is a “committee” under the Act. These types of committees, referred to as recipient committees, must file a Statement of Organization with the SOS and a copy of the statement with the local filing officer, if any, within 10 days of qualifying as a recipient committee. The Statement of Organization includes, among other things, disclosure of the committee’s bank account number and the names of persons authorized to obtain committee bank account records.

*Fraud risk:* Committees and committee representatives have expressed concern that public disclosure of the committee bank account number and the names of the listed persons makes the committee vulnerable to financial fraud.

*Redaction of bank account information:* SB 1027 would require the Secretary of State to redact the bank account number and, subject to a delayed operative date, the names of persons authorized to obtain bank account records from a committee’s Statement of Organization before providing the statement to the public. The bill would also authorize a committee to omit that same information from the copy of the Statement of Organization filed with the local filing officer.

*Delayed operative date:* Due to limitations within the existing Cal-Access campaign reporting system, additional fields cannot be redacted on Cal-

Access. Because of this limitation, redaction of the names of persons authorized to obtain bank account records would take effect only after the Cal-Access Replacement System is operational.

**FPPC Position:** Support (Sponsor)

**FPPC Costs:** Minor and absorbable

- **AB 2041 (Bonta) - Use of Campaign Funds for Security Expenses**  
**[CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 9/22/24

**Coauthor:** Senator Ashby

**Short Summary:** AB 2041 would authorize a candidate or elected officer to use campaign funds for the reasonable costs of installing and monitoring a home or office security electronic security systems for, and for the reasonable costs of providing personal security to, the candidate, elected officer, or their immediate family or staff, and for any other tangible item related to security.

**Detailed Summary:**

*Expansion to personal security expenses and other items:* Existing law allows campaign funds to be used for home or office electronic security systems under certain conditions. AB 2041 would expand permitted campaign fund use to also include payments for the reasonable costs of providing personal security and for other tangible items related to security. The bill would specifically provide that it does not authorize campaign funds to be spent on payments to a relative or on firearms for these purposes.

*Expansion to family and staff:* Existing law allows campaign funds to be used only for electronic security systems at the home or office of the candidate or elected officer. AB 2041 would allow campaign funds to be used additionally for home or office electronic security systems, personal security expenses, and other tangible items for the immediate family or staff of the candidate or elected officer.

*Repeal of existing verification requirement:* Existing law allows campaign funds to be used for home or office security systems only if (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. The bill would repeal the verification requirements described in (1) and (3), and would also authorize use of funds for threats arising from staff's position as staff of the candidate or elected officer.

*New self-verification requirement:* The bill requires a candidate or elected officer to submit a report to the FPPC, signed under penalty of perjury, that describes and verifies the threat or potential threat that necessitated the expenditure or reimbursement.

*Lifetime expenditure limit:* Existing law allows up to \$5,000 to be used cumulatively by a candidate or elected officer for electronic security systems. AB 2041 instead imposes a lifetime expenditure limit of \$10,000 per person who is a candidate or elected officer for these security expenses. This limit would apply regardless of whether the person is a candidate or elected officer for multiple offices.

*Return or reimbursement requirement:* Existing law requires the candidate or elected officer to reimburse the campaign fund account for the costs of the security system upon sale of the property where the security equipment is installed, based on the fair market value of the security equipment at the time the property is sold. AB 2041 instead requires either return of, or reimbursement for, the security system equipment and any other items within one year of when the official is no longer in office or the candidate is no longer a candidate for the office for which the security equipment was purchased, or, if applicable, upon sale of the property on which the security equipment is located, whichever occurs sooner. Return or reimbursement would be required for all security equipment and any other tangible items purchased with campaign funds.

*Extension for ongoing threats:* If there is a continuing threat to the physical safety of the candidate or elected officer and certain other conditions are met, AB 2041 would instead require return or reimbursement within one year after the threat ceases, or, if applicable, upon sale of the property on which the security system is installed, whichever is sooner.

*Reporting and recordkeeping:* Existing law requires candidates or elected officers who use campaign funds for electronic security systems to report this expenditure to the Commission and information including when the threat was reported to law enforcement, the contact information of the law enforcement agency, and a description of the threat. The bill would instead require candidates and elected officers to report expenditures and any reimbursement under these provisions on the candidate or elected officer's campaign statements. The bill would also require the candidate or elected officer to maintain certain detailed records.

*Urgency:* This bill took effect immediately as urgency legislation.

**FPPC Position:** Support

**FPPC Costs:** \$130,503 in the first year and \$123,503 ongoing thereafter, for one position in the Legal Division.

- **AB 2355 (Carrillo and Cervantes) – Disclaimer for Campaign Advertisements that use Artificial Intelligence [CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 9/17/24

**Short Summary:** AB 2355 would require a disclaimer statement on campaign advertisements with image, audio, or video that was generated or substantially altered using artificial intelligence.

**Detailed Summary:**

*Existing law* imposes detailed disclaimer requirements for campaign advertisements that vary depending on the form of the advertisement, but generally require disclosure of the name of the committee that paid for the ad.

*Additional disclaimer for use of AI:* AB 2355 would require a committee that creates, originally publishes, or originally distributes a political advertisement that is an image, audio, or video that was generated or substantially altered using artificial intelligence, as defined, to include on the advertisement a disclosure that the advertisement was generated or substantially altered using artificial intelligence.

*Definition of “generated or substantially altered”:* AB 2355 would specify that an image, audio, video, or other media is generated or substantially altered using artificial intelligence if either:

1. It was entirely created using artificial intelligence and would falsely appear to a reasonable person to be authentic.
2. It was materially altered by artificial intelligence such that a reasonable person would have a fundamentally different understanding of the altered media when comparing it to an unaltered version.

*Exclusion for immaterial alterations:* AB 2355 would exclude an advertisement from the disclaimer requirement if the media was immaterially altered by artificial intelligence, including a cosmetic adjustment, color edit, cropped image, or resized image.

*Enforcement by the FPPC:* AB 2355 would authorize the FPPC to enforce a violation of the disclosure requirements by seeking injunctive relief to compel compliance or pursuing any other administrative or civil remedies available to the FPPC under the PRA.

**FPPC Position:** None



**FPPC Costs:** \$655,333 in the first year and \$630,833 ongoing thereafter, for 3 positions in the Enforcement Division and ½ position in the Legal Division, plus additional costs in an amount TBD for AI-detection software or licenses.

- **[AB 2573 \(M. Fong and Lee\) – Gifts: Services of a Fellow \[CHAPTERED\]](#)**

**Status:** Approved by the Governor and Chaptered on 9/14/24

**Coauthors:** Assemblymembers Kalra, Low, Muratsuchi, and S. Nguyen

**Short Summary:** AB 2573 would clarify that the services of a policy fellow provided specified associations are not a “gift” to a state elective or appointive officer for purposes of the gift limit.

**Detailed Summary:**

*Existing law and advice:* Existing law defines “gift” to mean, in relevant part, “any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received [...]” The FPPC has provided advice that the services of a fellow to a state agency or the Legislative branch are not gifts under the Act, since these services do not confer a personal benefit to any public official.

*Clarification in the law:* AB 2573 would provide that the services of a policy fellow provided by the following associations are not a “gift” to a state elective or appointive officer for purposes of the gift limit:

1. The Asian Pacific Islander Capitol Association.
2. The California Legislative Black Staff Association.
3. The Capitol LGBTQ Association.
4. The California Latino Capitol Association Foundation.

*Changes to other areas of law:* AB 2573 would make similar changes to other areas of law outside of the PRA.

**FPPC Position:** No position

**FPPC Costs:** Minor and absorbable

- **AB 2803 (Valencia) – Use of Campaign Funds for Legal Defense: Criminal Convictions [CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 9/25/24

**Principal Coauthor:** Senator Umberg

**Coauthor:** Assemblymember Chen

**Short Summary:** AB 2803 would prohibit expenditure of campaign funds for attorney's fees, other legal defense costs, or any fine, penalty, judgment, or settlement relating to a conviction for a felony involving fraud or other specified felonies.

**Detailed Summary:**

*Existing law; use of campaign funds for legal costs:* Expenditure of campaign funds for attorney's fees and other legal costs is permitted under certain conditions.

*Existing law; contributions held in trust:* Existing law provides that all contributions deposited into the campaign account shall be deemed to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office.

*Existing law; political, legislative, or governmental purpose:* Existing law requires expenditures that confer a substantial personal benefit to be directly related to a political, legislative, or governmental purpose. Legal fees and costs are directly related to a political, legislative, or governmental purpose if the litigation (1) is directly related to activities of a committee that are consistent with its primary objectives or (2) arises directly out of a committee's activities or out of a candidate's or elected officer's activities, duties, or status as a candidate or elected officer.

*Existing law; disqualification for candidacy and election:* Existing law in the Elections Code provides that a person shall not be considered a candidate for, and is not eligible to be elected to, any state or local elective office if the person has been convicted of a felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes.

*Prohibition on use of campaign funds associated with certain criminal convictions:* AB 2803 would further restrict campaign funds from being used to pay, or pay reimbursement for, a fine, penalty, judgment, or settlement relating to, or attorney's fees and other costs in connection with, criminal litigation if the litigation results in a conviction of the candidate or elected officer for a felony involving fraud, or for a felony listed in the Elections Code section referenced above.

**FPPC Position:** No position

**FPPC Costs:** Minor and absorbable

- **[SB 948 \(Limon and Zbur\) – Treatment of General Election Contributions](#) [CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 7/15/24

**Short Summary:** SB 948 would (1) provide that a candidate who raises funds for the general election before the primary election, and who does not file a declaration of candidacy to qualify for a primary election, may transfer these funds to a committee for the same or a different office, subject to specified attribution rules, (2) provide that a candidate who wins the election outright in the primary may transfer general election funds to a committee for any subsequent election, with attribution to specific contributors, and (3) expand the ability of candidates to carry over funds to any future election to the same office.

**Detailed Summary:**

*Existing law:* Existing law permits a candidate controlled committee to receive contributions for a general election before the primary election but prohibits those funds from being expended for the primary election. If the candidate is defeated in the primary election, or withdraws from the general election, the candidate must return the funds received for the general election to the contributors.

*Ambiguity in existing law:* Existing law does not explicitly address the scenarios where a candidate withdraws before the primary election or where a candidate wins the election outright in the primary. These issues were the subject of a regulation project presented to the Commission in August 2023 and March 2024.

*Adding authority to transfer general election campaign funds for candidates who withdraw:* SB 948 would explicitly provide that a candidate who does not file a declaration of candidacy to qualify for a primary election would not be required to refund contributions raised for the general election. The bill would instead allow those candidates to transfer funds raised for the general election to a committee established for the same or a different office, subject to the attribution rules.

*Adding authority to transfer general election campaign funds for candidates who win the election outright in the primary:* If a candidate wins outright in the primary election, without needing to advance to the general election, the bill would allow the candidate to (1) transfer remaining primary election funds

to a committee for a subsequent election to the same office without attribution, and (2) transfer general election funds to a committee for any subsequent election with attribution to specific contributors.

*Existing law; carry over of contributions to subsequent election:* Existing law permits a candidate to carry over contributions raised in connection with one election to pay campaign expenditures incurred in connection with a subsequent election for the same office. Existing regulation defines “a subsequent election” for these purposes to mean:

1. The election to the next term of office immediately following the election/term of office for which the funds were raised;
2. The general election, which is subsequent to and for the same term of office as the primary election for which the funds were raised; or
3. The special general election, which is subsequent to and for the same term of office as the special primary election for which the funds were raised.

*Repeal of FPPC regulation:* SB 948 would permit the carry over of contributions as described above to any subsequent election, thereby repealing FPPC regulation and expanding the ability of candidates to transfer funds to committees for future elections, however distant.

*Legislative statement:* SB 948 states that the provision relating to candidates who do not file a declaration of candidacy is declaratory of existing law. As noted, the Legal Division considers existing law ambiguous regarding the transfer of general election funds.

**FPPC Position:** No position

**FPPC Costs:** Minor and absorbable

- **[SB 1111 \(Min\) – Section 1090: Conflicts of Interest in Governmental Contracts: Financial Interests of Public Officer’s Child](#) [CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 9/20/24

**Short Summary:** SB 1111 would require a public officer to disclose if the public officer’s child has a specified financial interest in a contract entered into by the body or board of which the officer is a member, if this information is actually known to the public officer. The body or board must authorize, approve, or ratify the contract in good faith without counting the vote of the public officer whose child has that interest.

**Detailed Summary:**

*Existing law- general rule:* Existing law prohibits Members of the Legislature, and state, county, district, judicial district, and city officers or employees from being financially interested in a contract made by them in their official capacity or by any body or board of which they are members, subject to specified exceptions.

*Existing law- remote interests:* Existing law provides that a public officer shall not be deemed financially interested in contract if the officer only has a remote interest. Existing law identifies certain remote interests, including the interest of a parent in the earnings of his or her minor child for personal services. In order to be deemed not interested in the relevant contract due to a remote interest, a public officer must disclose the interest, and the body or board must authorize, approve, or ratify the contract in good faith without counting the vote of the public officer with the remote interest.

*New remote interest for the financial interest of the public officer's child:* SB 1111 would add a new remote interest for a public officer if the public officer's child is an officer or director of, or has an ownership interest of 10% or more in, a party to a contract entered into by the body or board of which the officer is a member, if this information is actually known to the public officer.

*Delayed operative date:* The change described above would take effect commencing January 1, 2026.

**FPPC Position:** No position

**FPPC Costs:** ½ position in the Legal Division

- **[SB 1156 \(Hurtado\) - Financial Disclosures for Groundwater Sustainability Agencies](#) [CHAPTERED]**

**Status:** Approved by the Governor and Chaptered on 9/22/24

**Coauthor:** Assemblymember Bennett

**Short Summary:** The bill would require members of the board of directors and the executive of a groundwater sustainability agency to file their Statements of Economic Interests directly with the FPPC using the FPPC's electronic filing system.

**Detailed Summary:**

*Existing law; financial disclosures:* Existing law requires every local government agency to adopt and promulgate a Conflict of Interest Code pursuant to the PRA. Individuals designated in a Conflict of Interest Code

must submit annual Statements of Economic Interests (SEI). Additionally, all officials listed in Section 82000 must submit SEIs.

*Groundwater sustainability agencies:* State law in the Water Code provides for the formation, duties, and authority of groundwater sustainability agencies, which are generally responsible for developing, implementing, and enforcing a program for managing groundwater at a local level. Groundwater sustainability agencies are local government agencies under the PRA.

*Direct filing with the FPPC:* SB 1156 would require members of the board of directors, and the executive director, general manager, or other person with an equivalent position, of a groundwater sustainability agency to file their SEIs directly with the FPPC using the FPPC's electronic filing system.

**FPPC Position:** No position

**FPPC Costs:** \$20,000 - \$40,000 annually for the cost of expanding the filer capacity of the FPPC's electronic filing system.

- **[SB 1181 \(Glazer\) - Contributions to Agency Officers: Disqualification: Narrowing the Scope of Section 84308 \[CHAPTERED\]](#)**

**Status:** Approved by the Governor and Chaptered on 9/27/24

**Short Summary:** SB 1181, for purposes of the disqualification provisions for agency officers, would (1) narrow which officers are subject those provisions, (2) narrow which types of contracts are subject to those provisions; (3) expand authority to return a contribution; and (4) add a modified definition for "agent".

**Detailed Summary:**

*Existing law:* Existing law prohibits certain contributions of more than \$250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding. Existing law requires disclosure on the record of the proceeding of certain contributions of more than \$250 within the preceding 12 months to an officer from a party or participant, or party's agent, and generally disqualifies an officer from participating in, or influencing, a decision if the officer has received an over-the-limit contribution during that time period.

*Exemption for a city attorney or county counsel:* SB 1181 would exempt from these provisions a city attorney or county counsel providing legal advice to the agency who does not have the authority to make a final decision in the

proceeding.

*Exemptions for certain contracts:* Existing law exempts competitively bid, labor, and personal employment contracts from the types of proceedings subject to these provisions. SB 1181 would additionally exempt:

1. The periodic review or renewal of development agreements unless there is a material modification or amendment proposed to the agreement. Non-material modifications or amendments may be approved by agency staff.
2. Periodic reviews or renewal of competitively bid contracts unless there are material modifications or amendments proposed to the agreement that are valued at more than 10 percent of the value of the contract or fifty thousand dollars (\$50,000), whichever is less. Non-material modifications or amendments may be approved by agency staff.
3. Modification of or amendments to exempted contracts other than competitively bid contracts.

*Expands the return provision:* Existing law authorizes an officer who received an improper contribution to still participate in the decision if they return the contribution within 30 days of when the officer knows, or should have known, about the contribution and the proceeding. SB 1181 would modify this provision to additionally allow an officer who received an improper contribution to participate in a decision as long as they return the contribution within 30 days of the officer making any decision.

*Adds definition of “agent”:* SB 1181 would codify the definition of “agent” from regulation, with modifications.

**FPPC Position:** No position

**FPPC Costs:** Combined ½ position in the Legal Division for SB 1181 and SB 1243

- **[SB 1243 \(Dodd\) – Contributions to Agency Officers: Disqualification: Narrowing the Scope of Section 84308 \[CHAPTERED\]](#)**

**Status:** Approved by the Governor and Chaptered on 9/30/24

**Short Summary:** SB 1243, for purposes of the disqualification provisions for agency officers, would (1) raise the contribution limit from \$250 to \$500; (2) narrow which officers are subject those provisions; (3) narrow the definition of “participant”; (4) narrow which types of contracts are subject to those provisions; (5) add a modified definition for “pending”; (6) expand the return and cure provisions; (7) alter timing requirement for disclosure of

contributions by a party; and (8) ban contributions from agents during the proceeding and for 12 months after the final decision and eliminate the aggregation requirement for agent contributions.

**Detailed Summary:**

*Existing law:* Existing law prohibits certain contributions of more than \$250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered. Existing law requires disclosure on the record of the proceeding of certain contributions of more than \$250 within the preceding 12 months to an officer from a party or participant, or party's agent. Existing law disqualifies an officer from participating in a decision in a proceeding if the officer has willfully or knowingly received a contribution of more than \$250 from a party or a party's agent, or a participant or a participant's agent.

*Raises contribution threshold:* SB 1243 would raise the contribution limit from \$250 to \$500 for purposes of Section 84308.

*Exemption for certain elected officials:* SB 1181 would exempt from these provisions an elected official if the official or the body of which they are a member does not have authority to make any decision or recommendation in the proceeding.

*Limits who is a participant:* The bill would provide that a person is not a "participant" if their financial interest in the decision results solely from an increase or decrease in membership dues.

*Exemptions for certain contracts:* Existing law exempts competitively bid, labor, and personal employment contracts from the types of proceedings subject to these provisions. SB 1243 would additionally exempt:

1. Contracts valued under \$50,000.
2. Contracts where neither party receives financial compensation.
3. Contracts between two or more government agencies.
4. The periodic review of development agreements unless there is a material modification or amendment proposed to the agreement. Non-material modifications or amendments may be approved by agency staff.

*Adds definition of "pending":* SB 1243 would codify the definition of "pending" from regulation, with modifications.



*Expands the return provision:* Existing law authorizes an officer who received an improper contribution to still participate in the decision if they return the contribution within 30 days of when the officer knows, or should have known, about the contribution and the proceeding. SB 1243 would modify this provision to additionally allow an officer who received an improper contribution to participate in a decision as long as they return the contribution within 30 days of the officer making any decision.

*Lengthens the cure period:* Existing law allows an officer to cure certain violations of these provisions by returning a contribution, or the portion of the contribution of in excess of the limit, within 14 days of accepting, soliciting, or receiving the contribution, whichever comes latest. SB 1243 would lengthen the cure period during which an officer may cure an unintentional violation, from 14 to 30 days of accepting, soliciting, or directing the contribution.

*Disclosure by party:* Existing law requires a party to disclose any contribution over the limit in the prior 12 months on the record of the proceeding. SB 1243 would add that this disclosure must be made before the date of the final decision.

*Contribution ban for agents:* The bill would prohibit the agent of a party or participant from making any contribution to an officer during the proceeding and for 12 months following the date of the final decision.

*Limits the aggregation rules:* The bill would provide that, in determining whether a contribution has exceeded the limit, the contributions of an agent shall not be aggregated with contributions from a party or participant.

*Severability of new provisions affecting agents:* The bill would provide that if the contribution ban on agents is held invalid in a final decision of a court of competent jurisdiction, the provision described above limiting the aggregation rule for agents is not severable and shall also be become inoperative on the date of that final decision.

**FPPC Position:** No position

**FPPC Costs:** Combined ½ position in the Legal Division for SB 1181 and SB 1243

- [SB 1476 \(Blakespear\) - State Bar of California \[CHAPTERED\]](#)

**Status:** Approved by the Governor and Chaptered on 9/22/24

**Coauthor:** Senator Umberg

**Short Summary:** SB 1476 would clarify that the State Bar of California is required to adopt a Conflict of Interest Code and its designated employees are required to submit Statements of Economic Interests.

**Detailed Summary:**

*Existing law:* Existing law in the Business and Professions Code provides that state law that restricts or prescribes a mode of procedure for the exercise of powers of state public bodies or state agencies is not applicable to the State Bar, unless the Legislature expressly so declares.

*Existing law; PRA:* Existing law in the PRA references the State Bar of California in four sections, including one section that provides for who the code reviewing body is for the State Bar. Existing law in the PRA implies, but does not explicitly state, that the State Bar of California must adopt a Conflict of Interest Code and that its designated employees must submit Statements of Economic Interests (SEIs).

*Existing law; public official:* Existing law in the PRA excludes a member of the Board of Governors and designated employees of the State Bar of California from the definition of “public official,” thus excluding these individuals from the prohibition on participating in government decisions in which the public official has a financial interest and related provisions.

*Clarifies which provisions apply to the State Bar:* SB 1476 would add to the definition of “public official” designated employees of, and Members of the Board of Trustees of, the State Bar of California, thereby clearly imposing the PRA’s Conflict of Interest Code and SEI requirements, and the general conflicts of interest requirements and restrictions, on the State Bar and its employees and Board of Trustees.

**FPPC Position:** No position

**FPPC Costs:** Minor and absorbable

## 5. Bills Not Moving Forward

- [AB 270](#) (Lee and Cervantes) – Public Campaign Financing [Held in the Senate Appropriations Committee]
- [AB 868](#) (Wilson) - Digital Advertisement Transparency and Accountability Act [Held in the Senate Appropriations Committee]
- [AB 2611](#) (Wallis) – PRA Spot Bill
- [AB 2654](#) (V. Fong) – Nondisclosure Agreements [Failed passage in the Assembly Elections Committee]
- [AB 2911](#) (McKinnor) – Contributions to Agency Officers: Contribution Limit Increase [Held in the Senate Elections Committee]
- [AB 2990](#) (Low) – FPPC Enforcement Actions: Time Limits [Held in the Assembly Appropriations Committee]
- [AB 3008](#) (Ramos and Garcia) – Compensation from Tribal Governments
- [AB 3239](#) (Carrillo) – Use of Campaign Funds: Emotional Support Animal Airline Travel [Held in the Senate Elections Committee]
- [SB 24](#) (Umberg) – Public Campaign Financing [Held in the Assembly Appropriations Committee]
- [SB 724](#) (Glazer) – Communications that Identify Elected State Officers [Held in the Assembly Appropriations Committee]
- [SB 1151](#) (Hurtado) - Registration and Reporting Requirements for Foreign Agents [Held in the Assembly Appropriations Committee]
- [SB 1155](#) (Hurtado) - Postgovernment Employment Restriction for Elected and Appointed Agency Officials [Vetoed]
- [SB 1170](#) (Menjivar) - Use of Campaign Funds for Mental Health Expenses [Vetoed]
- [SB 1404](#) (Glazer) – Lobbying Audits and Lobbyist Fee [Held in the Assembly Appropriations Committee]
- [SB 1422](#) (Allen) – Disclosure of Payments for Elected Official Travel [Held in the Senate Appropriations Committee]