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FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Silver, Commissioners Brandt, Ortiz, and Wilson

From: Dave Bainbridge, General Counsel
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Subject: Adoption of Proposed Amendments to Regulations 18115.2, 18313.5, 18313.6, 18724, 18753, 18754, and 18756

Date: March 28, 2025

Executive Summary

Following statutory changes to the Political Reform Act¹ pursuant to AB 1170, which require statements of economic interests (“SEIs”) filed with the Fair Political Practices Commission (FPPC) to be filed using the FPPC’s electronic filing system, staff proposes the following amendments implementing this requirement for adoption:

- Regulation 18115.2 – Duties of Filing Officers and Filing Officials - Electronically Filed Statements of Economic Interests. Amendments will update citations to Section 87500 and remove requirement to forward SEIs to the FPPC when no longer necessary.
- Regulation 18313.5 – Online Posting. Amendments will clarify all material that must be redacted in online posting as required by Section 87500.3. Additionally, staff recommends extending the FPPC’s online posting requirements to all SEIs filed by official’s designated in Section 87200 as opposed to only elected officers.
- Regulation 18313.6 – Online Posting: Redacting Personal Information. Amendments will remove language redundant under Section 87500.3 and add reference to Section 87500.
- Regulation 18724 – Filing of Statements of Economic Interests by Temporary or Part-Time Court Commissioners, Pro Tem and Retired Judges. Amendment will clarify that retired judges must file using the FPPC’s electronic filing system.
- Regulation 18730 – Provisions of Conflict of Interest Codes. Amendments will update where officials must file SEIs under newly amended Section 87500.
- Regulation 18753 – Statements of Economic Interests; Where to File. Amendments repeal current regulation since the filing location for these offices is now clearly provided in Section 87500.
- Regulation 18754 – Statements of Economic Interests (Members of Boards or Commissions of Newly Created Agencies); When and Where to File. Amendment will

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

update citations to Section 87500 and clarify those officials required to file using the FPPC’s electronic filing system.

- Regulation 18756 – Statements of Economic Interests; Certification of Electronic Filing System. Amendments will remove data exchange requirements that are no longer necessary as officials will be filing directly using the FPPC’s electronic filing system.

This proposal was initially presented to the Commission for prenotice discussion at the February 2025 Commission meeting. Other than the proposed language in Regulation 18313.5(b) addressing when the FPPC must post SEI’s online, all proposed amendments are conforming changes required by AB 1170 to implement the statutory changes and to remove redundant or unnecessary provisions. All proposed amendments are also substantively similar to the amendments presented at the February meeting. Regarding Regulation 18313.5(b), staff has narrowed its recommendation to language requiring the online posting of all SEIs filed with the FPPC by officials designated in Section 87200. This recommendation is based on public and Commission comments made during the February meeting, as discussed below.

Reason for Proposed Actions

Recently enacted Commission-sponsored legislation, AB 1170 (Valencia), made numerous changes to the Political Reform Act, including Sections 87500 and 87500.3. As pertinent to this proposal, AB 1170 included statutory changes requiring all SEIs filed with the FPPC to be filed using the FPPC electronic filing system. These amendments went into effect on January 1, 2025, and necessitated conforming amendments to the existing regulations.

Background

Filing of SEIs with the FPPC

The Act requires elected officers and public officials, including state and local government employees who make or participate in making governmental decisions (collectively “officials”), to file SEIs disclosing relevant financial interests. (Section 87200 and 87300.) SEIs are filed annually, as well as when assuming and leaving office, and promote transparency in government by providing necessary information to the public about an official’s financial interests to ensure that officials are making decisions in the best interest of the public and not personally benefiting from the decisions.²

All elected state officers and specified high-level state and local officials are required by statute to file SEIs disclosing all of their financial interests, as that term is defined in the Act. Because of the level of these positions, they are specifically listed in Section 87200, and officials in these positions must disclose financial interests more broadly than other public officials. Officials in these positions are commonly referred to as “87200 filers,” nearly all are required to file their SEIs with the FPPC. (See Section 87500.)

² See Section 81002(c) identifying purposes of the Act and states, “Assets and income of public officials which may be materially affected by their official actions should be disclosed, and in appropriate circumstances, the officials should be disqualified from acting in order that conflicts of interest may be avoided.”

Separate from 87200 filers, other SEI filers are determined by their respective agencies. These filers are commonly referred to as “code filers” as they are required to file SEIs as determined by the agency’s Conflict of Interest Code, which designates which positions must file and what level of information an official must provide based on the official’s job duties. (Section 87300.) These positions typically file their SEIs with their agency, but some file with the FPPC.

Until about a decade ago, all SEIs were filed on paper. In 2013, AB 409 passed permitting the FPPC to develop an electronic filing system. In 2016, the FPPC began accepting SEIs through its filing system. AB 409 did not require officials to file electronically, so some officials continued to file on paper. In 2024, 25,458 SEIs were filed with the FPPC, of which 20,090 were filed electronically. Of those 20,090 that were filed electronically, 13,633 were filed directly with the FPPC’s electronic filing system, and 6,457 were filed electronically through an agency’s filing system that transferred the data to the FPPC system. Every year, FPPC staff spent hundreds of hours both scanning paper filings and fixing issues with the data transfer system to ensure the SEIs filed using those options successfully entered the FPPC electronic system. The FPPC sponsored this legislation (AB 1170) to eliminate this burden and waste of public resources and to increase transparency and efficiency.

Once an SEI is filed with the FPPC, the FPPC must make it available to the public. Currently, under Regulation 18313.5 the FPPC is required to post an SEI online only if filed by an elected official. SEIs for other officials who file with the FPPC can be obtained by submitting an email request to the FPPC. For SEIs posted online, the FPPC currently redacts the address, telephone number, and signature block of the elected official. (Regulation 18313.5.) Regulation 18313.6 currently provides criteria for discretionary redaction where the elected officer has a reasonable privacy concern related to an individual’s address, or a family member’s name or other personally identifiable information.

AB 1170 Changes

Under AB 1170, Section 87500(a) now requires “A statement of economic interest filed by a public official, for whom the Commission is the filing officer, shall be filed with the Commission using the Commission’s electronic filing system.” As such, rather than require that Section 87200 filers file with their agency and the agency provide the original to the FPPC, filers now must file directly with the FPPC using the FPPC’s electronic filing system. Additionally, the Legislature amended Section 87500.3 which requires redaction of the signature, telephone number, email address, and mailing address of the filer when posting SEIs on the internet. Section 87500.3 also lists when the FPPC may use its discretion to redact identifying information surrounding the filer’s personal residence and the filer’s family’s personal information where there is a reasonable privacy concern. Previously, the section stated that the FPPC could adopt its own rules for redaction.

Proposed Regulatory Actions

Regulation 18115.2 – Duties of Filing Officers and Filing Officials - Electronically Filed Statements of Economic Interests

Regulation 18115.2 clarifies the duties of filing officers and is largely unchanged in the proposed amendment. However, Regulation 18115.2(d) previously required filing officials to forward electronically submitted SEIs to the FPPC if the FPPC is the filing officer, and this requirement has been superseded by Section 87500(a) changes, which require filers to file directly with the FPPC if the FPPC is the filing officer. Accordingly, Regulation 18115.2 must be revised to remove this requirement. Additionally, Regulation 18115.2 cross-references former Section 87500 for requirements related to forwarding statements. However, these requirements now only apply to filers who do not have to file with the FPPC and are now located in Section 87500(b)(2). The proposed amendments include an update to this cross reference.

Regulation 18313.5 – Online Posting

Regulation 18313.5 provides rules regarding the online posting of SEIs. Under these requirements, the FPPC redacts the official's address, telephone number, and signature block before posting SEIs online. However, new Section 87500.3(d)(2)(A) also requires redacting email addresses. Proposed amendments will add this requirement to Regulation 18313.5(b).

Separate from the conforming change regarding redaction, current Regulation 18313.5 also requires that the FPPC post SEI's online if filed with the FPPC by an elected officer. Considering that all SEIs filed with the FPPC must now be submitted using the FPPC's electronic filing system, the Commission has the opportunity to consider whether to extend the online posting requirement beyond elected officers.

During an Interested Persons meeting in November 2024 concerning AB 1170 implementation, numerous local filing officers expressed interest in the Commission amending Regulation 18313.5 to increase the SEIs the FPPC posts online. Thus, at the Commission's February prenotice discussion, staff presented three options: (1) leave the regulation as is, (2) make all SEIs filed with the FPPC available online, or (3) make SEIs for all Section 87200 filers available online.

In response to the options presented, the Commission expressed concerns about balancing the importance of disclosure with the intrusion of officials' privacy, particularly staff-level officials for whom online disclosure does not serve the same public interest as the disclosure for elected officers or 87200 filers. In consideration of both public and Commissioner comments, staff is recommending amending Regulation 18313.5 to require the FPPC to post SEIs online for all 87200 filers required to file their SEI with the FPPC. Proposed language also specifies that the recommended online posting requirement will apply to SEI's filed on or after January 1, 2025, the effective date of AB 1170. This recommendation recognizes the Commission's interest in extending online posting beyond elected officers while excluding those officials not in one of the high-level positions specifically enumerated in Section 87200.

Alternatively, the Commission asked that staff consider whether any other threshold or line could be used for online postings, such as the line between management and rank-and-file employees. However, examining this possibility, staff has not identified any other feasible alternative other than the thresholds presented under the 3 previously proposed options. This is because any other threshold would require information not readily available to FPPC staff and a case-by-case examination requiring individual reviews of thousands of SEIs.

For these reasons, staff is recommending the previously proposed Option 3, extending online posting to all 87200 filers that file SEIs with the FPPC. This approach best balances the public's interest in extending online posting beyond elected officers in the furtherance of transparency while respecting privacy concerns of officials not within the high-level positions enumerated in Section 87200.

Regulation 18313.6 – Online Posting: Redacting Personal Information

Regulation 18313.6(a) establishes when and what the FPPC will redact from SEIs posted online. As this language is now in Section 87500.3, subdivision (a) is redundant, and staff recommends removing it. Existing subdivision (b), defining “family member” for purposes of redaction, will remain, with the addition of a cross-reference to new Section 87500.3(d)(2)(C), which now expressly permits the FPPC to define the term.

Regulation 18724 – Filing of Statements of Economic Interests by Temporary or Part-Time Court Commissioners, Pro Tem and Retired Judges

Regulation 18724 provides SEI filing rules for temporary or part-time court commissioners and pro tem and retired judges. While the proposed amendments will not substantively change the regulation, staff recommends language clarifying that retired judges (who must file with the FPPC) must file “using the Commission’s electronic filing system.”

Regulation 18730 – Provisions of Conflict of Interest Codes.

Regulation 18730 establishes required provisions within an agency’s conflict of interest code. While the provisions will not be significantly changed, staff recommends amending subdivision (b)(4), which clarifies that the “code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code or with the Fair Political Practices Commission using the Commission’s electronic filing system as required under 87500.” This addition conforms Regulation 18370 with the new electronic filing requirements and helps to ensure filers do not overlook this requirement.

Regulation 18753 – Statements of Economic Interests; Where to File

Regulation 18753 provides instructions for where to file SEIs applicable to county and city treasurers and public officials who manage public investments. Previously, all of these positions were required to file with their agency, which would then send the original to the FPPC as the filing officer (unless the FPPC allowed the local agency to act as the filing officer for local

officials who manage public investments). However, new Section 87500 now provides the filing locations for these officials, requiring these county and city treasurers to file directly with the FPPC using the FPPC's electronic filing system and public officials who manage public investments to file as specified by the code reviewing body in their respective conflict of interest code. Accordingly, Regulation 18753 has been superseded and should be repealed.

Regulation 18754 – Statements of Economic Interests (Members of Boards or Commissions of Newly Created Agencies); When and Where to File

Regulation 18754 provides requirements for the filing of SEIs as applicable to members of newly created boards or commissions. While most of Regulation 18754 will not change, subdivision (a)(4) will require amendments to conform with the new Section 87500. Under the previous Section 87500(o), members of a state licensing or regulatory board, bureau, or commission were required to file with their agency, which forwarded the SEI to the FPPC as the filing officer. However, new Section 87500(a)(1) and (2)(D) establish that the FPPC is the filing officer for “a member of a state licensing or regulatory board, bureau, or commission” and that these officials must file SEIs using the FPPC's electronic filing system. Thus, Regulation 18754(a)(4) needs conforming amendments to reflect the new electronic reporting requirements.

Regulation 18756 – Statements of Economic Interests; Certification of Electronic Filing System

Regulation 18756 established parameters agencies must follow to certify an electronic filing system with the FPPC. One of these parameters is a requirement that the system allows for a data transfer from the agency filing system to the FPPC's filing system. While the FPPC will still have to certify the electronic filing systems of local agencies to ensure security and ease of use by the public, because all filers who must file with the FPPC are now required to file using the FPPC electronic filing system, there is no longer a need for local systems to allow for a data transfer to the FPPC. Thus, this requirement should be removed.

Additionally, Regulation 18756(f) requires local agencies to redact certain information from SEIs posted online by the local agencies. This subdivision generally mirrors the state redaction rules and should be updated to add “email addresses,” which were added to the state redaction rules in Section 87500.3. Staff also recommends a cross-reference to Section 87500.3(d)(2) as the Section contains rules for requesting the redaction of a family member's information, which will be deleted by proposed amendments to Regulation 18313.6(a).

Conclusion

The proposed amendments would conform existing regulations with recently amended statutory provisions pursuant to AB 1170, eliminate redundant or outdated language, and provide clarification. Therefore, staff presents them for the Commission's consideration and adoption.

Attachments:

- **Proposed Amendments to Regulations 18115.2, 18313.5, 18313.6, 18724, 18754, and 18756.**

- **Proposed Repeal of 18753.**