



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Miadich and Commissioner Baker

From: Lindsey Nakano, Legislative Counsel

Subject: **Legislative Update – July 2021**

Date: July 2, 2021

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General Update

As of the date of this report, staff has secured authors for four legislative proposals previously approved by the Commission as priority legislation for 2021.

Staff is continuing to advocate for the Commission’s priority legislation, track and analyze other Commission-related bills, and express the Commission’s preference for bipartisan support on bills for which the Commission has adopted a “support” or “sponsor” position.

Action Items

The Commission may vote to take a position on the following bills:

- AB 775 (Berman), relating to recurring contributions
- SB 686 (Glazer), as amended on 6/23/21, relating to LLC transparency
- SB 459 (Allen), relating to lobbying reports and issue advertisements
- SB 752 (Allen), relating to the political advertisement disclosures

Upcoming Legislative Deadlines

- July 14 – Last day for policy committees to meet and report bills
- Aug. 27 – Last day for fiscal committees to meet and report bills to the Floor
- Sept. 3 – Last day to amend bills
- Sept. 10 – Last day for each house to pass bills
- Oct. 10 – Last day for Governor to sign or veto bills

FPPC Priority Legislation

Updates:

- AB 378 (Bauer-Kahan) passed in both houses and was enrolled and presented to the Governor on 6/29/21.
- AB 1367 (Low) will be heard in the Senate Elections Committee on 7/12/21.
- AB 1590 (Committee on Elections) passed in the Senate Elections Committee with unanimous support on 6/28/21.
- SB 686 (Glazer) was amended on 6/23/21 to revise the threshold for inclusion on the statement of members and delete the language codifying recent regulations. The bill passed in the Assembly Elections Committee on 6/30/21.

Status and Summaries:

AB 378 (Bauer-Kahan) – Gendered language cleanup.

Status: Enrolled and presented to the Governor (6/29/21)

Coauthors: Assembly Members Aguiar-Curry, Boerner Horvath, Burke, Calderon, Carrillo, Cristina Garcia, Petrie-Norris, Quirk-Silva, Reyes, Blanca Rubio, and Wicks; Senators Durazo, Eggman, Gonzalez, Laird, Limón, Skinner, and Wiener.

Summary: AB 378 would remove gendered language from certain portions of the Government Code and other codes, including from the Political Reform Act.

FPPC Position: Support

Cost Estimate: Minor and absorbable

AB 1367 (Low) – Campaign funds: egregious personal use of campaign funds.

Status: Set for hearing in the Senate Committee on Elections and Constitutional Amendments on 7/12/21

Summary: AB 1367 would increase penalties for egregious personal use of campaign funds to three times the amount of the unlawful expenditure.

FPPC Position: Sponsor

Cost Estimate: Minor and absorbable

AB 1590 (Committee on Elections (Assembly Members Berman (Chair), Bennett, Low, Mayes, Mullin, and Blanca Rubio) – PRA omnibus bill.

Status: Passed in the Senate Committee on Elections and Constitutional Amendments on 6/28/21 (5-0)

Summary: AB 1590 transfers the responsibility for collecting the \$150 penalty for failure to pay the annual \$50 committee fee from the FPPC to the Secretary of State. Under existing law, the SOS is responsible for collecting the original \$50 fee, and referrals for nonpayment are sent to the FPPC. AB 1590 also makes other nonsubstantive changes to the PRA.

FPPC Position: Support

Cost Estimate: Minor and absorbable

SB 686 (Glazer) – Campaign disclosure: limited liability companies.

Status: Amended (6/23/21); Passed in the Assembly Committee on Elections on 6/30/21 (6-1)

Principal coauthor: Assembly Member Berman

Coauthors: Senator Umberg; Assembly Members Bennett and Kalra

Summary: SB 686 would require an LLC, if it qualifies as a committee or committee sponsor, to file a statement of members with the Secretary of State. The bill would require the statement of members to include certain information about the LLC, including a list of all persons who have a membership interest in the LLC of at least 10% or who made a cumulative capital contribution of at least \$10,000 to the LLC after it qualified as a committee or sponsor of a committee, or within the 12 months before it qualified.

FPPC Position: Sponsor

Cost Estimate: FPPC – 1 Special Investigator: \$126,000 (first year); \$119,000 (ongoing);
SOS – One-time cost of \$561,000; \$121,000 (ongoing)

Remaining FPPC proposals that do not have authors:

- Proposals relating to enforcement:
 - o FPPC Special Investigator Authority
 - o Tax Record Inspection Authority
- Proposals relating to increasing transparency:
 - o Lobbyist Audits and Reports
- Proposals for modernization, efficiency, and consistency:
 - o E-filing for Statements of Economic Interests and Gift Cap
 - o Behested Payment Report E-filing

Other Commission-Related Bills

Updates

- AB 319 (Valladares) passed in the Senate Elections Committee on 6/28/21.
- AB 775 (Berman) was amended on 6/17/21. The previous contents of the bill (unrelated to the PRA) were deleted and language was added relating to recurring contributions.
- SB 459 (Allen) was amended on 6/23/21 and passed in the Assembly Elections Committee on 6/30/21.
- SB 752 (Allen) was amended on 6/23/21 and passed in the Assembly Elections Committee on 6/30/21.

Status and Summaries

AB 319 (Valladares) – Campaign contributions: foreign contribution prohibitions.

Status: Passed in the Senate Committee on Elections and Constitutional Amendments on 5/19/21 (5-0); Re-referred to Committee on Appropriations

Summary: AB 319 would prohibit a foreign government or principal from making contributions, expenditures, or independent expenditures in connection with the election of a candidate to state or local office, and would prohibit a person or a committee from soliciting or accepting those contributions. Existing law currently prohibits these foreign contributions and expenditures if they are made in connection with state or local ballot measures.

FPPC Position: Support

Cost Estimate: Minor and absorbable

AB 775 (Berman and Lorena Gonzalez) – Recurring contributions.

Status: Amended on 6/17/21; Set for hearing in the Senate Committee on Elections and Constitutional Amendments on 7/12/21

Summary: AB 775 would require a candidate or committee to obtain affirmative consent from a person making a recurring contribution at the time of the initial contribution. The bill would also require a candidate or committee that accepts a recurring contribution to provide a receipt for each contribution, to provide information necessary to cancel the recurring contribution, and to immediately cancel a recurring contribution upon request.

Cost Estimate: Pending

SB 459 (Allen) – Lobbying transparency.

Status: Amended (6/23/21); Passed in the Assembly Committee on Elections on 6/30/21 (6-0)
Coauthors: Senators Cortese, Glazer, and Newman; Assembly Member Mullin

Summary: SB 459 would add to the lobbying reporting requirements and impose new requirements relating to issue lobbying advertisements. A more detailed summary will be provided pending the formal adoption of amendments described in the Assembly Elections Committee analysis.

Cost Estimate: Pending

SB 752 (Allen) – Campaign advertisements.

Status: Amended (6/23/21); Passed in the Assembly Committee on Elections on 6/30/21 (6-0)
Principal coauthors: Senator Stern; Assembly Member Cervantes
Coauthors: Senators Cortese, Glazer, and Gonzalez

Summary: SB 752 would make several changes to the disclosure requirements for political advertisements, including changes to the required form, content, and presentation of the disclosures depending on the medium in which the advertisement appears. The bill would revise the minimum contribution thresholds for the “top contributor” advertisement disclosure. The bill would also make changes in the Elections Code relating to initiative, referendum, and recall petitions.

Cost Estimate: FPPC – Enforcement: 1 new position (Attorney)

Bills Unlikely to Move Forward This Year

AB 20 (Lee and Kalra) – Contribution prohibitions: business entities.

Status: Heard in the Assembly Committee on Elections on 4/29/21; held without recommendation

AB 40 (Lorena Gonzalez) – Slate mailer disclosures.

Status: Ordered to the inactive file at the request of the author (6/3/21)

AB 227 (Davies) – Contribution prohibitions: Governor’s appointees.

Status: Set for hearing in the Assembly Committee on Elections on 4/15/21; hearing cancelled at the request of the author

AB 236 (Berman) – Campaign disclosure: limited liability companies.

Status: Ordered to the inactive file at the request of the author (6/3/21)

AB 975 (Luz Rivas) – SEI electronic filing and gift rules.

Status: Ordered to the inactive file at the request of the author (6/1/21)

SB 305 (Jones) – Effective date of electronic filing requirements.

Status: Heard in the Senate Appropriations Committee on 5/20/21; held in committee and under submission

AB 871 (Kiley) – Contribution prohibitions: investor-owned utilities.

Status: Heard in the Assembly Committee on Elections on 4/15/21; held without recommendation

AB 1379 (Eduardo Garcia) – Online platform disclosures.

Status: Amended and Re-referred to the Assembly Committee on Elections (4/13/21)

SB 78 (Nielsen) – Paid campaign or political consultants.

Status: Set for hearing on 3/15/21; hearing cancelled at the request of the author