



STATE OF CALIFORNIA
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To: Chair Miadich and Commissioner Baker
From: Lindsey Nakano, Sr. Legislative Counsel
Subject: **Legislative Update – August 2022**
Date: August 3, 2022

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1. General Update

- The Legislature reconvened from Summer Recess on August 1.
- Staff continues to work with legislative offices and stakeholders on various Commission-related bills to provide feedback consistent with Commission direction and technical assistance. Staff also continues to seek bipartisan support on Commission legislation.

2. Upcoming Legislative Deadlines

- Aug. 12 – Last day for fiscal committees to meet and report bills
- Aug. 25 – Last day to amend bills on the floor
- Aug. 31 – Last day for each house to pass bills
- Sept. 30 – Last day for the Governor to sign or veto bills

3. FPPC Priority Legislation

Updates

- AB 1798 (Bryan) was amended to resolve the technical conflict resulting from both this bill and SB 1360 amending Sec. 84504.3.

Status and Summaries

- [AB 775 \(Berman\)](#) – Recurring contributions.
Status: On the inactive file; expected amendments in early August

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 require a candidate or committee that accepts a recurring contribution to provide a receipt for each contribution, provide information necessary to cancel the recurring contribution, and immediately cancel a recurring contribution upon request.

FPPC Cost: Minor and absorbable

FPPC Position: Support (Sponsor)

- [AB 1798 \(Bryan\)](#) – Campaign disclosure: advertisements.
Status: Amended 8/1/22; on third reading

Summary:

AB 1798 makes a minor change to an advertisement disclaimer law to allow certain committees to include the full required disclaimer on the ad itself, instead of requiring that the ad include only a hyperlink to the full disclaimer.

FPPC Cost: Minor and absorbable

FPPC Position: Support (Sponsor)

- [AB 2172 \(Cervantes\)](#) – Paper filings with SOS.
Status: On suspense in the Senate Appropriations Committee

Summary:

AB 2172 would allow a person to file the paper copy of their report or statement with the SOS instead by email with a digital signature. For a person that opts to file by paper, the bill eliminates the requirement that the person must submit two duplicate paper copies to the SOS, and instead requires only one paper copy.

FPPC Cost: \$124,825 (first year) and \$117,825 (ongoing annually)

- 1 Political Reform Consultant (Legal)

FPPC Position: Support (Sponsor)

4. Other Commission-Related Bills

Updates

- AB 2528 (Bigelow) was amended to make clarifying amendments requested by SOS.
- SB 459 (Allen), a bill first introduced in 2021, was heard in the Senate Appropriations Committee on 8/3/22 and was placed on the suspense file.
- SB 1352 (Allen), SB 1360 (Umberg), and SB 1439 (Glazer) placed on the suspense file in the Assembly Appropriations Committee on 8/3/22.

Status and Summaries

- [AB 975 \(Luz Rivas\)](#) – Statements of economic interests and reimbursement for gifts.
Status: On third reading

Summary:

AB 975 would require certain public officials to file statements of economic interests using the Commission's electronic filing system and would revise and recast other provisions relating to those statements.

The bill would also extend the time that an official may return, donate, or pay reimbursement for a gift from 30 days from the date of receipt of the gift to 30 days from the end of the calendar quarter in which the gift was received, and would codify related regulations. The bill would reduce the amount of time in which lobbyists, lobbying firms, and lobbyist employers must provide a beneficiary of a gift certain information about that gift from 30 days to 15 days following the end of each calendar quarter in which the gift was provided.

The bill would also permit a filing officer to retain a report or statement filed in a paper format as a copy on microfilm or other space-saving materials or as an electronic copy, as specified, without first retaining the report or statement on paper for two years.

FPPC Cost: Minor and absorbable

FPPC Position: No position

- [AB 1783](#) (**Levine**) – Lobbying: administrative actions.
Status: On suspense in the Senate Appropriations Committee

Summary:

AB 1783 would expand the definition of “administrative action” to additionally include any decision or approval pursuant to Section 1215.2 of the Insurance Code or Section 1399.65 of the Health and Safety Code, which govern the review and approval of the following:

- Proposed mergers, consolidations, and acquisitions of health care service plans that are subject to the approval of the Director of the Department of Managed Health Care, as specified.
- Purchases, exchanges, mergers, and acquisitions of domestic insurers that are subject to the approval of the Insurance Commissioner, as specified.

FPPC Cost: Minor and absorbable

FPPC Position: Support

- [AB 2158](#) (**Mike Fong**) – Local agency ethics trainings: school districts, county offices of education, and charter schools.
Status: On suspense in the Senate Appropriations Committee

Summary:

AB 2158 adds school districts, county offices of education, and charter schools to the definition of “local agency” for purposes of the state’s local agency ethics training requirements, and would impose the ethics training requirements on a member of the governing board of a school district, a county board of education, or the governing body of a charter school, regardless of whether the member receives any type of compensation for expenses incurred in the performance of official duties.

FPPC Cost: \$125,556 (first year); \$118,556 (ongoing annually)

- 1 Information Technology Associate

FPPC Position: Support

- [AB 2528](#) (**Bigelow**) – Cal-Access: local candidates and elected officers.
Status: Amended 8/1/22; set for hearing in the Senate Appropriations Committee on 8/8/22

Summary:

AB 2528 requires an elected local government officer or candidate for elective local government office who has campaign contributions of \$15,000 or more and who is not

currently required to file with the SOS to file with the SOS through their online filing and disclosure system, in addition to filing with whoever the statement or document is currently filed with under the PRA, such as the elected officer's local filing officer.

The bill requires the SOS, by the January 1st after the SOS certifies the new online filing system, to submit a report to the Legislature that specifies the changes to the online filing system needed to accommodate the local filings described in the bill. The bill requires the SOS to consult with the FPPC and the Department of Technology in preparing this report.

The bill would require local candidates and officers to begin filing online with SOS on the January 1st following the date that the SOS certifies that the necessary changes to the online filing system have been made.

FPPC Cost: Minor and absorbable

FPPC Position: Support

- **[SB 459 \(Allen\)](#)** – Lobbying transparency.

Status: On suspense in the Senate Appropriations Committee

Coauthors: Senators Cortese, Glazer, and Newman; Assembly Member Mullin

Summary: SB 459 would require lobbyists, lobbying firms, and lobbyist employers to include information in their quarterly periodic reports that identifies each bill or administrative action subject to lobbying activity, the respective position advocated for, and each bill or administrative action for which issue lobbying advertisements, as defined, were issued. The bill would require a lobbyist employer to file a new 24-hour report if it retains a lobbying firm to influence legislative action during the 60-day period before the Legislature is scheduled to adjourn in a calendar year, and would require, during that same period, a supplemental 24-hour report to be filed within 24 hours of engaging in direct communication with specified officials for the purpose of influencing legislative action. The bill would impose new requirements relating to issue lobbying advertisement and would require a lobbyist employer to file specified reports within 72-hours of incurring costs \$5,000 or more for issue lobbying advertisements within a calendar quarter.

FPPC Cost (2021 analysis): 387,000 (first year); \$336,000 (ongoing), plus additional potential litigation costs (\$120,00-\$200,000)

- 2 Political Reform Consultants and 1 Commission Counsel

FPPC Position: No position

- **[SB 746 \(Skinner\)](#)** – Business entity communications for political purposes.

Status: Amended on 5/10/22; passed in the Assembly Elections Committee on 6/29/22 (7-0); set for hearing in the Assembly Appropriations Committee on 8/10/22

Summary:

SB 746 would require that compensation paid by a business entity for disseminating communications made for a political purpose be a contribution or expenditure under the Act. The bill would provide that the 10% threshold in regulation does not apply, which requires compensation to be considered a contribution if the employee spends more than 10% of compensated time in any one month rendering services for political purposes.

FPPC Cost: Pending

FPPF Position: No position

- **SB 794 (Glazer)** – Excessive contributions.
Status: Amended on 6/14/22; passed in the Assembly Elections Committee on 6/29/22 (7-0); amended on 6/30/22

Summary:

SB 794 would authorize a committee that receives a contribution with actual knowledge that the contribution is over the applicable contribution limit in the PRA to accept the contribution and return the portion in excess within 72 hours of receipt or before the date of the election, whichever is sooner. The bill would prohibit a committee from using the excessive contribution prior to returning it and would cap the amount of a contribution that may be accepted pursuant to this bill at twice the applicable limit.

The bill also codifies an existing regulation allowing return of contributions within 14 days if the committee does not have actual knowledge that the contribution exceeds the applicable contribution limit.

FPPC Cost: \$ 283,661(first year); \$ 269,661 (ongoing annually)

- 1 Staff Services Management Auditor
- 1 Commission Counsel (Enforcement)

FPPF Position: No position

- **SB 1352 (Allen)** – Campaign reporting.
Status: On suspense in the Assembly Appropriations Committee

Summary:

SB 1352 would require candidates and committees to file a third pre-election statement no later than 70 days before the election, for the period ending 75 days before the election. Currently, pre-election statements are filed for the periods ending 45 days before the election and 17 days before the election.

FPPC Cost: \$420,078 (first year) and \$399,078 (ongoing annually)

- 2 Political Reform Consultants (Legal and Enforcement)
- 1 FPPC Counsel (Enforcement)

FPPC Position: No position

- **SB 1360 (Umberg and Allen)** – Advertisement disclosures.
Status: On suspense in the Assembly Appropriations Committee
Principal Coauthors: Senator Stern and Assembly Members Cervantes, Mullin, Muratsuchi, and Santiago
Coauthors: Senator Becker and Assembly Member Gabriel

Summary:

SB 1360 would make 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, including:

- Formatting changes to the disclosures required on a campaign advertisement disseminated as a video.
- Changes to the disclosures required on an electronic media advertisement that is a graphic or an image.
- Permitting, for electronic media advertisements and video advertisements disseminated over the internet, the shortening of a committee's name, as specified.
- Prohibiting any text or images, other than text or images required by law, from being included in a campaign advertisement's disclosure area.

This bill would also make changes in the Elections Code relating to initiative, referendum, and recall petitions.

FPPC Cost: \$170,428 (first year); \$163,428 (ongoing annually)

- 1 Commission Counsel (Enforcement)

FPPC Position: Support for provisions of the bill amending the PRA, and no position on provisions amending the Elections Code

- **SB 1439 (Glazer)** – Contributions to local government agency officers: disqualification.
Status: On suspense in the Assembly Appropriations Committee
Coauthor: Senators Gonzalez, Portantino, and Wilk

Summary:

Existing law under the Act prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party, participant, or a party or participant's agent, while a proceeding involving a license, permit, or other entitlement

for use is pending before the agency and for 3 months following the date a final decision is rendered in the proceeding, if the officer knows or has reasons to know that the participant has financial interest, as defined. The Act also prohibits a party, participant, or participant's agent from making a contribution of more than \$250 to an officer of the agency during the proceeding and 3 months following the date of the final decision. The Act exempts certain entities from these requirements, including local government agencies whose members are directly elected by the voters.

SB 1439 would remove that exception for local government agencies, thereby subjecting them to the prohibition described above.

The bill would additionally:

- Apply the contribution limits above to contributions from a spouse of a party if the contribution was made from a joint account.
- Extend the prohibition on contributions from 3 to 12 months following the date a final decision is rendered in the proceeding.
- Allow an officer to cure a violation for an improper contribution accepted after the proceeding by returning the contribution within 14 days, if the acceptance was not knowing and willful.

FPPC Cost: \$465,681 (first year); \$444,681 (ongoing annually)

- 2 Commission Counsels (Legal and Enforcement), and 1 Political Reform Consultant (Enforcement)

FPPC Position: Support

Dead Bills

- [AB 1693](#) (Seyarto) – Contribution limits: recall elections: elected state officers.
- [AB 1819](#) (Lee) – Contribution prohibition: foreign-influenced business entities.
- [AB 2544](#) (Mayes) – PRA spot bill.
- [SB 921](#) (Newman) – Digital Advertisement Transparency and Accountability Act.
- [SB 1362](#) (Melendez) – Citizens Redistricting Commission.
- [SB 1483](#) (Glazer) – Political Reform Education Program (PREP).