

**Meeting Minutes
Fair Political Practices Commission
Law and Policy Committee Meeting
February 8, 2022 10:00 a.m.**

The Law and Policy Committee meeting convened at 10:00 a.m.

1. Public Comment for Items not on Agenda.

2. Approval of October 12, 2021 minutes.

MOTION: To approve October 12, 2021 minutes. Moved by Commissioner Baker; seconded by Chair Miadich. The motion passed 2-0.

3. Legislative Update

Lindsey Nakano, Senior Legislative Counsel, updated the Committee that the Legislature has reconvened on and is in the bill introduction phase of the year. Only one major update relating to the election's committees. Assemblymember Isaac Bryan is the new chair of the Assembly Elections Committee replacing Assemblymember Marc Berman.

Ms. Nakano confirmed with Assemblymember Berman's office that AB775 will continue as a two-year bill. The Commission's interest to see this bill move quickly has also been discussed with the Assemblymember's office that it be pushed forward with an urgency clause, so it can be implemented as soon as possible

Senator Newman agreed to author the proposal to create a state archive for digital campaigns ads in SB 921. Assemblymember Bryan also agreed to author the proposal to make a minor change to the digital ad disclaimer requirements in AB 1798.

The Commission has approved legislative ideas relating to lobbying reports and audits for purposes of increased transparency. There was stakeholder feedback concerning the increased burdens on lobbying entities and seems to be a challenging proposal to move forward.

Staff reached out to stakeholders regarding proposals in increasing transparency around and access to committee bank records for audits and investigations. There are concerns that new duties to how bank accounts are managed and can interfere for committee's organizational rules for over who is

authorized on committee's bank account. There was an alternate proposal that essentially authorizes a candidate to access their committee's bank account records and turn them over even if they are not an authorized user of the bank account records. It also allows for the candidate or other committee officer to receive a notice to customer before being issued a subpoena for bank account records.

There was an update on the proposal that would give FPPC Special Investigators access to criminal history information. After discussion with the Attorney General's office there are federal limitations on the release of criminal history information, it would prevent the ability to obtain this authority through state legislation. The proposal will no longer be moving forward.

Ms. Nakano also discussed two new legislative ideas. The first new proposal relates to the Diversion Program that was approved by the Commission last January and Staff will be providing an update at the full Commission meeting. The Diversion Program will allow for the education of respondents who have little to no experience with the Political Reform Act, and who commit minor violations. The legislative proposal will codify the Diversion Program and give the Commission authority to collect a small fee from the participants to offset the costs of the program to the state and seek funding from the budget.

Chair Miadich wanted clarification on some significant costs that was associated with the creation of the Diversion Program as well as ongoing costs, and if this legislative proposal addresses those costs.

Ms. Nakano responded that this proposal would allow the committee to have a sustained funding source to ensure that the Commission can continue the program for the long term.

Commissioner Baker wanted clarification on the amount of the fees for participating in the Diversion Program. Ms. Nakano responded that clarification on the fee amount will be discussed in the Commission meeting next week, and the estimated fee amount will be around \$50-\$150.

Ms. Nakano discussed the second new proposal relating to electronic signatures and electronic filing. Currently, the Political Reform Act requires that certain statements filed under the act electronically must be followed up by a paper copy, a dual filing requirement. This proposal would allow an

electronic filing that is signed within a secure electronic signature as defined in regulation to be the original filing, and a paper copy will not be required. This is due to the changing times of businesses and filers moving towards electronic filings.

Commissioner Baker inquired if there are potential authors for the proposal. Ms. Nakano stated she expects this will be a popular idea, but there are no potential authors at this time.

AB 975 was moved forward as a two-year bill, as it relates to the electronic filing of statements of economic interests, as well as expands the time to make reimbursements for gifts as admission to invitation only events.

AB 1693 was introduced by Assemblymember Sayarto on January 25th. This bill extends the Act's contribution limits to campaign contributions to oppose a recall.

AB 1819 was introduced yesterday by Assemblymember Lee. This bill will extend the foreign contributions prohibition to foreign influenced business entities and the bill defines that term.

Commissioner Baker inquired if AB 975 is like last year's attempt with the same time frame for gifts to extend to. Ms. Nakano responded that there are no amendments to the bill so far and was passed in the first house in January.

Commissioner Baker also asked if there are recall related bills that are on the Commission's radar.

Ms. Nakano responded that the election committee have conducted three or four joint hearings relating to recall matters. At this point, AB 1693 is the only recall related bill that is in the Political Reform Act and involves the Commission's subject areas.

4. Discussion of items for March 2022 Committee Meeting

MOTION: To adjourn. Moved by Chair Miadich, seconded by Commissioner Baker. The motion passed 2-0.

The meeting adjourned at 10:16 a.m.