



STATE OF CALIFORNIA
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To: Chair Miadich and Commissioner Baker
From: Lindsey Nakano, Sr. Legislative Counsel
Subject: **Legislative Update – May 2022**
Date: May 5, 2022

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1. General Update

- FPPC cost estimates have been added to this report for all FPPC-related bills, and recommended positions have been added for other Commission-related bills. At the Commission’s discretion, the Commission may vote to take a position on these bills.
- FPPC priority legislation is continuing to move through the legislative committee process. Staff is continuing to track developments and changes to all Commission-related legislation and is working on identifying costs. Staff is continuing to reach out to and work with interested parties, stakeholders, and other members of the Legislature, and seek bipartisan support on Commission legislation.

2. Upcoming Legislative Deadlines

- May 20 – Last day for fiscal committees to hear and report bills introduced in their house to the floor
- May 27 – Last day for each house to pass bills introduced in that house
- June 15 – Budget bill must be passed by midnight
- July 1 – Last day for policy committees to meet and report bills
- 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

- SB 921 (Newman) passed in the Senate Judiciary Committee 9-1 and was amended with minor committee amendments on 4/28/22.

Status and Summaries

- [AB 775 \(Berman\)](#) – Recurring contributions.

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: Passed in the Assembly Elections Committee on 3/23/22 (7-0); passed in the Assembly 65-0

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 the suspense file in the Assembly Appropriations Committee

Summary:

AB 2172 would eliminate duplicate paper filings under the Act for reports and statements required to be filed both by paper and electronically with the SOS. The bill would

provide that a report or statement filed online or electronically that is signed with a secure electronic signature is the original report or statement for audit and other legal purposes.

Note: SOS identified limitations within the current electronic filing system, including the inability to change or update forms that appear on Cal-Access. Due to these limitations, the bill will be amended to allow a person to file the paper copy of their report or statement with the SOS instead by email with a digital signature. This solution fulfills the underlying goal of this bill to relieve some of the burden on filers during the interim years before the new replacement online filing system is completed.

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

1 Political Reform Consultant (Legal)

FPPC Position: Support (Sponsor)

- **SB 921 (Newman)** – Digital Advertisement Transparency and Accountability Act (DATA Act).

Status: Passed in the Senate Judiciary Committee on 4/26/22 (9-1); amended 4/28/22; set for hearing in the Senate Appropriations Committee on 5/9/22.

Summary:

SB 921 would require an online platform, as defined, that disseminates committees' digital advertisements to submit to the commission a record of any digital advertisements disseminated on the online platform by a committee that purchased five hundred dollars \$500 or more in advertisements on the online platform during the preceding 12 months. The bill would require the record to include a copy of the ad and other specified information.

The bill would require the Commission to make that information available in a publicly accessible online format and to maintain the information for no less than 12 years from the date the information was submitted.

The bill would require the information to be available to the public in a user-friendly format that includes search capabilities, including filtering by various parameters, and the ability to download raw data.

FPPC Cost: \$336,031 - \$362,531 (first year); \$165,283 - \$190,033 (ongoing annually)

- 1 one-year limited term Information Technology Specialist I, and 1 Information Technology Associate

FPPC Position: Support (Sponsor)

- **SB 1483 (Glazer)** – Political Reform Education Program (PREP).
Status: On the suspense file in the Senate Appropriations Committee
Coauthor: Senator Ochoa Bogh

Summary:

SB 1483 would codify in statute the Commission’s Political Reform Education Program (PREP) for individuals who have a low-level of experience with the Act and who commit violations of the Act that have minimal public harm. The bill would authorize the Commission to collect a small fee from participants, which would be deposited in the General Fund, and would seek funding for the program through an appropriation in the budget.

The bill would require a filing officer to waive liability of the \$10 per day late filing fee for a person who successfully completes PREP for that late filing violation.

FPPC Cost: \$449,000 (first year); 436,000 (ongoing annually)

- Blackboard Costs – \$81,000 (first year); \$68,000 (ongoing annually)
- 3 positions - \$368,000 annually

FPPC Position: Support (Sponsor)

4. Other Commission-Related Bills

Updates

- AB 1783 (Levine) passed in the Assembly Elections Committee 6-0.
- AB 1819 (Lee) passed in the Assembly Elections Committee 4-1 and was amended on 5/2/22.
- AB 2158 (Mike Fong) passed in the Assembly Appropriations Committee 15-0.
- AB 2528 (Bigelow) passed in the Senate Elections Committee 6-0 and was amended on 5/3/22.
- SB 1352 (Allen) passed in the Senate Elections Committee 4-1.

Status and Summaries

- **AB 975 (Luz Rivas)** – Statements of economic interests and reimbursement for gifts. Status: Passed in the Assembly on 1/31/22 (72-0); referred to the Senate Elections Committee on 5/4/22

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 pay reimbursement for a gift of admission to an invitation-only event from 30 days from the date of receipt of the gift, which is 30 days from the date of attendance, 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.

FPPC Cost: Minor and absorbable

FPPC Position: Staff recommends Support if Amended

- **AB 1783 (Levine)** – Lobbying: administrative actions. Status: Passed in the Assembly Elections Committee on 4/27/22 (6-0); referred to the Assembly 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: Staff recommends Support

- **AB 1819** (Lee) – Contribution prohibition: foreign-influenced business entities.
Status: Passed in the Assembly Elections Committee on 4/27/22 (4-1); amended 5/2/22;
referred to the Assembly Appropriations Committee
Coauthors: Assembly Member Kalra and Senator Wieckowski

Summary:

AB 1819 would expand the foreign contribution prohibition to contributions, expenditures, or independent expenditures made by a foreign-influenced business entity, as defined, in connection with an election or ballot measure.

The bill would require a business entity to file a statement avowing that the entity was not a foreign-influenced business entity on the date that a contribution, expenditure, or independent expenditure was made.

The bill would prohibit a person from using funds received from a business entity for purposes of a contribution, expenditure, or independent expenditure in connection with a ballot measure or election unless the person receives a copy of the statement from the business entity.

FPPC Cost: \$426,605 (first year); \$405,605 (ongoing annually); plus approximately \$200,000 in potential litigation costs

- 1 Commission Counsel (Enforcement), 1 Special Investigator (Enforcement), and 1 Political Reform Consultant (Legal)

FPPC Position: Staff recommends Neutral/No Position

- **AB 2158** (Mike Fong) – Local agency ethics trainings: school districts, county offices of education, and charter schools.
Status: Passed in the Assembly Appropriations Committee on 4/27/22 (15-0)

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: Staff recommends Support

- **[AB 2528 \(Bigelow\)](#)** – Cal-Access: local candidates and elected officers.
Status: Passed in the Assembly Elections Committee on 4/27/22 (6-0); amended 5/3/22; referred to the Assembly Appropriations Committee

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: Staff recommends Support

- **[SB 1352 \(Allen\)](#)** – Reporting contributions.
Status: Passed in the Senate Elections Committee on 4/27/22 (4-1); set for hearing in the Senate Appropriations Committee on 5/9/22

Summary:

SB 1352 would require a candidate for elective state office and a committee primarily formed to support or oppose such a candidate, as specified, to file a report disclosing the receipt of a contribution of \$2,500 or more at any time prior to 90 days before an election, and to do so within 5 business days of receipt. Existing law requires reporting during this period of contributions of \$5,000 or more within 10 business days of receipt.

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

- 1 Commission Counsel (Enforcement)

FPPC Position: Staff recommends Support

- **SB 1360 (Umberg and Allen)** – Advertisement disclosures.
Status: On the suspense file in the Senate 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: Staff recommends Support for provisions of the bill amending the PRA, and Neutral/No Position on provisions amending the Elections Code

- **SB 1439 (Glazer)** – Contributions to local government agency officers: disqualification.
Status: On the suspense file in the Senate Appropriations Committee
Coauthor: Senator 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 or participant 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 unintentionally accepted after the proceeding by returning the contribution within 14 days.
- Requires a party to submit a statement before the hearing disclosing any contributions or intent to make a contribution to an agency officer.

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

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

FPPC Position: Staff recommends Support

Dead Bills

- [AB 1693](#) (Seyarto) – Contribution limits: recall elections: elected state officers.
- [AB 2544](#) (Mayes) – PRA spot bill.
- [SB 1362](#) (Melendez) – Citizens Redistricting Commission.