



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811
(916) 322-5660 • Fax (916) 322-0886

First Quarter Update

Campaign Reporting and Advertising Disclosure

Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning campaign reporting or advertising disclosure. To receive updates for all regulations before the Commission, please sign up for our [mailing list here](#).

Adoption

[Regulation 18531.63](#). Treatment of Debts Outstanding After a City or County Election for Offices Subject to AB 571– Prior to January 1, 2021

[Regulation 18531.64](#). Treatment of Debts Outstanding After a City or County Election

Amendment

[Regulation 18404.1](#). Termination and Reopening of Committees

[Regulation 18421.4](#). Reporting Cumulative Amounts for State, City, and County Elections and State, City, and County Recipient Committees

[Regulation 18421.8](#). Reporting an Expenditure by a Candidate Controlled General Purpose Ballot Measure Committee

[Regulation 18521](#). Establishment of Separate Controlled Committee for Each Campaign Account

[Regulation 18521.5](#). Ballot Measure Committees Controlled by Candidates for Elective State, City, or County Office

[Regulation 18523.1](#). Written Solicitation for Contributions

[Regulation 18530.2](#). Transfer of Funds Raised Prior to Proposition 34 and Assembly Bill 571 Limits

[Regulation 18530.8](#). Personal Loans

[Regulation 18531.2](#). Refunding General Election Contributions

[Regulation 18531.5](#). Recall Elections

[Regulation 18531.61](#). Treatment of Debts Outstanding After an Election

[Regulation 18535](#). Restrictions on Contributions Between Candidates

[Regulation 18536](#). Transfer and Attribution of Contributions

[Regulation 18537.1](#). Carry Over of Contributions

[Regulation 18545](#). Contribution Limit and Voluntary Expenditure Ceiling Amounts

[Regulation 18951](#). Surplus Funds, Defined

Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter concerning questions about campaign reporting or advertising disclosure. To receive the monthly report with all advice letters issued, please sign up for our [mailing list here](#).

Section 84308

Keith F. Collins

[A-20-138](#)

Members of a sanitation district do not have a conflict of interest under Section 87100 as a result of having received campaign contributions from labor organizations, as contributions constitute neither income nor gifts under the Act. Further, the members are not required to recuse themselves from a decision regarding a contract that will require union workers pursuant to a Community Workforce Agreement under the Act's pay-to-play provisions of Section 84308 because the contract will be competitively bid.

Teresita J. Sablan

[A-21-020](#)

Where permit decisions would not have a reasonably foreseeable and material financial effect on the interests of contributors to an appointed board member, the contributors do not meet the definition of a "participant" under Section 84308 and the board member need not disclose their contribution nor disqualify herself from the decision.

Campaign

Brian Burley

[A-20-156](#)

For City that has adopted local contribution limits pursuant to Section 85702.5, the Act's general intra-candidate transfer provisions under Section 85306 are inapplicable. Accordingly, the Act does not prohibit the transfer. However, the permissibility of such a transfer will depend on any federal restrictions as well as the City's local ordinances.

Frank Adomitis

[A-21-005](#)

If an organization engages in activity in California that qualifies it as a recipient committee, it must continue to file as a committee until termination. If the organization no longer engages in campaign activity, it may terminate if it: (1) has ceased to receive contributions and make expenditures and does not anticipate receiving contributions or making expenditures in the future; (2) has eliminated or has declared that it has no intention or ability to discharge all of its debts, loans received and other obligations; (3) has no surplus funds; and (4) has filed all required campaign statements disclosing all reportable transactions. A treasurer may withdraw through filing an amended Statement of Organization Form 410, or termination of the committee.

Commission Opinions

None

Enforcement Matters

The following are summaries of significant enforcement actions approved by the Commission in the past quarter involving violations of the Act's campaign reporting and advertising disclosure provisions. To receive a monthly report of all enforcement actions, please sign up for our [mailing list here](#).

Campaign Related Communications at Public Expense

[In the Matter of City of Fountain Valley; FPPC No. 16/20109](#). Staff: Ruth Yang, Senior Commission Counsel and Paul Rasey, Special Investigator. The respondent was represented by Colin Burns of Harper & Burns, LLP. The City of Fountain Valley failed to include an

advertisement disclosure statement in a magazine advertisement, in violation of Government Code Sections 84506, subdivision (a)(1), and 84507, and Regulation 18450.4, subdivision (b) (1 count); sent prohibited campaign related mass mailings at public expense, in violation of Government Code Section 89001 and Regulation 18901.1 (1 count); failed to timely file a 24-hour report, in violation of Government Code Section 84204 (1 count); and failed to timely file a semi-annual campaign statement, in violation of Government Code Section 84200, subdivision (b) (1 count). **Fine: \$18,000.**

Campaign Bank Account

In the Matter of Committee to Elect Dr. Kumar 4 BOS CCC District 4 - 2018, Committee to Elect Dr. Kumar for Assembly (District 14) 2016, Harmesh Kumar, and Alex Cardoso; FPPC Nos. 18/590 and 18/777.

Staff: Theresa Gilbertson, Senior Commission Counsel and Roone Petersen, Special Investigator. FPPC No. 18/777 concerning the 2016 Committee arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Harmesh Kumar was an unsuccessful candidate for Assembly District 14 and Contra Costa County Board of Supervisors in the June 2016 and June 2018 Primary Elections, respectively. Both committees were candidate-controlled, and Alex Cardoso was the treasurer for the 2016 Committee. The 2016 Committee, Kumar, and Cardoso failed to timely file a pre-election campaign statement, in violation of Government Code Sections 84200.5 and 84200.8 (1 count); failed to utilize one designated campaign bank account, in violation of Government Code Section 85201 (1 count); and accepted cash contributions and made payments in cash of more than \$100, in violation of Government Code Section 84300 (1 count). The 2018 Committee and Kumar failed to timely file a pre-election campaign statement, in violation of Government Code Sections 84200.5 and 84200.8 (1 count). **Fine: \$10,000.**

In the Matter of Kayla Jones for Seaside City Council 2016, Kayla Jones, and Ryan Gibson; FPPC No. 18/1090.

Staff: Ruth Yang, Senior Commission Counsel and Lance Hachigian, Special Investigator. Kayla Jones was an unsuccessful candidate for Mayor of Seaside in the November 6, 2018 General Election. Kayla Jones for Seaside City Council 2016 was her candidate-controlled committee. Ryan Gibson was the Committee's treasurer. The Committee, Jones, and Gibson failed to open a separate controlled committee and separate campaign bank account in connection with Jones's 2018 candidacy for Mayor, in violation of Government Code Sections 84101, 85201 and Regulation 18521 (1 count); failed to timely file three semi-annual campaign statements, in violation of Government Code Section 84200 (1 count); and failed to timely file two 24-hour reports, in violation of Government Code Section 84203 (1 count). **Fine: \$5,500.**

In the Matter of Re-Elect Liz Kniss for City Council 2016 and Liz Kniss; FPPC No. 17/114.

Staff: Bridgette Castillo, Senior Commission Counsel and Roone Petersen, Special Investigator. The respondents were represented by Gary Winuk of Kaufman Legal Group. Liz Kniss was a successful candidate for Palo Alto City Council in the November 8, 2016 General Election. Re-Elect Liz Kniss for City Council 2016 was her candidate-controlled committee. Tom Collins was the Committee treasurer. Collins passed away and is not named as a respondent. The Committee and Kniss failed to maintain the use of one campaign bank account, in violation of Government Code Section 85201 (1 count), and failed to timely disclose all required employers and/or occupations of contributors, in violation of Government Code Section 84211, subdivisions (f)(3) and (f)(4) (1 count). **Fine: \$4,500.**

Campaign Contribution Limits

In the Matter of Esau Herrera for Assembly 2016, Esau Herrera, and Rebecca Rivera; FPPC No. 17/849. Staff: Theresa Gilbertson, Senior Commission Counsel and Ann Flaherty, Special Investigator. Esau Herrera was an unsuccessful candidate for Assembly District 27 in the June 7, 2016 Primary Election. Esau Herrera for Assembly 2016 was his candidate-controlled committee. Rebecca Rivera was the Committee's treasurer. The Committee, Herrera, and Rivera failed to timely file a pre-election campaign statement and two semi-annual campaign statements, in violation of Government Code Sections 84200.5 and 84200 (1 count). Additionally, the Committee, Herrera, and Rivera accepted an over the limit contribution, in violation of Government Code Section 85301, subdivision (a) and Regulation 18545, subdivision (c) (1 count). **Fine: \$5,000.**

Campaign Late Filer

In the Matter of Committee to Elect Doug Husen for Corona City Council 2018, Doug Husen, and Maureen Husen; FPPC No. 18/1340. Staff: Jenna C. Rinehart, Commission Counsel. The respondents were represented by Brad J. Husen of the Law Offices of Brad Husen. Doug Husen was an unsuccessful candidate for Corona City Council, District 4, in the November 6, 2018 General Election. Committee to Elect Doug Husen for Corona City Council 2018 was his candidate-controlled committee. Maureen Husen was the Committee's treasurer. The Committee, Husen, and Husen failed to timely file a preelection campaign statement and a semi-annual campaign statement, in violation of Government Code Sections 84200, 84200.5, and 84200.8 (1 count) and failed to timely file seven 24-hour reports, in violation of Government Code Section 84203 (1 count). **Fine: \$4,500.**

In the Matter of Keith Carson for Alameda County Supervisor-2016, Keith Carson, and Miguel Dwin; FPPC No. 19/673. Staff: Jenna C. Rinehart, Commission Counsel. Keith Carson was a successful candidate for Alameda County Supervisor, District 5, in the June 7, 2016 Primary Election. Keith Carson for Alameda County Supervisor-2016 is his candidate-controlled committee. Miguel Dwin is the Committee's treasurer. The Committee, Carson, and Dwin failed to timely file two preelection campaign statements, in violation of Government Code Sections 84200.5 and 84200.8 (1 count) and failed to timely file four 24-hour reports, in violation of Government Code Section 84203 (1 count). **Fine: \$4,000.**

In the Matter of Friends of Los Banos – Yes on H, Brenda Geary, Mason Hurley, and Gary Brizzee; FPPC No. 18/991. Staff: Jenna C. Rinehart, Commission Counsel. Friends of Los Banos – Yes on H was a local ballot measure committee primarily formed to support the approval of Measure H, a sales tax measure on the November 6, 2018 General Election ballot. Gary Brizzee was the Committee's principal officer. Brenda Geary was the Committee's treasurer, and Mason Hurley was the Committee's assistant treasurer, responsible for completing and filing the Committee's campaign statements and reports. The Committee, Brizzee, Geary, and Hurley failed to timely file seven 24-hour reports, in violation of Government Code Section 84203 (1 count). **Fine: \$3,000.**

Campaign Reporting

In the Matter of Judge Mike Cummins for District Attorney 2018, Judge Mike Cummins, and Melissa Cummins; FPPC No. 18/330. Staff: Jenna C. Rinehart, Commission Counsel and Lance Hachigian, Special Investigator. Judge Mike Cummins was an unsuccessful candidate for

San Luis Obispo County District Attorney in the June 5, 2018 Primary Election. Judge Mike Cummins for District Attorney 2018 was his candidate-controlled committee. Melissa Cummins was the Committee's treasurer. The Committee, Cummins, and Cummins failed to timely disclose subvendor payments for expenditures, in violation of Government Code Sections 84303 and 84211 (2 counts). **Fine: \$3,000.**

Legislation

Commission-Sponsored Bills

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

Status: Amended (3/10/21); Re-referred to the Assembly Committee on Elections (3/11/21)
Coauthor: Assembly Member Kalra

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

Status: Introduced (2/19/21); Referred to the Senate Committee on Elections and Constitutional Amendments (3/3/21)

Summary: Both AB 236 and 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. Both bills 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 \$1,000 to the LLC after it qualified as a committee or sponsor of a committee, or within the 2 calendar years before it qualified. The bills would also codify Regulation 18421.10 on reporting contributions from LLCs, and the portion of Regulation 18402.2 relating to disclosure of an LLC's responsible officer on committee statements and reports.

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

Status: Amended (3/11/21); Re-referred to the Assembly Committee on Elections (3/15/21)

Summary: AB 1367 would (1) require recipient committees to maintain a single bank account into which all contributions must be deposited, and from which all expenditures must be made, and (2) would increase penalties for egregious personal use of campaign funds to three times the amount of the unlawful expenditure.

Other Commission Related Bills

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

Status: Amended and Re-referred to the Assembly Committee on Elections (3/2/21)
Coauthors: Assembly Member McCarty; Senator Allen

Summary: AB 20, titled the "Corporate-Free Elections Act," would prohibit a candidate for elective office from receiving a contribution from a business entity, and would prohibit a business entity from accepting those contributions.

AB 40 (Lorena Gonzalez) – Slate mailer disclosures.

Status: Referred to the Assembly Committee on Elections (1/11/21)

Summary: AB 40 would require slate mailers to include additional disclosures, including the number of members who make up the slate mailer organization or committee and the total amount paid by each candidate and ballot measure to appear on the slate mailer. The bill would additionally delete a requirement relating to the maximum font size of an asterisk required when a candidate or ballot measure has paid to appear on the slate mailer.

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

Status: Referred to the Assembly Committee on Elections (1/28/21)

Summary: AB 227 would prohibit a Governor’s appointee, a person residing in the appointee’s household, or another person at the request or demand of the appointee or a person residing in their household, during the term of the appointment and for one year after the term expires, from making a monetary contribution to the Governor’s campaign, or to a committee organized to benefit the Governor’s campaign. The bill would additionally require a prospective Governor’s appointee, if they or a member of their household made a contribution to the Governor’s campaign or committee within one year prior to the appointment, to, upon notice of the intended appointment, immediately disclose the contribution, and would prohibit the appointment unless the Governor or the committee refunds the contribution.

AB 319 (Valladares) – Campaign contributions: ~~legal defense fund limits and foreign contribution prohibitions.~~

Status: Amended (3/11/21); Re-referred to the Assembly Committee on Elections (3/15/21)

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. Note: existing law currently prohibits these foreign contributions and expenditures if they are made in connection with state or local ballot measures.

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

Status: Referred to the Assembly Committee on Elections (2/25/21)

Summary: The bill would prohibit an investor-owned utility from making a contribution to a candidate for elective state office and would prohibit the acceptance of that contribution.

AB 1379 (Eduardo Garcia) – Online platform disclosures.

Status: Introduced (2/19/21); Referred to the Assembly Committee on Elections and the Assembly Committee on Judiciary (3/11/21)

Summary: AB 1379 would amend the Political Reform Act to require an online platform to maintain and make available for online public inspection a description of the audience requested by the committee and the types of personal information, as defined, used by the online platform to target the advertisement, including use by the online platform of characteristics such as age, gender, race, or other protected classifications under law. The bill would require a specified officer of the online platform to personally certify, under penalty of perjury, that to their knowledge the online platform has correctly disclosed all activity under this law.

The bill would also amend the Elections Code to prohibit, until January 1, 2025, a committee from distributing, with actual malice, a false material statement of fact relating to a candidate or measure with the intent to deceive a voter into voting for or against the candidate or measure within 60 days of the election.

SB 752 (Allen) – Campaign advertisements.

Status: Amended (3/10/21)

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.