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To: Chair Miadich, Commissioners Baker, Cardenas, Wilson, and Wood
From: Lindsey Nakano, Legislative Counsel
Subject: Legislative Update – March 2021
Date: March 4, 2021; Updated March 16, 2021 (updates highlighted)

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General Update

As of the date of this update, there are three Commission-sponsored bills active this session. Staff is continuing to reach out to and work with Members of the Legislature and interested parties on other Commission-sponsored proposals.

Committee Membership Update

[Senator Sydney Kamlager](#) (Los Angeles) has filled the vacant seat on the [Senate Budget Subcommittee No. 4 on State Administration and General Government](#).

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

Updates

- AB 20 (Lee and Kalra) – Amended 3/1/21 to delete language stating the intent to enact legislation to create a public financing system for elections within the state, and to rename the act the “Corporate-Free Elections Act.”
- AB 319 (Valladares) – Amended 3/11/21 to delete the portion of the bill relating to legal defense funds.
- AB 378 (Bauer-Kahan) – Amended 3/8/21 to remove gendered language from the Political Reform Act.
- AB 975 (Luz Rivas) – Introduced 2/18/21
- AB 1379 (Eduardo Garcia) – Introduced 2/19/21
- AB 1524 (O’Donnell) – Introduced 2/19/21
- SB 78 (Nielsen) – Amended 2/26/21 to delete the contents of the bill and to add new language, as described in the summary below.
- SB 79 (Nielsen) – Amended 3/7/21 to delete the contents of the bill and add new language unrelated to the Political Reform Act.
- SB 459 (Allen) – Amended 3/10/21 to delete the contents of the bill and add new language relating to lobbyist reports and advertisements.
- SB 752 (Allen) – Amended 3/10/21 to delete the contents of the bill and add new language relating to, in relevant part, campaign advertisements.

Status and Summaries

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 ~~extend the contribution limits imposed pursuant to the Act to contributions to the legal defense funds of candidates for elective office or elected officers, which are currently exempt from those limits.~~ The bill would also 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 378 (Bauer-Kahan) – Gendered language cleanup

Status: Amended and Re-referred to the Assembly Committee on the Judiciary (3/8/21)

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, Limón, Skinner, and Wiener.

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

Recommended position: Support.

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

Status: Introduced (2/19/21)

Summary: The bill would revise and recast provisions relating to statements of economic interests, including by requiring certain public officials to file those statements using the Commission’s electronic filing system. The bill would also extend the time that a gift of admission to an invitation-only event may be returned, reimbursed, or donated from 30 days from receipt of the gift to 30 days from the end of the calendar quarter in which the gift was received, and would codify existing regulations relating to returning, reimbursing, or donating gifts. 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.

AB 1367 (Low) – Political Reform Act (spot bill).

Status: Introduced (2/19/21)

Summary: AB 1367 is a nonsubstantive spot bill relating to the Political Reform Act.

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.

AB 1524 (O'Donnell) – Conflicts of interest (spot bill).

Status: Introduced (2/19/21)

Summary: AB 1524 is a nonsubstantive intent bill relating to conflicts of interest.

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

Status: Set for hearing on 3/15/21; **hearing cancelled at the request of the author (3/11/21)**

Summary: SB 78 would prohibit a lobbyist from serving as a paid campaign or political consultant to an elected state officer. The bill would also prohibit a paid campaign or political consultant to any elected state officer from directly communicating on behalf of a client with any elected state officer, any employee of an elective state office, or any state agency for the purpose of influencing legislative or administrative action.

SB 79 (Nielsen) – Political Reform Act (spot bill).

Status: Referred to the Senate Committee on Rules (1/28/21)

Summary: SB 79 is a nonsubstantive spot bill in the Political Reform Act.

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

Status: **Heard in the Senate Elections Committee; Passed (5-0); Referred to Committee on Appropriations (3/15/21)**

Summary: SB 305 would change the effective date of certain provisions requiring electronic filing of specified statements and reports under the Act from the date that the Secretary of State certifies the CAL-ACCESS replacement system to the effective date of the bill, which, as an urgency bill, would take effect immediately. The bill would apply to the statements of organization filed by recipient committees and slate mailer organizations, and the statements, reports, and other documents of committees and other persons not currently required to file electronically. The bill would also require the registration statements of lobbying firms, lobbyist employers, and lobbying coalitions to be filed only electronically, instead of both electronically and in paper form.

SB 459 (Allen) – Lobbying transparency.

Status: **Amended (3/10/21)**

Summary: **SB 459 would require lobbyists, lobbying firms, and lobbyist employers to include information in their periodic reports that identifies each bill or administrative action subject to lobbying activity, and the respective position advocated for, during that period. This bill would require a lobbying firm or lobbyist employer to file a monthly report for any calendar month in which the total amount of payments subject to reporting exceeds \$15,000, and would require a lobbying firm or lobbyist employer to file monthly**

reports for 12 months following any calendar quarter in which the total amount of payments subject to reporting exceeds \$45,000. The bill would require certain persons to file specified reports following a calendar quarter in which that person incurs cumulative costs equal to or exceeding \$5,000 for issue lobbying advertisements. The bill defines “issue lobbying advertisement” for its purposes to mean certain communications paid for by

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.