



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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**To:** Chair Miadich, Commissioners Baker, Cardenas, Wilson, and Wood

**From:** Lindsey Nakano, Legislative Counsel

**Subject:** **Legislative Update – May 2021**

**Date:** May 10, 2021; Updated May 19, 2021 (updates highlighted)

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- General update
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## General Update

As of the date of this report, staff has secured authors for four legislative proposals previously approved by the Commission as priority legislation for 2021.

Staff is continuing to advocate for the Commission’s priority legislation, track and analyze other Commission-related bills, and express the Commission’s preference for bipartisan support on bills for which the Commission has adopted a “support” or “sponsor” position.

## Upcoming Legislative Deadlines

- May 21 – Last day for fiscal committees to meet and report to the Floor bills introduced in their house
- June 4 – Last day for bills to be passed out of the house of origin
- June 15 – Budget bill must be passed by midnight
- July 14 – Last day for policy committees to meet and report bills
- Aug. 27 – Last day for fiscal committees to meet and report bills to the Floor
- Sept. 3 – Last day to amend bills
- Sept. 10 – Last day for each house to pass bills
- Oct. 10 – Last day for Governor to sign or veto bills

## FPPC Priority Legislation

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

Status: Heard in the Assembly Committee on Elections on 4/15/21 (Passed 5-1); Heard in the Assembly Appropriations Committee on 4/28/21 (Passed 12-4)

Coauthors: Assembly Members Kalra and Bennett

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

Status: Heard in the Senate Committee on Elections and Constitutional Amendments on

4/12/21 (Passed 4-1); Placed on the Senate Appropriations Committee suspense file on 5/3/21; **Set for hearing 5/20/21**

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.

FPPC Position: Sponsor

Cost Estimate: FPPC – 1 Special Investigator: \$126,000 (first year); \$119,000 (ongoing); SOS – One-time cost of \$561,000; \$121,000 (ongoing)

**AB 378 (Bauer-Kahan) – Gendered language cleanup.**

Status: Passed in the Assembly on 4/26/21 (74-0); **Referred to the Senate Committee on Judiciary (5/12/21)**

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, Laird, Limón, Skinner, and Wiener.

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

FPPC Position: Support

Cost Estimate: Minor and absorbable

**AB 1367 (Low) – Campaign funds: egregious personal use of campaign funds.**

Status: Heard in the Assembly Committee on Elections on 4/15/21 (Passed on consent 7-0); Heard in the Assembly Appropriations Committee on 5/5/21 (**Passed 16-0**)

Summary: AB 1367 would increase penalties for egregious personal use of campaign funds to three times the amount of the unlawful expenditure.

FPPC Position: Sponsor

Cost Estimate: Minor and absorbable

**AB 1590 (Committee on Elections (Assembly Members Berman (Chair), Bennett, Low, Mayes, Mullin, and Blanca Rubio) – PRA omnibus bill.**

Status: Heard in the Assembly Committee on Elections on 4/29/21 (Passed 6-0); **Passed in the Assembly on 5/17/21 (63-0)**

Summary: AB 1590 transfers the responsibility for collecting the \$150 penalty for failure to pay the annual \$50 committee fee from the FPPC to the Secretary of State. Under existing law, the SOS is responsible for collecting the original \$50 fee, and referrals for nonpayment are sent to the FPPC. AB 1590 also makes other nonsubstantive changes to the PRA.

FPPC Position: Support

Cost Estimate: Minor and absorbable

#### **Remaining FPPC proposals that do not have authors:**

- Proposals relating to enforcement:
  - o FPPC Special Investigator Authority
  - o Tax Record Inspection Authority
- Proposals relating to increasing transparency:
  - o Lobbyist Audits and Reports
- Proposals for modernization, efficiency, and consistency:
  - o Gift Cap
  - o Behested Payment Report E-filing

#### **Other Commission-Related Bills**

##### **Updates**

- AB 1524 (O'Donnell) was amended on 4/19/21 and no longer relates to the FPPC.
- AB 975 (Luz Rivas) was amended on 5/18/21 with technical amendments requested by Commission staff.
- New section added for bills unlikely to move forward this year.

##### **Status and Summaries of Active Bills**

###### **AB 40 (Lorena Gonzalez) – Slate mailer disclosures.**

Status: Heard in the Assembly Committee on Elections on 4/15/21 (Passed 5-0); Heard in the Assembly Appropriations Committee on 4/28/21 (Passed 12-0)

Summary: AB 40 would require slate mailers, if the slate mailer organization appears to be affiliated with or represent any organization, group, or class of individuals, as defined, to include additional disclosures, including the number of members the slate mailer organization or committee represents from that organization, group, or class, based on specified criteria, and to include 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.

Cost Estimate: Minor and absorbable

**AB 319 (Valladares) – Campaign contributions: foreign contribution prohibitions.**

Status: Heard in the Assembly Committee on Elections on 4/15/21 (Passed on consent 7-0);  
Heard in the Assembly Appropriations Committee on 4/28/21 (Passed on consent 16-0);

Passed in the Assembly (77-0)

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

FPPC Position: Support

Cost Estimate: Minor and absorbable

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

Status: Heard in the Assembly Committee on Elections on 4/15/21 (Passed on consent 7-0);

Heard in the Assembly Appropriations Committee on 5/5/21 (Passed 16-0); Amended 5/18/21

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.

Cost Estimate: Minor and absorbable

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

Status: Placed on the Senate Appropriations Committee suspense file (3/22/21); Set for hearing 5/20/21

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.

Cost Estimate: FPPC – minor and absorbable; SOS – \$46,957,515 initial; \$4,953,616 annually

**SB 459 (Allen) – Lobbying transparency.**

Status: Heard in the Senate Committee on Elections and Constitutional Amendments on 4/26/21 (Passed 4-0); Placed on the Senate Appropriations Committee suspense file (5/10/21); Set for hearing 5/20/21

Coauthors: Senators Glazer and Newman; Assembly Member Mullin

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, as defined. The bill would take effect January 1, 2023.

Cost Estimate: FPPC – Legal: 1 new position (PRC or SSA); Enforcement: 2 new positions (PRC and Attorney); SOS – \$251,000 initial; \$121,000 annually

**SB 752 (Allen) – Campaign advertisements.**

Status: Heard in the Senate Committee on Elections and Constitutional Amendments on 4/26/21 (Passed 4-1); Placed on the Senate Appropriations Committee suspense file (5/10/21); Set for hearing 5/20/21

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.

Cost Estimate: FPPC – Enforcement: 1 new position (Attorney)

**Bills Unlikely to Move Forward This Year**

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

Status: Heard in the Assembly Committee on Elections on 4/29/21; held without recommendation

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

Status: Set for hearing in the Assembly Committee on Elections on 4/15/21; hearing cancelled at the request of the author

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

Status: Heard in the Assembly Committee on Elections on 4/15/21; held without recommendation

Summary: The bill would prohibit an electrical or gas corporation, as defined, 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: Amended and Re-referred to the Assembly Committee on Elections (4/13/21)

Summary: AB 1379, as it relates to the PRA, would 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 additionally require an online platform that meets a specified visitor or user threshold and that targets political advertising to make available an application programming interface or other technical capability to enable qualified third parties to conduct independent analysis of bias and unlawful discriminatory impact of that targeted advertising.

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

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

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.