To: Chair Miadich, Commissioners Baker, Cardenas, Wilson, and Wood

From: Lindsey Nakano, Sr. Legislative Counsel

Subject: Legislative Update – April 2022

Date: April 8, 2022

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1. General Update

- 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

- Apr. 29 Last day for policy committees to hear and report fiscal bills introduced in their house to fiscal committees
- 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

- AB 1798 (Bryan) passed in the Assembly Elections Committee 7-0.
- AB 2172 (Cervantes) passed in the Assembly Elections Committee 7-0.
- SB 921 (Newman) passed in the Senate Elections Committee 4-0.
- SB 1483 (Glazer) passed in the Senate Elections Committee 5-0; Senator Ochoa Bogh will coauthor.

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.

• <u>AB 1798</u> (Bryan) – Campaign disclosure: advertisements. Status: Passed in the Assembly Elections Committee on 3/23/22 (7-0)

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.

• <u>AB 2172</u> (Cervantes) – Duplicate paper filings. Status: Passed in the Assembly Elections Committee on 4/6/22 (7-0)

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: Staff is working with SOS to identify limitations within the current electronic filing system and is developing solutions to ensure that the bill does not result in any loss of disclosure.

• <u>SB 921</u> (Newman) – Digital Advertisement Transparency and Accountability Act (DATA Act).

Status: Passed in the Senate Elections Committee on 3/28/22 (4-0); amended 4/4/22; set for hearing in the Senate Judiciary Committee on 4/26/22

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.

• <u>SB 1483</u> (Glazer) – Political Reform Education Program (PREP). Status: Passed in the Senate Elections Committee on 3/28/22 (5-0); amended 4/6/22; set for hearing in the Senate Appropriations Committee on 4/18/22 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.

4. Other Commission-Related Bills

Updates

- AB 2158 (Mike Fong) 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.
- SB 1352 (Allen) was amended 4/6/22.
- SB 1360 (Umberg) passed in the Assembly Elections Committee 4-1 and was amended 4/4/22.

Status and Summaries

• <u>AB 975</u> (Luz Rivas) – Statements of economic interests and reimbursement for gifts. Status: Passed in the Assembly on 1/31/22 (72-0)

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.

• AB 1693 (Seyarto) – Contribution limits: recall elections: elected state officers. Status: Referred to the Assembly Elections Committee on 2/3/22 Coauthors: Assembly Member Davies and Senator Wilk

Summary:

AB 1693 would extend the Act's contribution limits to apply to campaign contributions given to elected state officers to oppose the qualification of a recall measure or to oppose the recall election.

• AB 1783 (Levine) – Lobbying: administrative actions.

Status: Amended 3/28/22; set for hearing in the Assembly Elections Committee on 4/27/22

Summary:

AB 1783 would expand the definition of "administrative action" to additionally include (1) a decision by any state agency in a proceeding to determine the rights or duties of a person under existing laws, regulations, or policies, or (2) a proceeding involving the issuance, amendment, or revocation of a permit or license.

• <u>AB 1819</u> (Lee) – Contribution prohibition: foreign-influenced business entities. Status: Set for hearing in the Assembly Elections Committee on 4/27/22 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.

• <u>AB 2158</u> (Mike Fong) – Local agency ethics trainings: school districts, county office of education, and charter schools.

Status: Passed in the Assembly Education Committee on 4/6/22 (7-0)

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.

• <u>AB 2528</u> (Bigelow) – Cal-Access: additional filings.

Status: Set for hearing in the Assembly Elections Committee on 4/27/22

Summary:

AB 2528 requires an elected officer's statement, report, or document filed pursuant to the Act that is not currently filed with the Secretary of State to be filed with the SOS through their online filing and disclosure system, in addition to being filed with whoever the statement, report, or document is currently filed with under the PRA, such as the elected officer's local filing officer or the Commission.

• **AB 2544 (Mayes)** – Spot bill.

Status: Introduced on 2/17/22

This is a PRA spot bill.

• <u>SB 1352</u> (Allen) – Reporting contributions.

Status: Referred to the Senate Elections Committee on 3/9/22; amended 4/6/22

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.

• <u>SB 1360</u> (Umberg and Allen) – Advertisement disclosures.

Status: Passed in the Senate Elections Committee on 3/31/22 (4-1); amended and referred to the Senate Appropriations Committee on 4/4/22

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.

• <u>SB 1362</u> (Melendez) – Citizens Redistricting Commission: reporting payments to influence.

Status: Amended and referred to the Senate Elections Committee on 3/16/22

Summary:

SB 1362 would explicitly apply the provisions of the Political Reform Act of 1974 that regulate lobbyists and lobbying to redistricting by the Citizens Redistricting Commission by expanding the definitions of "administrative action" and "state agency" to include redistricting and the Citizens Redistricting Commission, respectively.

• <u>SB 1439</u> (Glazer) – Contributions to local government agency officers: disqualification. Status: Amended 3/16/22; passed in the Senate Elections Committee 3/28/22 (5-0); set for hearing in the Senate Appropriations Committee on 4/18/22 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.