



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811
(916) 322-5660 • Fax (916) 322-0886

To: Chair Silver and Commissioners Baker, Ortiz, Wilson, and Wood
From: Lindsey Nakano, Sr. Legislative Counsel
Subject: **Legislative Update – November 2024**
Date: November 8, 2024

Subject: Legislative Update – November 2024 1
I. General Update 1
II. Upcoming Legislative Deadlines 1
III. Ideas for Potential Sponsored Legislation 1

I. General Update

- This report includes potential legislation ideas for 2025. These ideas are presented to the Commission for discussion and feedback and for direction on which ideas to pursue as potential sponsored legislation.

II. Upcoming Legislative Deadlines

- Dec. 2 – Convening of the 2025-26 Regular Session for one-day organizational session
- Jan. 1 – Statutes take effect

III. Ideas for Potential Sponsored Legislation

1. Amendment of PRA Sections Effective After the CAL-ACCESS Replacement System (CARS) Becomes Operational

a. Background:

Over forty sections of the Political Reform Act have been amended with changes that take effect only after CARS becomes operational. These sections were amended by several different bills over many years and several of these future-operative sections were amended multiple times.

b. Proposal Summary:

This bill would revise these sections as needed to ensure that the statutes in effect after CARS is operational will (1) work together consistently with each other and

(2) work in harmony with the new CARS system that will transition the state from paper-based filings and forms to an electronic data-based system.

2. Disclosure of Payments for Elected Official Travel (Form 807)

a. Background:

Existing law requires nonprofit organizations that regularly host and pay for travel for elected officials to disclose donors who make donations over \$1,000 to the FPPC on the Form 807.

This reporting requirement applies only if the sum of the organization's expenses relating to travel, study tours, or conferences, conventions, and meetings, was greater than one-third of the organization's total expenses, as reflected on the nonprofit organization's Internal Revenue Service Form 990.

Since 2015, the FPPC has received [eight Form 807s](#).

Research by FPPC staff found that some nonprofit organizations that paid for elected official travel did not meet the one-third threshold requirement, as reported on their Form 990s.

b. Proposal Summary:

This bill would improve transparency by increasing the disclosure of entities that pay for the travel of elected officials, by eliminating the one-third threshold requirement and making other changes.

3. Sunset Extension – Authority to Enter Agreements to Enforce Local Campaign and Ethics Ordinances

a. Background:

Section [83123.6](#) of the PRA authorizes the FPPC to contract with local government agencies upon mutual agreement to administer, implement, and enforce their local campaign finance or government ethics laws.

That section provides that the section will be repealed on January 1, 2026, unless there is new legislation that extends or deletes that sunset date.

b. Proposal Summary:

This bill would extend or delete the sunset date, to enable the Commission to contract with local government agencies for these purposes in the future.

4. Classify Cryptocurrency as an Economic Interest

a. Background:

A person required to submit a Statement of Economic Interests (Form 700) is not currently required to disclose whether they own any cryptocurrency or the value of the cryptocurrency.

b. Proposal Summary:

This bill would classify cryptocurrency as an economic interest subject to reporting and the conflict of interest requirements.

5. Eliminate Manual Email Notification of PRA Changes

a. Background:

Existing law requires that the PRA may be amended by the Legislature if at least 8 days before passage in each house, or at least 12 days before passage in each house if the previous form of the bill did not amend the PRA, the bill in its final form has been delivered to the FPPC for distribution to persons who have requested that the FPPC send PRA bill updates.

In accordance with that requirement, FPPC staff send manual notifications by email whenever a PRA bill is introduced or amended. Five individuals are currently signed up for this email list.

As of January 1, 2024, leginfo.legislature.ca.gov has an automatic notice function for changes to all PRA bills. This function is available to the public and a link to receive these notifications is displayed on the Legislative Information homepage, linked above. SB 681 (2023) added this special notice function to Section 81012.5.

Due to the ease and speed of obtaining copies of bills online, and the ability to sign up for automatic updates through the Legislative Information website, the requirement to manually notify individuals of bills that propose to amend the PRA is no longer necessary.

b. Proposal Summary:

This bill would eliminate the manual notification requirement in Section 81012.

6. Clarification of Prohibition on Contributions to Ballot Measure Committee by Foreign Principals

a. Background:

Existing law prohibits a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with any state or local ballot measure or the election of a candidate to state or local office. The definition of “foreign principal” includes a “person outside the United States” who is not a U.S. citizen. This definition was discussed in a recent advice letter ([A-24-080](#)). The language of the statute may enable a loophole, such that an individual who would be prohibited from making a contribution to a ballot measure committee if they were physically located outside of the country, might be permitted to make the contribution upon merely visiting the United States.

b. Proposal Summary:

This bill would clarify to what extent the prohibition on contributions to ballot measure committees applies in the circumstance described above.

7. Lobbying Audits

a. Background:

Due to inadequate resources, very few of the audits of lobbying entities required to be conducted under the PRA are completed by the Franchise Tax Board.

b. Proposal Summary:

This bill would seek legislative solutions to increase the number of completed audits of lobbying entities.

8. Require Disclosure of Arrangements for Prospective Employment

a. Background:

Existing law prohibits a public official from making, participating in making, or using the public official’s official position to influence any governmental decision directly relating to any person with whom the public official is negotiating, or has any arrangement concerning, prospective employment.

b. Proposal Summary:

This bill would require public officials to disclose arrangements for prospective employment on their Form 700s, subject to specific parameters.

9. Expansion of Prohibition on Receipt of Contributions in State Buildings

a. Background:

Existing law prohibits the receipt, delivery, or attempted delivery of a campaign contribution in the State Capitol, any state office building, or any office for which the state pays more than half of the rent.

b. Proposal Summary:

This bill would expand that prohibition to apply to any legislative or state office.