**To:** Chair Silver and Commissioners Brandt, Ortiz, and Wilson

From: Lindsey Nakano, Sr. Legislative Counsel

**Subject:** Legislative Update – April 2025

**Date:** March 27, 2025

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## I. General Update

- As of the date of this report, there are 22 active bills relating to the Political Reform Act, including 8 Commission-initiated bills.
- Staff is continuing to reach out to and work with potential authors, other members, interested parties, and stakeholders, and to seek bipartisan support on Commission legislation.

## **II.** Upcoming Legislative Deadlines

- Apr. 10 Spring Recess begins upon adjournment.
- Apr. 21 Legislature reconvenes from Spring Recess.
- May 2 Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.
- May 9 Last day for policy committees to hear and report to the Floor nonfiscal bills introduced in their house.
- May 16 Last day for policy committees to meet prior to June 9.
- May 23 Last day for fiscal committees to hear and report to the Floor bills introduced in their house.
  - Last day for fiscal committees to meet prior to June 9.
- June 2-6 Floor Session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees.
- June 6 Last day for each house to pass bills introduced in that house.
- June 9 Committee meetings may resume.
- June 15 Budget bill must be passed by midnight.
- July 18 Last day for policy committees to hear and report bills.

- Summer Recess begins upon adjournment, provided Budget Bill has been passed.
- Aug. 18 Legislature reconvenes from Summer Recess.
- Aug. 29 Last day for fiscal committees to hear and report bills to the Floor.
- Sept. 2-12 Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
- Sept. 5 Last day to amend on the Floor.
- Sept. 12 Last day for each house to pass bills.
  - o Interim Recess begins upon adjournment.
- Oct. 12 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 12 and in the Governor's possession on or after Sept. 12.

## **III.** FPPC Priority Bills

**Updates** (as of 3/27/25)

- **Passed in Committee**: AB 359 (Ramos) and AB 775 (Fong)
- Amended: AB 808 (Addis), AB 953 (Pacheco and Alanis), AB 1029 (Valencia), AB 1286 (Boerner), SB 280 (Cervantes)

#### **Status and Summaries**

## 1. AB 359 (Ramos) – Extension of Local Contracting Authority

**Status**: Passed in the Assembly Elections Committee on 3/26/25 (7-0); referred to the Assembly Appropriations Committee

**Short Summary**: AB 359 would delete the sunset provision in the statute that authorizes the FPPC to contract with local government agencies, upon mutual agreement, to administer, implement, and enforce the agency's local campaign finance or government ethics laws.

#### **Detailed Summary:**

Existing law: Existing law authorizes the FPPC, upon mutual agreement with the governing body of a local government, to assume primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance or government ethics law passed by the local government agency. Existing law includes a sunset provision that repeals this section on January 1, 2026, unless other legislation extends or repeals the sunset provision, and required the FPPC to submit a report to the Legislature on January 1, 2025, on the performance of any agreements entered under this section, which was timely submitted by the FPPC.

*Current contracts*: Pursuant to the authority in this section, the FPPC has one current contract with the City of San Bernardino.

Extend the authority indefinitely: AB 359 would delete the sunset provision, thereby extending the operation of the section indefinitely. The bill would also delete the expired reporting provision.

*Clarify authority*: Pursuant to the general authority granted to administer, implement, and enforce these local laws, the FPPC has interpreted the section to include authority to audit. For clarity, AB 359 would add explicit authority for the FPPC to conduct audits with regard to the local campaign finance or government ethics laws.

**FPPC Position:** Sponsor

## 2. AB 775 (Fong) – Behested Payment Reporting

**Status**: Passed in the Assembly Elections Committee on 3/26/25 (7-0); referred to the Assembly Appropriations Committee

**Short Summary**: AB 775 would require behested payment reports submitted by elected state and local officers and members of the Public Utilities Commission to be electronically filed directly with the FPPC. As an alternative to electronic filing with the FPPC, the bill would permit local elected officers to file directly with their local filing officer under the condition that the reports are posted publicly on the local agency's website. The bill would also alter the reporting deadline, create a new threshold for when a subsequent report is required to be filed for additional behested payments from the same donor, and codify two existing regulations.

## **Detailed Summary:**

Existing law:

- Definition of behested payment: Generally, a "behested payment" is a
  payment requested or solicited by an elected official that is paid by one
  individual or organization to another individual or organization for a
  legislative, governmental, or charitable purpose.
- Reporting threshold for behested payments: An elected officer or member of the Public Utilities Commission (PUC) is required to submit a behested payment report when a single source (payor) makes a behested payment or payments at the behest of the elected officer or PUC member totaling \$5,000 or more in the aggregate in a calendar year.

- Reporting process and deadline: Elected officers and PUC members must file behested payment reports with their respective agencies within 30 days of reaching the reporting threshold. At the state level, the agency is then required to forward a copy of the report to the FPPC within 30 days. At the local level, the agency is required to forward a copy of the report to the local filing officer within 30 days.
- Subsequent reports: If an elected officer or PUC member submits a behested payment report for a payor, and that same payor later makes another behested payment in any amount in the same calendar year, the elected officer or PUC member must submit a subsequent behested payment report for that payor.

Reporting process, electronic filing: AB 775 would require behested payment reports filed by elected state or local officers or PUC members to be filed directly with the FPPC using the FPPC's electronic filing system for behested payment reports.

Reporting process, alternate option for local elected officers: As an alternative to electronic filing with the FPPC, AB 775 would permit local elected officers to file behested payment reports directly with their local filing officer if all behested payment reports for officers of that agency are posted publicly on the local agency website. Local electronic filing would also be authorized, and the bill would clarify that an electronically filed report is an original report.

Deadline for initial behested payment reports: AB 775 would alter the deadline for filing behested payment reports. Behested payments that meet the threshold of \$5,000 or more in the aggregate from a single source in a calendar year would be required to be reported within 30 days following the end of the calendar quarter in which that threshold was met.

Subsequent reports: AB 775 would require reporting of subsequent payments made after an initial behested payment report for a particular donor only after reaching an additional \$1,000 from the same donor in the same calendar year. These subsequent reports would also be due within 30 days after the end of the calendar quarter.

Codification of two regulations: AB 775 would codify two existing regulations, which specify additional information that must be reported on a behested payment report and permit a good faith estimate of the behested payment amount to be reported.

**FPPC Position:** Sponsor

## 3. AB 808 (Addis) – Cal-Access Replacement System Clean-Up Bill

**Status**: Amended on 3/18/25; set for hearing in the Assembly Elections Committee on 4/9/25

**Short Summary**: AB 808 makes conforming amendments to sections in the PRA that become operative after the certification of the Cal-Access Replacement System by the Secretary of State.

### **Detailed Summary:**

*Background*: Cal-Access is the statewide campaign finance and lobbying reporting platform, created and administered by the Secretary of State. The Cal-Access Replacement System, known as CARS, is currently in development and will be a modernized, data-driven filing and search system. Several sections of the PRA have been amended by prior legislation with delayed operative dates, set to take effect after CARS is certified by SOS.

Eliminates filing by fax: AB 808 would eliminate references to filing by fax in the PRA.

Deletes reference to "forms": AB 808 would delete the reference to "forms" in the definition of "campaign statement."

Clarifies when signature verification is needed: AB 808 would clarify for campaign finance reporting, verification is needed for semiannual and preelection statements. This would clarify that, once CARS is certified, this verification is not needed for the 24-hour/10-day independent expenditure reports, consistent with current law.

**FPPC Position:** Sponsor (Co-Sponsor with SOS)

# 4. AB 953 (Pacheco and Alanis) – Preventing Foreign Interference in California Elections

**Status**: Amended on 3/24/25; referred to the Assembly Elections Committee

**Short Summary**: AB 953 would expand the existing prohibition on foreign governments and foreign principals making contributions, expenditures, and independent expenditures to apply additionally to foreign nationals.

## **Detailed Summary:**

Existing federal law prohibits a foreign <u>national</u> from making a contribution, expenditure, or independent expenditure in connection with a federal, state, or local <u>candidate</u> election.

Existing state law further prohibits a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure. In California, "foreign principal" is defined for these purposes to include an individual who is "outside the United States" and is not a U.S. citizen. Because the definition of "foreign principal" in state law is centered on the location of the individual (outside the United States), state law would permit a foreign national to enter the country and make a contribution, expenditure, or independent expenditure in connection with a ballot measure, even though that person would be prohibited from making the contribution or expenditure if they were located outside of the United States.

Extension of the prohibition: AB 953 would prohibit a foreign national from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure.

"Foreign national" defined: AB 953 would define "foreign national" to mean a person who is not a citizen of the United States and who is not a lawfully admitted permanent resident. This is the same definition used in federal law.

Exemption for DACA: AB 953 would exempt from the definition of "foreign national" a person who has been granted deferred action, and whose deferred action has not expired, under the federal Deferred Action for Childhood Arrivals (DACA) program, as described in guidelines issued by the United States Department of Homeland Security.

**FPPC Position:** Sponsor

## 5. AB 1029 (Valencia) – Disclosure of Digital Financial Assets (Cryptocurrency)

**Status**: Amended on 3/20/25; set for hearing in the Assembly Elections Committee on 4/9/25

Coauthor: Senator McNerney

**Short Summary**: AB 1029 would revise the definition of "investment" to include a "digital financial asset," as defined, for purposes of disclosure on the Statement of Economic Interests (Form 700) and the conflict of interest provisions.

## **Detailed Summary:**

Existing law:

• Statement of Economic Interests: Existing law requires every elected official and public employee who makes or influences governmental decisions to submit a Statement of Economic Interest (Form 700). Generally, filers must disclose their financial interests, including

investments, income, and interests in real property.

- Conflicts of interest: Existing law prohibits a public official from taking part in a government decision if it is reasonably foreseeable that the decision would have a material financial effect on one or more of the official's financial interests.
- Definition of investment: Under existing law, "investment" generally means any financial interest in, or security issued by, a business entity that is located in or does business in the jurisdiction that is worth \$2,000 or more. The FPPC Legal Division has previously determined that the existing definition of investment is too narrow to be interpreted to include cryptocurrency.
- Definition of digital financial asset: Under existing law in the Financial Code, "digital financial asset" is defined to mean a digital representation of value that is used as a medium of exchange, unit of account, or store of value, and that is not legal tender, whether or not denominated in legal tender, subject to certain exceptions.

Investments: AB 1029 would revise the definition of "investment" in the PRA to include a direct or indirect interest in a "digital financial asset," as defined in the Financial Code. The bill would also make conforming amendments in other sections in the PRA. As an investment under the PRA, digital financial assets would be subject to disclosure on the Form 700 in the same manner as other types of investments and could give rise to a conflict of interest if it was reasonably foreseeable that a government decision would have a material financial effect on the digital financial asset.

Delayed operative date: AB 1029 will become operative on January 1, 2027.

**FPPC Position:** Sponsor

#### 6. AB 1286 (Boerner) – Disclosure of Prospective Employment

**Status**: Amended on 3/24/25; set for hearing in the Assembly Elections Committee on 4/9/25

**Short Summary**: AB 1286 would require Statement of Economic Interests (Form 700) filers to disclose arrangements for prospective employment on their Form 700s.

#### **Detailed Summary:**

Existing law: 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.

New disclosure on Form 700: AB 1286 would require public officials to disclose an "arrangement for prospective employment," defined in the bill to mean "an agreement pursuant to which a prospective employer's offer of employment has been accepted by the prospective employee, including through verbal or written acceptance."

Who must disclose: AB 1286 would require public officials listed in Section 87200 to disclose this information and would require other public officials designated in their agencies' conflict of interest codes to disclose this information "if the position with the prospective employer is one that would be subject to disclosure [...] as either of the following:

- "(A) A source of income, if the filer had received income from that employer during the period covered by the statement.
- "(B) A business position, if the filer had held that business position during the period covered by the statement."

Content of disclosure: Under AB 1286, filers required to disclose prospective employment must disclose (1) the date that the filer accepted the prospective employer's offer of employment, (2) the business position, (3) a general description of the business activity of the prospective employer, and (4) the name and street address of the prospective employer.

Clarification in conflict of interest code requirements: AB 1286 would clarify that conflict of interest codes must require disqualification when the conflict standard concerning prospective employment is met.

**FPPC Position:** Sponsor

# 7. SB 280 (Cervantes) – Contributions in State and Local Offices and Office Buildings

**Status**: Amended on 3/25/25; set for hearing in the Senate Elections Committee on 4/1/25

**Short Summary**: SB 280 would expand the existing prohibition on delivering or receiving contributions in state offices and office buildings to additionally apply to local government offices and office buildings and legislative district offices.

### **Detailed Summary:**

Existing law: Existing law prohibits a person from receiving, personally delivering, or attempting to deliver a contribution in the State Capitol, any state office building, or in any office for which the state pays the majority of the rent other than a legislative district office.

Expanding the prohibition: SB 280 would apply the above prohibition to local government office buildings, provide that the prohibition applies to any office for which the state or a local government pays any rent, and strike the exemption for legislative district offices.

*Definition:* "State or local government office building" would be defined in the bill to mean any state-owned or local government-owned building in which more than 50 percent of the total floor area is used as office space for government employees.

**FPPC Position:** Sponsor

# 8. SB 852 (Committee on Elections and Constitutional Amendments) – PRA Bill Notifications

**Status:** Referred to the Senate Elections Committee

**Short Summary:** SB 852 would eliminate the manual notification requirement for PRA bills.

### **Detailed Summary:**

Existing law: 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.

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

Legislative history: As of January 1, 2024, <u>leginfo.legislature.ca.gov</u> 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. The alert must be sent no later than 9 a.m. the calendar day after the legislative action. SB 681 (2023) added this special notice function to Section 81012.5.

*Manual notification*: SB 852 would eliminate the manual notification requirement, linking the 8- or 12-day period described above to when the bill was printed, distributed to Members of the Legislature, and published on the internet, rather than when the bill was delivered to the Commission for manual distribution.

**FPPC Position:** Sponsor

#### IV. Other Commission-Related Bills

**Updates** (as of 3/27/25)

• Amended: AB 1511 (Assembly Committee on Elections), SB 321 (Cervantes), SB 401 (Hurtado), SB 644 (Blakespear), SB 760 (Allen)

#### **Status and Summaries**

## 9. AB 26 (DeMaio) – Intent Bill

**Status:** Introduced

**Summary:** AB 26 is a nonsubstantive intent bill that may be amended in the future to make substantive changes to the law. The bill states the intent to "enact legislation that holds elected officials accountable by prohibiting Members of the Legislature from accepting gifts or trading in individual stock, imposing a lifetime lobbying ban, eliminating exemptions for the Legislature from labor, workplace, and public record laws, and eliminating government pensions for local elected officials."

## 10. AB 351 (McKinnor) – Section 84308; Contributions to Agency Officers

**Status**: Set for hearing in the Assembly Elections Committee on 4/9/25

**Short Summary**: AB 351 would increase the contribution limit in Section 84308 from \$500 to \$1,500 and would require that amount to be adjusted biennially.

#### **Detailed Summary:**

Existing law: Existing law prohibits certain contributions of more than \$500 to an officer of an agency by any party, participant, or agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is

rendered in the proceeding, subject to specified exceptions. Existing law requires disclosure on the record of the proceeding of contributions above \$500 made within the preceding 12 months to an officer from a party or participant, or party's agent, and generally disqualifies an officer from participating in, or influencing, a decision if the officer has received an over-the-limit contribution during that time period.

History and recent legislation: Pursuant to legislation passed in 2024, the contribution limit described above was raised from \$250 to \$500, effective January 1, 2025. The original \$250 contribution limit was established in 1982, when the section was first added to the PRA.

Raising the limit: AB 351 would raise the contribution limit in the law described above from \$500 to \$1,500 and would require that amount to be adjusted by the FPPC each odd-number year to reflect any increase or decrease in the Consumer Price Index, beginning on January 1, 2027.

# 11. AB 884 (Essayli) – Prohibition on Contributions from Investor-Owned Utilities.

**Status**: Set for hearing in the Assembly Elections Committee on 4/9/25

**Short Summary**: AB 884 would prohibit an investor-owned utility from making a contribution to a state candidate and would prohibit a state candidate from accepting a contribution from an investor-owned utility.

## **Detailed Summary:**

Existing law: The PRA limits the amount of contributions that a state candidate may accept from a single contributor.

Contribution prohibition: AB 884 would prohibit an investor-owned utility from making a contribution to a candidate for elective state office and would prohibit a candidate for elective state office from accepting a contribution from an investor-owned utility.

# 12. AB 950 (Solache) – Campaign Advertisement Disclaimers; Larger Printed Ads

**Status**: Set for hearing in the Assembly Elections Committee on 4/9/25

**Short Summary**: AB 950 would alter the requirements for disclaimers on larger printed campaign advertisements.

### **Detailed Summary:**

Existing law: Existing law requires that print advertisements paid for by a committee, other than a political party committee or a candidate controlled committee, include specified disclosures that state, among other things, the payor of the advertisement and the ad committee's top funders. Existing law, for larger printed advertisements such as yard signs and billboards, requires that each line of the disclosure meet a minimum size requirement of no less than 5 percent of the height of the advertisement.

Size requirement: AB 950 would eliminate the minimum size requirement and would instead impose a maximum size requirement by prohibiting the disclosure from exceeding 5 percent of the total copy area of the advertisement for larger printed advertisements.

Website address: AB 950 would allow larger printed advertisements to satisfy the disclosure requirements by including a reference to an internet website where all of the information required to be disclosed is provided, instead of listing the information on the face of the advertisement.

## 13. AB 1370 (Patterson) - Prohibition on Nondisclosure Agreements

Status: Introduced

**Short Summary**: AB 1370 would prohibit Members of the Legislature from entering or requesting another to enter a nondisclosure agreement relating to proposed legislation.

#### **Detailed Summary:**

*Prohibition on NDAs*: AB 1370 would prohibit a Member of the Legislature acting in their official capacity from entering into, or requesting that another individual enter into, a nondisclosure agreement relating to the drafting, negotiation, or discussion of proposed legislation. The bill would make such an NDA entered into after the effective date of the bill void and unenforceable.

*Exception*: AB 1370 would create an exception to that prohibition for a nondisclosure agreement that prevents only the disclosure of trade secrets, financial information, or proprietary information.

### 14. AB 1511 (Assembly Committee on Elections) – Transfer of Candidate Funds

**Status**: Referred to the Assembly Elections Committee

**Short Summary**: AB 1511 would revise the conditions under which a candidate who, before the primary election, raises campaign funds for the general election may transfer those general election funds to another candidate committee.

### **Detailed Summary:**

Existing law: Existing law permits a state, county, or city candidate to raise contributions for a general or special general election before the primary or special primary election for the same office if those contributions are set aside and used for the general or special general election. Existing law requires the candidate to refund those general or special general election funds to the contributors if the candidate is defeated in the primary or special primary election or otherwise withdraws from the general or special general election.

Existing law: Existing law, as added by SB 948 (2024), provides that the above refund requirement does not apply to a candidate who does not file a declaration of candidacy to qualify for a primary or special primary election, and the candidate is not required to refund those contributions. Existing law permits these candidates to instead transfer those funds to a committee established for the same or a different office, subject to the attribution rules.

Expansion of transfer authority: AB 1511 would revise the above provision to instead permit a candidate to transfer general or special general election funds if (1) the candidate's name has not been listed on the ballot at a primary or special primary election, and (2) the candidate has not qualified to have write-in votes cast on their behalf counted by elections officials for nomination or election to an elective office at a primary or special primary election."

*Voter information guide*: AB 1511 would also change "ballot pamphlet" to "voter information guide" throughout the PRA.

#### 15. SB 42 (Umberg and Allen) – Public Campaign Financing

**Status**: Set for hearing in the Senate Elections Committee on 4/1/25

Principal Coauthors: Senators Becker, Blakespear, and Stern, and

Assemblymember Lee

**Coauthor:** Senator McNerney

**Short Summary**: SB 42 would generally permit the use of public money for the purpose of seeking elective office under certain conditions and restrictions. The bill would also make an unrelated change in the PRA to increase the maximum penalty for violations of the foreign contributions prohibition. The bill would be subject to voter approval at the November 2026 election.

### **Detailed Summary:**

Existing law, public campaign financing: Existing law prohibits a public officer from expending, and a candidate from accepting, public money for the purpose of seeking elective office.

Legislative and legal history: In 2016, an exception was added to allow public funds to be used for campaigns under specific conditions. The 2016 exception was challenged and was declared void and unenforceable by a Superior Court decision and affirmed by the Court of Appeals in 2019 as an improper legislative amendment of a voter initiative.

Eliminates the prohibition: SB 42 would strike the general prohibition on using public funds for the purpose of seeking elective office.

*Earmarked funds:* SB 42 would prohibit the use of public funds for the purpose of seeking elective office if the funds are earmarked by any state or local entity for education, transportation, or public safety.

Conditions for receiving public funds: SB 42 would require candidates to abide by expenditure limits and meet "strict criteria," set by statute, ordinance, or charter, to qualify for public funds. The bill requires that the criteria require candidates to demonstrate broad-based support in their district.

*Prohibited use*: SB 42 would prohibit public funds from being used to pay legal defense fees or fines, repay a personal loan to their campaign, or use of any source of funds to repay a personal loan to the campaign after the campaign ends.

*Expenditure limits*: SB 42 would authorize a statute, ordinance, or charter to increase the expenditure limits for each qualified, voluntarily participating candidate, subject to a specific restriction.

Prohibition on party, challenger, or incumbent preference: SB 42 would prohibit public funding statutes, charters, ordinances, and resolutions from discriminating based on party or according to whether a candidate is a challenger or an incumbent.

*Enforcement*: SB 42 would provide that the FPPC is not responsible for the administration or enforcement of a local system of public funding of candidates.

Existing law, foreign contributions: Existing law prohibits a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure or the election of a candidate to state or local office. Existing law provides that a person who violates this prohibition shall be guilty of a misdemeanor and fined an amount equal to the amount contributed or expended.

*Increasing the penalty:* SB 42 would provide that a violation of the foreign contributions prohibition is subject to a fine of, at minimum, the amount contributed or expended, or up to three times the amount contributed or expended.

*Voter approval:* The bill would be submitted to the voters for approval at the November 3, 2026, statewide general election.

## 16. SB 300 (Padilla) - Exception to the Conflict of Interest Prohibition

Status: Referred to the Senate Elections Committee

**Short Summary**: SB 300 would create an exception to the conflict of interest prohibition for public officials who receive income from a nonprofit organization under certain conditions.

## **Detailed Summary:**

Existing law: Existing law prohibits a public official from taking part in a government decision if it is reasonably foreseeable that the decision would have a material financial effect on one or more of the official's financial interests.

Exception to the conflict of interest prohibition: SB 300 would provide that a public official does not have a disqualifying conflict of interest in a decision if the source of income is a nonprofit organization whose financial interest in a decision arises solely from an increase or decrease in membership dues.

*Note: Staff are seeking clarification on the intended effect of this bill.* 

## 17. SB 321 (Cervantes) – Late Signature Curing Expenditure Reports

**Status**: Amended on 3/17/25; referred to the Senate Elections Committee

**Short Summary**: SB 321 would require a committee to report within 24 hours an expenditure relating to certain ballot signature curing activities.

### **Detailed Summary:**

Existing law: Existing law in the Elections Code provides for specific procedures that must be followed if a voter's signature on their ballot identification envelope does not match the signature on file or if the identification envelope has not been signed. These procedures include sending a notice to the voter by first-class mail within a specific time period before the certification of the election.

Existing law: Existing law in the PRA requires reporting within 24 hours of "late independent expenditures," which are independent expenditures of \$1,000 or more in the aggregate made within 90 days before the election.

*New 24-hour reports*: SB 321 would require a committee that makes a "late signature curing expenditure" to report the expenditure within 24 hours.

"Late signature curing expenditure" defined: SB 321 defines "late signature curing expenditure" to mean an expenditure made by a committee related to ballot curing activities described in Section 3019 of the Elections Code that occurs after the date of the election and before the certification of the election. "Late signature curing expenditure" includes any expenditure made for the purpose of contacting a person regarding a signature verification statement or an unsigned verification envelope statement.

*Filing details*: SB 321 mirrors the <u>provisions for filing late independent</u> <u>expenditure reports</u> regarding the manner and contents of filing these reports, and where to file them.

#### 18. SB 401 (Hurtado) – State Employee Restriction on Business Ownership

Status: Amended on 3/25/25

**Short Summary:** SB 401 would prohibit an employee of a state agency from owning or controlling a financial interest in any business entity that is subject to the regulatory authority of the state agency, or that does business with the state agency.

### **Detailed Summary:**

Existing law:

Conflicts of interest: The PRA generally prohibits a public official from making or influencing any government decision that could financially benefit the public official. Existing law specifically prohibits a public official from making, participating in making, or in any way attempting to use the public official's official position to influence a governmental

decision in which the official knows or has reason to know the official has a financial interest.

Disqualification: For public officials listed in Section 87200, existing law provides specific procedures the official must follow to publicly identify any conflicts of interest and recuse themselves from discussing or voting on the matter, or from otherwise influencing the decision. For public officials listed in their agencies' conflict of interest code who have a conflict of interest, those officials are required to be disqualified and must follow the disqualification procedures set forth in the conflict of interest code.

Conflicts in state contracts: Existing law additional prohibits a state administrative official from making, participating in making, or using the official's official position to influence any governmental decision directly relating to any contract where the party to the contract is a person with whom the official, or an immediate family member, has engaged in any business transaction on terms not available to members of the public, regarding any investment or interest in real property, or the rendering of goods or services totaling in value \$1,000 or more within 12 months prior to the time the official action is to be performed.

Section 1090: Existing law prohibits an officer, employee, or agency from participating in making government contracts in which the official or employee within the agency has a financial interest. Section 1090 applies to virtually all state and local officers, employees, and multimember bodies, whether elected or appointed, at both the state and local level.

Prohibition on incompatible activities: Existing law outside of the PRA prohibits a state officer or employee from engaging in any employment, activity, or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to his or her duties as a state officer or employee. These incompatible activities include, among others:

Using the prestige or influence of the state or the appointing authority for the officer's or employee's private gain or advantage or the private gain of another.

Using state time, facilities, equipment, or supplies for private gain or advantage.

Using, or having access to, confidential information available by virtue of state employment for private gain or advantage or providing confidential information to persons to whom issuance of this information has not been authorized.

New prohibition on state employees: SB 401 would prohibit an employee of a state agency from owning or controlling a financial interest in any business entity that is subject to the regulatory authority of the state agency, or that does business with the state agency.

Waiver: SB 401 would authorize employees to request an exemption to the above from the head of the state agency and would authorize the head of an agency to approve such a request if both (1) ownership or control of the financial interest is otherwise consistent with the requirements of the PRA, and (2) the employee will not make, participate in making, or attempt to influence a governmental decision in which the employee has a financial interest. The bill would provide that the decision of the head of the agency is final, and the approval or denial of the waiver is a public record.

FPPC: The bill would require the FPPC to adopt regulations to implement the decision and provide advisory opinions on the meaning of this section upon request.

# 19. SB 458 (Niello and Umberg) – Ballot Measure Titles, Summaries, and Financial Impact Estimates

**Status**: Set for hearing in the Senate Elections Committee on 4/1/25

Coauthor: Senator Ochoa Bogh

**Short Summary**: SB 458 would require the Legislative Analyst, instead of the Attorney General, to prepare the official summary of measures that will appear on the ballot, contingent on passage of similar proposed changes in the California Constitution.

## **Detailed Summary:**

Existing law: The PRA includes requirements relating to the content of the state ballot pamphlet, including summaries and analyses of measures. The Legislative Analyst is required to prepare summaries of the general meaning and effect of "yes" and "no" votes on each state measure, and an impartial analysis of the measure, including a description of the measure and a fiscal analysis. The Attorney General is responsible for preparing the official summary for each measure.

Responsibility for the official summary: SB 458, as it amends the PRA, would require the Legislative Analyst, instead of the Attorney General to prepare the official summary of each measure.

Other changes in the Elections Code: The bill makes several similar changes in the Elections Code to require the Legislative Analyst, instead of the Attorney

General, to prepare ballot titles and summaries for initiative and referendum measures.

Contingent on passage of a Constitutional amendment: The California Constitution imposes certain duties on the Attorney General relating to initiative and referendum petitions and measures. Another bill, SCA 3, would amend the California Constitution to impose these duties instead on the Legislative Analyst. The changes made in SB 458 would only take effect if SCA 3 also passes.

# 20. SB 644 (Blakespear) – Contribution Limits for Candidates for Judicial Council, School Districts, and Community College Districts

Status: Amended on 3/25/25

**Short Summary**: SB 644 would impose contribution limits on candidates for judicial council, school district, and community college district office.

## **Detailed Summary:**

Existing law: Existing law generally prohibits a person from making to a candidate for elective state, county, or city office, and prohibits such a candidate from receiving, a contribution of more than \$5,900 per election (current limit). This amount is adjusted by the Fair Political Practices Commission in January of every odd-numbered year to reflect changes in the Consumer Price Index.

*Prior legislation*: AB 571 (2019), effective January 1, 2021, applied a default campaign contribution limit to city and county candidates where the city or county had not already enacted a contribution limit.

Contribution limits for additional offices: SB 644 would impose the PRA's contribution limits on candidates for judicial council, school district, and community college district office.

*Local limits*: SB 644 would exempt those candidates from the contribution limits provided in the PRA if either:

A different limit is imposed by the city or county pursuant to 85702.5, or

A more restrictive limit is set by the judicial council, school district, or community college district pursuant to new authority added by this bill. The bill provides that the FPPC is not responsible for the administration or enforcement of these local limits.

Delayed operative date: SB 644 would become operative on January 1, 2027.

*FPPC*: In an uncodified bill section, SB 644 would require the FPPC to issue guidance for the implementation of the bill.

*Other*: The bill would make other conforming changes in the Education Code.

# 21. SB 760 (Allen) – Behested Payments Reporting Exemption for Public Appeals for Payment

Status: Amended on 3/24/25

**Short Summary**: SB 760 would create an exemption to the behested payment reporting requirements for certain public appeals for payment.

### **Detailed Summary:**

Existing law: Existing law requires elected officers and members of the Public Utilities Commission to submit behested payment reports when behested payments from a single donor reach \$5,000 or more in the aggregate in a calendar year. Generally, a "behested payment" is a payment requested or solicited by an elected official that is paid by one individual or organization to another individual or organization for a legislative, governmental, or charitable purpose.

Exemption to reporting: SB 760 would provide that no behested payment report is required if the officer or member makes a public appeal for payment by:

- (A) Television.
- (B) Radio.
- (C) Billboard.
- (D) A public message on an online platform.
- (E) The distribution of 200 or more identical pieces of printed material.
- (F) The distribution of a single email to 200 or more recipients.
- (G) A speech to a group of 20 or more individuals.

*Limit to exemption*: SB 760 provides that the reporting exemption above does not apply if either of the following apply:

(A) It is reasonably foreseeable that the payment will have a <u>material</u> <u>financial effect</u>, distinguishable from its effect on the public generally, on the behesting official or member, or a member of their immediate family.

(B) The behesting officer or member is <u>informed that a specific payment</u> was made as a result of the officer or member's public appeal.

## 22. SB 817 (Choi) - PRA Intent Bill

Status: Introduced

**Summary**: SB 817 is a nonsubstantive intent bill that may be amended in the future to make substantive changes to the law.