



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Silver and Commissioners Baker, Brandt, Ortiz, and Wilson
From: Lindsey Nakano, Sr. Legislative Counsel
Subject: **Legislative Update – February 2025**
Date: January 31, 2025

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I. General Update

- As of the date of this report, three bills relating to the Political Reform Act have been introduced, including one Commission-initiated bill, one non-substantive intent bill, and one other bill.
- In addition to the one introduced bill, the Commission has confirmed authors for four of its other legislative proposals, relating to disclosure of cryptocurrency, preventing foreign interference in state elections, reporting of behested payments, and expanding the prohibition on making contributions in state buildings.
- 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

- Feb. 21 - Last day for bills to be introduced.
- 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.
 - 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. Committee Membership Update

[Senate Committee on Elections and Constitutional Amendments](#)

- Senator Sabrina Cervantes (Chair)
- Senator Steven Choi (Vice Chair)
- Senator Benjamin Allen
- Senator Monique Limón
- Senator Thomas Umberg

[Senate Budget Subcommittee No. 4 on State Administration and General Government](#)

- Senator Christopher Cabaldon (Chair)
- Senator Roger Niello
- Senator Lola Smallwood-Cuevas

[Assembly Committee on Elections](#)

- Assemblymember Gail Pellerin (Chair)
- Assemblymember Bill Essayli (Vice Chair)
- Assemblymember Steve Bennett
- Assemblymember Marc Berman
- Assemblymember José Luis Solache Jr.
- Assemblymember Catherine Stefani

- Assemblymember David J. Tangipa

[Assembly Budget Subcommittee No. 5 on State Administration](#)

- Assemblymember Sharon Quirk-Silva (Chair)
- Assemblymember Carl DeMaio
- Assemblymember Matt Haney
- Assemblymember Liz Ortega
- Assemblymember Christopher M. Ward
- Assemblymember Jesse Gabriel (Dem. Alternate)
- Assemblymember Heath Flora (Rep. Alternate)

IV. FPPC Priority Bills

- **[AB 359 \(Ramos\) – Extension of Local Contracting Authority](#)**

Status: Introduced

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.

Clarifying 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.

V. Other Commission-Related Bills

- [AB 26 \(DeMaio\) – Spot 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.”

- [AB 351 \(McKinnor\) – Section 84308; Contributions to Agency Officers](#)

Status: Introduced

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 party or participant’s 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.

VI. FPPC Legislation Proposals

1. 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.

2. Preventing Foreign Interference in California Elections

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.

3. Behested Payment Reporting

a. Background:

Elected officers and members of the Public Utilities Commission are required to file behested payment reports with their respective agencies. Reports are due to the agency within 30 days of the payment, and the agency must forward a copy of the report to the FPPC (for elected state officers and PUC members) or local filing officer (for local elected officers) within 30 days of receipt of the report.

Agencies that forward behested payment reports to the FPPC currently have three options for submission. They can use the electronic filing system on the FPPC website, send a hardcopy, or email a copy.

b. Proposal Summary:

State elected officers and members of the PUC: The bill would require behested payment reports filed by elected state officers or members of the PUC to be filed directly with the FPPC using the FPPC's electronic filing system for behested payment reports.

Local elected officers: There are two options for behested payment reports filed by local elected officers:

First Option: The bill would make parallel changes for local elected officers, similar to the changes for state-level elected officers. Under this option, local elected officers would file their reports directly with their local filing officer, and the bill would authorize (but not require) filing through a local electronic system, so that local jurisdictions have the option of electronic filing.

Second Option: The bill would require local elected officers to either (1) file behested payment reports electronically with the FPPC directly, or (2) file with their local filing officer if all behested payment reports for officers of that agency are posted publicly on the agency website. Local e-filing would also be authorized.

Filing deadline: Currently, officials must report behested payments to their agencies within 30 days of the payment reaching \$5,000 from a single source in a calendar year, and the agency must forward that report to the FPPC within another 30 days.

The bill would extend the reporting deadline, such that payments that meet that threshold would be required to be reported within 30 days following the end of the calendar quarter.

Deadline for reporting subsequent behested payments from the same donor after the initial report: Existing law currently provides that, after the initial behested

payment report, any subsequent payments in any amount by that same donor must be reported under the same 30-day deadline.

The bill would require reporting of subsequent payments made by a donor after an initial behested payment report has already been submitted for that 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 regulations: The bill would codify two regulations. The first regulation specifies additional information that must be reported on a behested payment report. The second permits a good faith estimate of the behested payment amount to be reported.

4. 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 other than a legislative district office.

b. Proposal Summary:

This bill would clarify and expand that prohibition to apply to any state or local government office or office building, including any legislative office.

5. 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.

6. 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 an elected or appointed official to disclose on the Form 700 arrangements for prospective employment. The public official would be required to disclose the date of the arrangement and the identity of the prospective employer. Pursuant to Regulation [18747](#), "arrangement" means acceptance by the official of the employer's offer of employment.

7. 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.

8. 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.

9. 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.