

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION

1102 Q Street • Suite 3050 • Sacramento, CA 95811 • (916) 322-5660

To:	Chair Silver and Commissioners Brandt, Ortiz, Wilson, and Zettel
From:	Lindsey Nakano, Sr. Legislative Counsel

Subject: Legislative Update – September 2025

Date: September 2, 2025

Subject:	Legislative Update – September 2025	1
I.	General Update	1
II.	Upcoming Legislative Deadlines	1
III.	FPPC Priority Bills	2
IV.	Other Commission-Related Bills	9
V.	Bills Not Moving Forward This Year	. 15

I. General Update

- As of the date of this report, one bill has been signed by the Governor and Chaptered. There are 10 remaining active bills relating to the Political Reform Act, including 5 Commission-initiated bills.
- Staff is continuing to reach out to and work with authors, other members, interested parties, and stakeholders, and to seek bipartisan support on Commission legislation.

II. Upcoming Legislative Deadlines

- 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 9/2/25)

- Chaptered: AB 1029 (Valencia)
- Passed in Both Houses: AB 359 (Ramos) and AB 1286 (Boerner)
- Amended: AB 808 (Addis), SB 852 (Committee on Elections and Constitutional Amendments)
- Made a 2-Year Bill in Appropriations Committee: AB 775 (Fong)

Status and Summaries

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

Status: Passed in the Senate on 7/17/25 (35-0); passed in the Assembly on 8/25/25 (76-0)

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.

Repeals redundant section: Existing law authorizes the FPPC, upon mutual agreement with the County of San Bernardino, to assume primary responsibility for the impartial, effective administration, implementation, and enforcement of the county's local campaign finance reform ordinance. This authority is similar to the general authority to contract with local government agencies discussed above. AB 359 would repeal that section.

FPPC Position: Sponsor

FPPC Costs: The costs of the bill would be reimbursable by the contracting local agency or agencies. The costs for each contract vary depending on the scope of the agreement.

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

Status: Amended on 8/26/25

Short Summary: AB 808 would make several conforming and streamlining 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.

Eliminates references to form-based reporting practices: AB 808 would transition relevant sections of the Political Reform Act away from form-based and paper-based reporting terminology, including by deleting or replacing, as appropriate, references to "forms" and replacing "statement" with "report" throughout the Act. The bill would also streamline the committee registration process and replace "statement of organization" with the term "registration."

Consolidates short form reporting: Existing law requires a candidate or officeholder who does not have a controlled committee and does not anticipate receiving contributions or making expenditures of \$2,000 or more to file a short

form declaring that the candidate or officeholder anticipates receiving and spending under that threshold. AB 808 would eliminate the short form and would instead require that the candidate report this information on the Statement of Intention, required to be submitted before an individual becomes a candidate.

Clarifies when signature verification is needed: AB 808 would clarify for campaign finance reporting that 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.

Loan limit: In 2022, the Supreme Court found that limits on the repayment of candidate loans are unconstitutional. (<u>FEC v. Ted Cruz for Senate, 142 S. Ct. 1638</u>). AB 808 would repeal a provision in the PRA made unenforceable by that decision.

Updated copy of the PRA: Existing law requires the FPPC to annually publish a booklet that includes the provisions of the PRA. AB 808 removes the requirement to publish the PRA in a physical booklet, thereby enabling the FPPC to provide these materials exclusively electronically.

FPPC Position: Sponsor (Co-Sponsor with SOS)

FPPC Costs: Minor and absorbable

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

Status: Passed in the Senate Elections Committee on 7/1/25 (5-0); amended on 7/2/25

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

FPPC Costs: Minor and absorbable

4. AB 1029 (Valencia) – Disclosure of Digital Financial Assets (Cryptocurrency) [CHAPTERED]

Status: Passed in the Assembly (69-0); passed in the Senate (35-0); signed by the Governor and Chaptered on 7/30/25

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

FPPC Costs: Minor and absorbable

5. AB 1286 (Boerner) – Disclosure of Prospective Employment

Status: Passed in the Senate on 7/17/25 (35-0); passed in the Assembly on 8/25/25 (76-0)

Short Summary: AB 1286 would require the Statement of Economic Interests (Form 700) filers listed in Section 87200 to disclose arrangements for prospective employment on their Form 700s.

Detailed Summary:

Existing law; prospective employment: 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.

Existing law; code filers: Public officials listed in Section 87200 or designated in their agency's conflict of interest code are required to file Statements of Economic Interests (Form 700s).

New disclosure on Form 700: AB 1286 would require the public officials listed in Section 87200 to disclose on the Form 700 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."

Content of disclosure: Under AB 1286, public officials 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.

FPPC Position: Sponsor

FPPC Costs: Minor and absorbable

6. SB 852 (Committee on Elections and Constitutional Amendments) – PRA Bill Notifications, Form 700 E-Filers, Contributions in State and Local Buildings

Status: Amended on 8/27/25

Short Summary: SB 852 would eliminate the manual notification requirement for PRA bills and make a corrective change relating to electronic filing of statements of economic interests. The bill would also 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 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 sign up for 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.

Electronic filing of Statements of Economic Interests (Form 700s): Last year, the Legislature passed a bill that required certain categories of filers to file online using the FPPC's electronic filing system. That bill inadvertently left off one category of 87200 filers from that list: public officials who manage public investments. SB 852 corrects that inadvertent omission, adding those public officials to the list of positions that must file electronically with the FPPC.

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.

Other changes: SB 852 makes other changes in the Government Code unrelated to the FPPC or PRA.

FPPC Position: Sponsor

FPPC Costs: None

IV. Other Commission-Related Bills

Updates (as of 9/2/25)

- Amended: AB 789 (Bonta), AB 1511 (Assembly Committee on Elections)
- **Passed in the Appropriations Committee:** SB 42 (Umberg, Allen, and Cervantes), SB 827 (Gonzalez)
- Held in the Appropriations Committee: AB 950 (Solache)

Status and Summaries

7. AB 789 (Bonta) – Use of Campaign Funds for Security Expenses

Status: Amended on 8/25/25

Principal Coauthor: Assemblymember Rivas

Coauthor: Senator Ashby

Short Summary: AB 789 would permit elected officers and candidates to use campaign funds for security expenses subject to no limit until January 1, 2029, after which each elected officer or candidate would be subject to a cap of \$10,000 per calendar year. The bill would also clarify which family members cannot be paid with campaign funds for these purposes.

Detailed Summary:

Existing law: Existing law authorizes a candidate or elected officer to use campaign funds for the reasonable costs of installing and monitoring a home or office electronic security system or for another tangible item related to security, and for the reasonable costs of providing personal security to a candidate, elected officer, or the immediate family or staff of a candidate or elected officer. Existing law imposes a lifetime cap of \$10,000 for these expenditures per elected officer or candidate. Existing law prohibits payments for these purposes to a relative, within the third degree of consanguinity, of a candidate or elected officer.

Eliminates cap: AB 789 eliminates the \$10,000 lifetime cap and instead provides that an elected officer or candidate may use campaign funds for security expenses subject to no limit until January 1, 2029, after which each elected officer or candidate would be subject to a cap of \$10,000 per calendar year for security expenses.

Clarification regarding prohibited expenditures for family members: AB 789 would clarify that campaign funds for these purposes cannot be used to pay the candidate's or elected officer's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any such person.

FPPC Position: None

FPPC Costs: Minor and absorbable

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

Status: Amended on 8/27/25

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."

Corrections: AB 1511 corrects one citation to federal law in the PRA.

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

FPPC Position: No position

FPPC Costs: Minor and absorbable

9. SB 42 (Umberg, Allen, and Cervantes) – Public Campaign Financing

Status: Passed in the Assembly Appropriations Committee on 8/29/25 (11-4)

Principal Coauthors: Senators Becker, Blakespear, and Stern, and Assemblymembers Berman, Kalra, Lee, and Pellerin

Coauthors: Senators Arreguín, Cortese, McNerney, Pérez, and Wiener, and Assemblymembers Haney, Ortega, Schiavo, Bennett, and Solache

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, unless the commission enters into a written agreement with the agency to do so.

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.

Future amendment of the section: SB 42 would provide that any amendments to this section must be approved by the voters, except that the provisions defining terms, including "expenditure limits" and "strict criteria," and the provision authorizing the Legislature or a local government to increase the expenditure limits for participating candidates, may be amended by the Legislature with a 2/3 vote of each house.

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

FPPC Position: No position

FPPC Costs: \$205,000 first year and \$198,000 ongoing for 1 position in the Legal Division. The FPPC may incur potential additional costs in an unknown amount for enforcement against local jurisdictions.

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

Status: Passed in the Assembly Elections Committee on 7/16/25 (7-0); amended on 7/17/25

Coauthor: Assemblymember Solache

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 within 30 days following the date on which the 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.
- (G) A public speech, unless the speech is given at an event that the officer or member knows is being held for the purpose of raising funds for the recipient organization and any of the following apply:
 - (i) The officer or member consents in advance to be a speaker.
 - (ii) The officer or member consents to be featured in a solicitation.
 - (iii) The officer or member publicly solicits contributions to the recipient organization.

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

- (A) The payee organization is not a governmental agency and the elected officer or member of the Public Utilities Commission knows that they, or a member of their immediate family, campaign staff, or officeholder staff, holds a position, including any of the following, with that payee organization:
 - (i) Any position with decision-making capacity within the organization, such as a board member or executive officer position.
 - (ii) Salaried employment at the organization.
 - (iii) Status as a founding member of the organization.
 - (iv) A position on an honorary or advisory board of the organization.
- (B) The behesting officer or member knows, within two years of the payment, that a specific payment was made in response to the officer or member's public appeal.

Reporting deadline for delayed knowledge of payment: If an officer or member does not know at the time that a payment was made in response to their public appeal, the 30-day reporting deadline commences on the date that the officer or member first learns that the payment was made in response to that public appeal.

FPPC Position: No position

FPPC Costs: Minor and absorbable

11. SB 827 (Gonzalez) – Ethics Training for Local Agency Officials

Status: Passed in the Assembly Appropriations Committee on 8/29/25 (10-2)

Coauthor: Senator Arreguín and Assemblymember Ransom

Short Summary: SB 827 would expand the local agency ethics training requirements to an additional category of individuals and would shorten the deadline for completing the training.

Detailed Summary:

Existing law: Existing law requires local agency officials to complete training on general ethics principles and ethics laws, including ethics requirements in the PRA. A bill effective this year imposed a statutory requirement that the FPPC, in consultation with the AG, create, maintain, and make available to local agency officials an ethics training course that satisfies the training requirements.

Expansion to additional individuals: SB 827 would expand those ethics training requirements additionally to "[a] department head or other similar administrative officer of a local agency."

Training deadline: Existing law requires that the ethics training must be completed within 1 year from the first day of service with the local agency. SB 827 would instead require local agency officials who commence service with a local agency on or after January 1, 2026, to receive the training no later than six months from the first day of service with the local agency.

Local agency duty: Existing law requires a local agency that is subject to the ethics training requirements to maintain certain records of the training. SB 827 would require the local agency, if the local agency has an internet website, to publish those records on its internet website.

Other changes: The bill makes additional changes in the Government Code unrelated to the FPPC.

FPPC Position: No position

FPPC Costs: Approximately \$5,000 annually for additional software costs for the online training system.

V. Bills Not Moving Forward This Year

- 1. AB 26 (DeMaio) Intent Bill
- 2. AB 351 (McKinnor) Section 84308; Contributions to Agency Officers
- 3. AB 775 (Fong) Behested Payment Reporting (2-Year Bill)
- 4. AB 884 (Essayli) Prohibition on Contributions from Investor-Owned Utilities
- 5. AB 950 (Solache) Campaign Advertisement Disclaimers (Held in Appropriations)
- 6. SB 300 (Padilla) Exception to the Conflict of Interest Prohibition (2-Year Bill)
- 7. SB 321 (Cervantes) Late Signature Curing Expenditure Reports (Held in Appropriations)
- 8. SB 401 (Hurtado) State Employee Restriction on Business Ownership (2-Year Bill)
- 9. SB 458 (Niello and Umberg) Ballot Measure Titles, Summaries, and Financial Impact Estimates (Held in Appropriations)

- 10. SB 644 (Blakespear) Contribution Limits for Candidates for Judicial, School District, and Community College District Office (Held in Appropriations)
- 11. SB 817 (Choi) Intent Bill