



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission (the Commission), under the authority vested in it under the Political Reform Act (the Act)¹ by Section 83112 of the Government Code, proposes to adopt, amend, or repeal regulations in Title 2, Division 6 of the California Code of Regulations. The Commission will consider the proposed regulation at a public hearing on or after **August 21, 2025**, at the offices of the Fair Political Practices Commission, 1102 Q Street, Suite 3050, Sacramento, California, commencing at approximately **10:00 a.m.** Written comments should be received at the Commission offices no later than **5:00 p.m. on August 19, 2025**.

BACKGROUND/OVERVIEW:

The Political Reform Act was created to accomplish several purposes, one such purpose being that the receipts and expenditures in election campaigns be fully and truthfully disclosed in order that the voters may be fully informed and improper practices may be inhibited. (Section 81002.)

The Act contains disclosure and recordkeeping requirements with respect to contributions and expenditures, and prescribes the manner in which contributions and expenditures of \$100 or more may be made. (Section 84200 et seq.; and Section 84300(c).) Specifically, no contribution of \$100 or more may be made or received in cash, and a contribution of \$100 or more must be in the form of a written instrument containing the name of the contributor and drawn from the account of the contributor. Similarly, no expenditure of campaign funds of \$100 or more may be made in cash. (Section 84300 (a), (b) & (c).) For each contributor of \$100 or more, a committee must disclose the contributor's full name, street address, and, if the contributor is an individual, the contributor's occupation and employer. (Section 84211(f).)

The Act also permits candidates and committees to raise contributions over the Internet, as long as the Act's disclosure and recordkeeping requirements are met. Regulation 18421.3, meanwhile, details the reporting requirements for contributions and expenditures collected by "contract vendors" or "collection agents."

REGULATORY ACTION:

The Commission may review and consider all aspects of regulations limiting the use of prepaid cards for making committee expenditures and the receipt of campaign contributions and of contributor verification and recordkeeping requirements for contributions raised online by contract vendors or collection agents, including, but not limited to, the adoption of regulatory language

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

prohibiting the use of prepaid cards for any contribution or expenditure of \$100 or more, and requiring candidates or committees to ensure contract vendors that collect funds on their behalf utilize “Address Verification Service” protocol to verify contributor information and prove that verification to the committee. The Commission may also consider a prohibition on the acceptance of online contributions originating from foreign Internet Protocol addresses (“IP address”). While the Commission may review and consider any aspect of the proposal above, including but not limited to existing Regulations 18421.3 and 18401, it is anticipated that the Commission will specifically consider each of the following proposals made by Commission staff:

Regulation 18430.1

Adopt 2 Cal. Code Regs. Section 18430.1 to add a prohibition on the use of prepaid debit, prepaid credit, or gift cards for the making of committee expenditures and the acceptance of contributions in amounts of \$100 or more.

Regulation 18421.3.

Amend 2 Cal. Code Regs. Section 18421.3 subdivision (b) to add language that prohibits candidates or committees from contracting with payment processors that do not utilize AVS to verify and provide the committee with this information, along with the corresponding contributions.

Regulation 18401

Amend 2 Cal. Code Regs. Section 18401 subdivision (a)(2)(B) to add a requirement that the AVS confirmation of the cardholder’s address be retained as a part of the original source documentation to bring record-keeping requirements in line with the amended contract vendor requirement of Regulation 18421.3.

SCOPE:

The Commission may adopt the language noticed herein, or it may choose new language to implement its decisions concerning the issues identified above or any related issues.

FISCAL IMPACT STATEMENT:

Fiscal Impact on Local Government. This regulation will have no fiscal impact on any local entity or program.

Fiscal Impact on State Government. This regulation will have no fiscal impact on any state entity or program.

Fiscal Impact on Federal Funding of State Programs. This regulation will have no fiscal impact on the federal funding of any state program or entity.

AUTHORITY:

Section 83112 provides that the Fair Political Practices Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the Act.

REFERENCE:

The purpose of this regulation is to implement, interpret, and make specific Government Code Sections 84104, 84211, 84300, 84306, and 85201.

CONTACT:

Any inquiries should be made to Zachary Norton, Fair Political Practices Commission, 1102 Q St., Suite 3050, Sacramento, CA 95811; email: znorton@fppc.ca.gov; telephone (279) 237-5967. Proposed regulatory language can be accessed at <http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html>.