



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 **January 18, 2023**, 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 **January 16, 2023**.

BACKGROUND/OVERVIEW:

The Commission and staff are currently reviewing the Commission's Streamline Settlement Program that was established in May of 2015, with the Enforcement Division's intent to prosecute violations with limited public harm and allow staff to focus resources on more egregious and intentional violations. Since the adoption of the program, the Streamline Program has since resolved a large percentage of cases before the Commission. In January 2019, the Commission expanded the existing program to include several additional violations² to support the Act. At that time, the Commission delegated the approval authority of these actions to the Chief of Enforcement.

In the January 2021, the Commission adopted and presented a proposed changes to the Streamline Programs that added two more categories of violations to the program.³ The addition to the Tier Two Streamline option was added to include violations that did not qualify for the first tier but would benefit from an expedited resolution.

Staff has since proposed a series of improvements with efforts to expand and adjust the Commission's Streamline Settlement and Warning Letter Programs and include criteria for the Political Reform Education Program ("PREP"), to make the Enforcement Division more effective moving forward and to improve the prosecution of low-level violations.

REGULATORY ACTION:

Repeal and Adopt 2 Cal. Code Regs. Section 18360.1- Eligibility Requirements and Considerations for Campaign Violations – Streamline (Tiers One and Two), Warning Letters and the Political Reform Education Program (PREP).

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 18110 through 18997 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.

² These violations were: Unreported Lobbying Activity, Cash Contribution or Expenditure of \$100 or more, Campaign Bank Account, Committee Naming, Advertising and Mass Mailing Disclosure, Recordkeeping, gift Limit, Slate Mailer Organization Filing Issues, Proper Recusal of a Conflict of Interest, Major Donor Notification.

³ These violations were: Major Donor Filers, Behested Payment Reports.

Repeal and Adopt 2 Cal. Code Regs. Section 18360.2 - Eligibility Requirements and Considerations for Ethics and Lobbying Violations – Streamline (Tiers One and Two), Warning Letters and the Political Reform Education Program (PREP).

Repeal and Adopt 2 Cal. Code Regs. Section 18360.3 - Penalties in Streamline Cases.

In considering Regulations 18360.1 through 18360.3, the Commission may consider any issues pertaining to the revision of the Streamline Settlement Program including, but not limited to, the following:

- Types of violations included in the program.
- Factors for participation in the programs such as mitigating or aggravating circumstances.
- Penalty amount and structure.
- Reformatting the regulations to specify the three new Streamline Program categories of enforcement violations including minor contributions limit violations, Section 84308 violations, and recurring contributions violations.

While not limited to the following, currently proposed amendments that may be considered by the Commission would:

- Modify the population threshold to include smaller committees with campaigns reporting and filing violations.
- Delete the exclusion criteria “Pattern of campaign statement or reports not timely filed.”
- Expand minimal public harm criteria with examples in campaign context to help staff understand this critical criterion.
- Remove rigid settlement amounts corresponding to a certain time in the process.
- Remove an exclusion for when a 24-Hour Report that is filed late and might have changed the advertising disclosures for top contributors.
- Include additional violations in Tier Two that would be excluded currently and, to compensate for this change, increase some of the Tier Two penalties.
- Add when a respondent qualifies for PREP.

SCOPE: The Commission may adopt the language noticed herein, or it may choose new language to implement its decision concerning the issue identified above or any related issue.

FISCAL IMPACT STATEMENT:

<u>Fiscal Impact on Local Government.</u>	None.
<u>Fiscal Impact on State Government.</u>	None.
<u>Fiscal Impact on Federal Funding of State Programs.</u>	None.

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: Section 83116.5, Government Code.

CONTACT: Any inquiries should be made to Dave Bainbridge, Fair Political Practices Commission, 1102 Q St., Suite 3050, Sacramento, CA 95811; telephone (916) 322-5660 or 1-866-ASK-FPPC. Proposed regulatory language can be accessed at <http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html>.