



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811
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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 regulations at a public hearing on or after **March 20, 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 to the Commission are requested no later than **5:00 p.m.** on **March 18, 2025**.

BACKGROUND/OVERVIEW:

In September 2024, the Governor signed Senate Bills 1181 and 1243 into law. The bills amended Section 84308 of the Political Reform Act and the amendments took effect on January 1, 2025. Section 84308 places limitations on certain public officials' ability to take part in licensing, permitting, and other use entitlement proceedings when a party or participant in the proceeding has contributed more than a specified amount to the official within the preceding twelve months. The statute also places prohibitions on when parties and participants in entitlement for use proceedings may make, and when public officials may receive, contributions exceeding that amount during such a proceeding and for a defined period after a final decision in the proceeding.

Senate Bills 1181 and 1243 amended Section 84308 in numerous ways, including, but not limited to:

- Raising the threshold for contributions regulated by Section 84308 from \$250 to \$500;
- Defining or redefining key terms, such as “pending,” “agent,” “license, permit, or other entitlement for use,” and what types of contract decisions fall within the law;
- Specifying that contributions from agents are no longer aggregated with those of parties or participants;
- Expanding the circumstances in which a disqualifying contribution may be returned when it was made within the 12 months after the date of the decision by extending the period for return from 14 to 30 days; and
- Adding clarification to the time period during which a party to an entitlement for use proceeding must disclose that it made a contribution greater than \$500 (formerly \$250).

REGULATORY ACTION:

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.

- Amend 2 Cal. Code Regs. Sections 18360.1, 18438, 18438.2, 18438.4 through 18438.8, and 18705
- Repeal 2 Cal. Code Regs. Section 18438.3

SCOPE:

Given the numerous amendments to Section 84308, in addition to questions and requests for advice the Commission has received from the regulated community, Commission staff is proposing the amendment and repeal of various regulations in order to interpret, implement, and make specific the provisions of Section 84308. The scope of the regulatory proposal may include any and all regulations necessary or relevant to the application of Section 84308. Specific proposals the Commission may review and discuss, include but are not limited to the following:

Amend 2 Cal. Code Regs 18438

Commission staff proposes amending the regulation to clarify the version of Section 84308 applicable to conduct (including proceedings participated in or contributions made or received, solicited or directed by an officer) that occurred prior to the effective date of a statutory amendment. This may include removing references to specific dates and “future-proofing” the regulation by addressing the applicability of Section 84308 subsequent to statutory amendments generally, rather than with respect to the specific effective date of a particular amendment.

Amend 2 Cal. Code Regs. Section 18360.1

Commission staff proposes amending the regulation’s figures, calculations, and eligibility requirements relating to violations of Section 84308.

Amend 2 Cal. Code Regs. Section 18438.2

Commission staff proposes amending the regulation’s definition of “proceeding involving a license, permit or other entitlement for use;” removing the regulation’s definitions of “competitively bid contract,” and “pending,” which are now addressed by amended Section 84308.

Repeal 2 Cal. Code Regs. Section 18438.3

Commission staff proposes repealing the regulation, which currently defines the term “agent,” as that term is now addressed by amended Section 84308.

Amend 2 Cal. Code Regs. Section 18438.4

Commission staff proposes amending the regulation to include the applicable standard for determining whether a business entity or non-profit has a “financial interest” in a proceeding involving a license, permit or other entitlement for use, such that they may qualify as a “participant.”

Amend 2 Cal. Code Regs. Section 18438.5

Commission staff proposes amending the regulation provisions relating to aggregation of contributions by parties and participants, including removing references to “agents” of parties and participants, given that amended Section 84308 specifies contributions by agents are no longer aggregated with contributions by parties and participants. Staff also proposes an amendment to update a reference to Section 84308’s contribution limit that has changed from \$250 to \$500.

Amend 2 Cal. Code Regs. Section 18438.6

Commission staff proposes amending the regulation to clarify that Section 84308 applies to state or county central committees controlled by a public official.

Amend 2 Cal. Code Regs. Section 18438.7

Commission staff proposes amending the regulation to update references to Section 84308’s contribution limit that has changed from \$250 to \$500; and specify the standard for determining when an officer “willfully” received or “knew or should have known” about a contribution under Section 84308(d).

Amend 2 Cal. Code Regs. Section 18438.8

Commission staff proposes amending the regulation to reference Section 84308’s increased contribution limit from \$250 to \$500; remove a reference to aggregation of a party’s contributions with their agent’s contributions; amend the deadline for a party’s disclosure of excess contributions made within the preceding twelve months; and reorganize current subdivision (b)(3) to new subdivision (c).

Amend 2 Cal. Code Regs. Section 18705

Commission staff proposes amending the regulation to update a reference to Section 84308’s contribution limit to the correct, increased amount (i.e., from \$250 to \$500).

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, Government Code 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: Sections 81002, 81003, 83116.5, 84308, and 87101, Government Code

CONTACT: Any inquiries should be made to Kevin Cornwall, Fair Political Practices Commission, 1102 Q St., Suite 3050, Sacramento, CA 95811; email: kcornwall@fppc.ca.gov; telephone (279) 237-5924. The proposed regulatory language can be accessed at <http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html>.