

STATE OF CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION 1102 Q Street • Suite 3050 • Sacramento, CA 95811 (916) 322-5660 • Fax (916) 322-0886

Second Quarter Update 2025

Campaign Reporting and Advertising Disclosure

Regulations adopted by the Commission.

The following are regulatory changes approved by the Commission during the past quarter concerning campaign reporting or advertising disclosure. To receive updates for all regulations before the Commission, please sign up for our mailing list here.

None.

Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter concerning questions about campaign reporting or advertising disclosure. To receive the monthly report with all advice letters issued, please sign up for our mailing list here.

Campaign

Giovanni Villegas-Cortez

In connection with an August 26, 2025, special election for the County of Merced, candidates and committees may use a filing schedule that combines the semi-annual campaign statement with the first pre-election statement. The combined statement will be due on July 17, 2025, covering the period from the day after the closing date of the last statement filed, through July 12, 2025.

Tiffany Morales

In connection with an August 26, 2025, special election in the County of Riverside, candidates and committees may use a filing schedule that combines the semi-annual campaign statement with the first pre-election statement. The combined statement will be due on July 17, 2025, covering the period from the day after the closing date of the last statement filed, through July 12, 2025.

Cecilia Vela

In connection with an August 26, 2025, special election for the City of Arvin, candidates and committees may use a filing schedule that combines the semi-annual campaign statement with the first pre-election statement. The combined statement will be due on July 17, 2025, covering the period from the day after the closing date of the last statement filed, through July 12, 2025.

A-25-062

Margie Hieter

In connection with an August 26, 2025, special general election in Assembly District 63, candidates and committees may use a filing schedule that combines the semi-annual campaign

A-25-068

A-25-061

A-25-039

Page | 2

statement with the first pre-election statement. The combined statement will be due on July 17, 2025, covering the period from the day after the closing date of the last statement filed, through July 12, 2025.

Landon Sudholt

In connection with an August 26, 2025, special election for the County of Calaveras, committees may use a filing schedule that combines the semi-annual campaign statement with the first preelection statement. The combined statement will be due on July 17, 2025, covering the period from the day after the closing date of the last statement filed, through July 12, 2025.

Lily Gutierrez

In connection with an August 26, 2025, special election for the County of San Bernardino, candidates and committees may use a filing schedule that combines the semi-annual campaign statement with the first pre-election statement. The combined statement will be due on July 17, 2025, covering the period from the day after the closing date of the last statement filed, through July 12, 2025.

Sarah Lang

When a sponsored general-purpose committee retains a consultant to organize a fundraising event in coordination with a candidate, without payment of full and adequate consideration from that candidate, the consultant's fees and expenses attributable to the event are a nonmonetary contribution from the committee to the candidate. Additionally, the full costs of the event, including the consultant's fees and expenses, will constitute in-kind contributions to the candidate. Rules for valuing attendance at an invitation-only event provided in Regulation 18946.2(b) do not apply to the valuation of the contribution, and costs for the in-person event do not come within the contribution exception for member communications.

Linda Reid

In connection with an August 26, 2025, special election for the City of Buellton, candidates and committees may use a filing schedule that combines the semi-annual campaign statement with the first pre-election statement. The combined statement will be due on July 17, 2025, covering the period from the day after the closing date of the last statement filed, through July 12, 2025.

Section 84308

Daniel G. Sodergren

Section 84308 does not prohibit the city mayor from appointing an individual to a city board, commission, or committee, even where that individual has made a campaign contribution of more than \$500 to the mayor in the last 12 months. Appointments to boards, commissions, and committees are a form of employment contract, which is exempt from the definition of "entitlement for use" under the Act. Therefore, Section 84308 does not apply.

James Sutton

I-25-045

Section 84308 prohibits agents from making contributions to officers while entitlement for use proceedings are pending and for 12 months after a final decision has been reached by the agency.

I-25-026

<u>A-25-074</u>

<u>A-25-069</u>

<u>A-25-081</u>

<u>A-25-090</u>

An employee of an entity that is a party or participant in a proceeding does not qualify as an "agent," even if they perform work relating to the proceeding, if the employee does not communicate with the agency for the purpose of influencing the proceeding.

Commission Opinions

None.

Enforcement Matters

The following are summaries of significant enforcement actions approved by the Commission in the past quarter involving violations of the Act's campaign reporting and advertising disclosure provisions. To receive a monthly report of all enforcement actions, please sign up for our <u>mailing list here</u>.

Campaign Contribution Limits

In the Matter of Vicky Santana, Santana for Senate 2018, and David Gould; FPPC No.

20/614. Staff: Neal Bucknell, Senior Commission Counsel; Lance Hachigian, Supervising Special Investigator; Ann Flaherty, Special Investigator; and Kaitlin Osborn, Special Investigator. Gould is represented by Leilani Beaver of Beaver Legal Corporation. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Santana was an unsuccessful candidate for California State Senate, District 32, in the June 5, 2018 Primary Election. Santana for Senate 2018 was Santana's candidate-controlled committee. Gould was the Committee's treasurer. The Committee, Santana, and Gould accepted over-the-limit campaign contributions (and caused Santana's parents to make over-the-limit campaign contributions) in violation of Government Code Sections 83124 and 85301, and Regulation 18545, subdivision (a)(1) (1 count); reported inaccurate information on a 24-Hour Report, which concealed the true source of campaign funds, in violation of Government Code Section 84203 (1 count); and caused Santana's parents to make a campaign contribution in the name of another, in violation of Government Code Section 84301 (1 count). **Fine: \$15,000.**

Behested Payments

In the Matter of Evan Low and Evan Low for Assembly 2020; FPPC Nos. 20/231 &

23/443. Staff: Jenna C. Rinehart, Senior Commission Counsel, and George Aradi, Special Investigator. The Respondents are represented by Amber Maltbie of Nossaman LLP. Low was first elected to State Assembly in 2014 and left office on December 1, 2024. Low was a successful candidate for State Assembly in the March 3, 2020 and the November 3, 2020 elections. Evan Low for Assembly 2020 was Low's candidate-controlled committee. Low failed to timely file behested payment reports, in violation of Government Code Section 84224 (3

counts), and failed to verify campaign statements, in violation of Government Code Section 81004 (7 counts). The Committee and Low failed to timely disclose accrued expenses, in violation of Government Code Section 84211 and Regulation 18421.6 (7 counts), and failed to timely disclose subvendor payments, in violation of Government Code Sections 84303 and 84211 (4 counts). Additionally, the Committee and Low failed to maintain campaign records, in violation of Government Code Section 84104 (1 count), and failed to properly terminate the Committee, in violation of Government Code Section 84214 and Regulation 18404 (1 count). **Fine: \$106,000.**

Advertisements

In the Matter of Jessica Martinez City Council 2020, Cynthia Riva, Jessica Martinez, Martinez for Assembly 2020, and Glenn Sheppard; FPPC No. 20/176. Staff: Cinthya Bernabé, Commission Counsel. Jessica Martinez was a successful candidate for the Whittier City Council, District 1, in the March 3, 2020 Primary Election, an unsuccessful candidate for State Assembly, District 57, in the November 3, 2020 General Election, and an unsuccessful candidate for State Assembly, District 56, in the November 5, 2024 General Election. Jessica Martinez City Council 2020 (the "City Committee") and Martinez for Assembly 2020 (the "Assembly Committee") were Martinez's candidate-controlled committees. Cynthia Riva was the treasurer of the City Committee, and Glenn Sheppard was the treasurer of the Assembly Committee. Martinez and the City Committee failed to include the proper advertisement disclosures in a mass mailer, in violation of Government Code Section 84305 and Regulation 18435 (1 count). Martinez, the City Committee, and Riva failed to timely file one preelection campaign statement, in violation of Government Code Sections 84200.5 and 84200.8, and Regulation 18405 (1 count); an amendment to the Statement of Organization to report the City Committee's qualification date, in violation of Government Code Section 84101 (1 count); and one semiannual campaign statement, in violation of Government Code Section 84200 (1 count). Martinez, the Assembly Committee, and Sheppard failed to timely file three 24-Hour Reports, in violation of Government Code Section 84203 (3 counts), and failed to accurately report the correct amount received in one 24-Hour Report, in violation of Government Code Section 84203 (1 count). Additionally, Martinez failed to timely file a candidate statement of economic interests for the November 5, 2024 General Election, in violation of Government Code Section 87201 (1 count). Fine: \$2,372 (Tiers One and Two).

In the Matter of Stand Up for Chico and Angela McLaughlin; FPPC No. 22/1047. Staff: Laura Columbel, Commission Counsel and Kaitlin Osborn, Special Investigator. Stand Up for Chico is a local general purpose committee. Angela McLaughlin served as the Committee's treasurer. The Committee and McLaughlin failed to timely file five pre-election campaign statements, in violation of Government Code Section 84200.5 (5 counts), one semi-annual campaign statement, in violation of Government Code Section 84200 (1 count), three 24-hour reports, in violation of Government Code Section 84204 (1 count), and failed to timely report one independent expenditure on a pre-election campaign statement, in violation of Government Code Section 84211 (1 count). In addition, the Committee failed to include the proper advertising disclosures on a yard sign, a social media landing page, and in a social media advertisement related to the November 8, 2022, General Election, in violation of Government Code Sections 84504.2, 84504.6, and 84506.5 (3 counts). Fine: \$614 (Tier One).

Campaign Late Filer/Reporter

In the Matter of San Marcos Teachers for Quality Education and Dale Pluciennik; FPPC No. 24/1289. Staff: Alex Rose, Senior Commission Counsel. San Marcos Teachers for Quality Education was a local general purpose committee. Dale Pluciennik was the Committee's treasurer. The Committee and Pluciennik failed to timely disclose contributions on two preelection campaign statements, in violation of Government Code Section 84211 (2 counts), and failed to include the name of its sponsor, San Marcos Educators Association, in the Committee's name on three campaign statements, in violation of Government Code Section 84106 (3 counts). Fine: \$3,407 (Tiers One and Two).

In the Matter of Carlos Avalos 4 Downey Schools and Carlos Avalos; FPPC No. 20/039.

Staff: Cinthya Bernabé, Commission Counsel. Carlos Avalos was an unsuccessful candidate for the Downey Unified School District Board of Education in the November 3, 2020 General Election. Carlos Avalos 4 Downey Schools was Avalos' candidate-controlled committee. The Committee and Avalos failed to timely file three 24-Hour Reports, in violation of Government Code Section 84203 (3 counts), and two semiannual campaign statements, in violation of Government Code Section 84200 (2 counts). Fine: \$3,227 (Tier One).

In the Matter of California Workers' Justice Coalition Sponsored by Service Employees International Union Local 1021 and Ramses Teón-Nichols; FPPC No. 20/1060. Staff: Vanessa Jimmy, Commission Counsel and Katelin Angeloni, Special Investigator. The respondents were represented by Richard R. Rios of Olson Remcho, LLP. California Workers' Justice Coalition Sponsored by Service Employees International Union Local 1021 is a general purpose committee. Ramses Teón-Nichols serves as the Committee's treasurer. The Committee and Teón-Nichols failed to timely report subvendor payments on a pre-election campaign statement, in violation of Government Code Sections 84211, subdivision (k), and 84303 (1 count). Fine: \$1,500.

In the Matter of Adrian Greer for Azusa School Board 2018 and Adrian Greer; FPPC No.

21/089. Staff: Marissa Corona, Senior Commission Counsel. Adrian Greer was a successful candidate for Azusa School Board in the November 6, 2018 General Election. Adrian Greer for Azusa School Board 2018 was Adrian Greer's candidate-controlled committee. Greer failed to timely file a Statement of Intention, in violation of Government Code Section 85200 (1 count). The Committee and Greer failed to timely file a Statement of Organization, in violation of Government Code Section 84103 (1 count). The Committee and Greer also failed to timely file one pre-election statement, in violation of Government Code Section 84200.5 (1 count), three semi-annual statements and four officeholder short form statements, in violation of Government Code Sections 84200 and 84206 (7 counts), and failed to timely file a 24-Hour Report, in violation of Government Code Section 84203 (1 count). Fine: \$3,139 (Tier 1).

In the Matter of Bryan Rasch; FPPC No. 22/704. Staff: Jonathan Rivera, Commission Counsel. Bryan Rasch, a former Trustee of the Eastside Union School District Board, failed to

timely file two officeholder campaign statements in violation of Government Code Section 84200 and Regulation 18406 (2 counts). Fine: \$400 (Tier One).

In the Matter of Reverge Anselmo; FPPC No. 22/402. Staff: Laura Columbel, Commission Counsel and Ann Flaherty, Special Investigator. The respondent is represented by Catherine Keenan of the Law Offices of Phillip Russell, LLC. Reverge Anselmo is a major donor committee. Anselmo failed to timely file four semi-annual campaign statements, in violation of Government Code Section 84200 (4 counts), and two 24-Hour Reports, in violation of Government Code Section 84203 (2 counts). Fine: \$21,500.

In the Matter of Christine Nagave for Sheriff 2022, Christine Nagave, & Gregory Nagave; FPPC No. 22/790. Staff: Laura Columbel, Commission Counsel and Kristin Hamilton, Special Investigator. Christine Nagaye was an unsuccessful candidate for Santa Clara Sheriff in the June 7, 2022 Primary Election. Christine Nagaye for Sheriff 2022 was Nagaye's candidate-controlled committee. Gregory Nagaye served as the Committee's treasurer. The Committee, Christine Nagaye, and Gregory Nagaye failed to timely file an Amended Statement of Organization, in violation of Government Code Section 84101 (1 count); two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts); six semi-annual campaign statements, in violation of Government Code Section 84203 (1 count). The Committee, Christine Nagaye, and Gregory Nagaye also failed to timely report expenditures and loan repayments on one semi-annual campaign statement, in violation of Government, in violation of Government, in violation of Government Code Section 84203 (1 count). The Committee, Christine Nagaye, and Gregory Nagaye also failed to timely report expenditures and loan repayments on one semi-annual campaign statement, in violation of Government Code Section 84203 (1 count). The S2,058 (Tiers One & Two).

In the Matter of California Association of Highway Patrolmen PAC and J. Richard Eichman; FPPC No. 23/727. Staff: Bridgette Castillo, Senior Commission Counsel. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. California Association of Highway Patrolmen PAC was a state general purpose committee. At all relevant times, J. Richard Eichman was the Committee's treasurer. The Committee and Eichman failed to timely disclose a contribution in the amount of \$68,943 received on a semi-annual campaign statement, in violation of Government Code Section 84211 (1 count). Fine: \$1.979 (Tier Two).

Legislation

AB 359 (Ramos) – Extension of Local Contracting Authority

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.

AB 775 (Fong) – Behested Payment Reporting

Status: Passed in the Assembly Appropriations Committee (14-0); passed in the Assembly (79-0)

Short Summary: AB 775 would require behested payment reports submitted by elected state and local officers and members of the Public Utilities Commission to be electronically filed directly with the FPPC. As an alternative to electronic filing with the FPPC, the bill would permit local elected officers to file directly with their local filing officer under the condition that the reports are posted publicly on the local agency's website. The bill would also alter the reporting deadline, create a new threshold for when a subsequent report is required to be filed for additional behested payments from the same donor, and codify two existing regulations.

Detailed Summary:

Existing law:

- Definition of behested payment: 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.
- Reporting threshold for behested payments: An elected officer or member of the Public Utilities Commission (PUC) is required to submit a behested payment report when a single source (payor) makes a behested payment or payments at the behest of the elected officer or PUC member totaling \$5,000 or more in the aggregate in a calendar year.

- *Reporting process and deadline*: Elected officers and PUC members must file behested payment reports with their respective agencies within 30 days of reaching the reporting threshold. At the state level, the agency is then required to forward a copy of the report to the FPPC within 30 days. At the local level, the agency is required to forward a copy of the report to the report to the local filing officer within 30 days.
- Subsequent reports: If an elected officer or PUC member submits a behested payment report for a payor, and that same payor later makes another behested payment in any amount in the same calendar year, the elected officer or PUC member must submit a subsequent behested payment report for that payor.

Reporting process, electronic filing: AB 775 would require behested payment reports filed by elected state or local officers or PUC members to be filed directly with the FPPC using the FPPC's electronic filing system for behested payment reports. The bill would require that the FPPC's e-filing systems for behested payment reports send an automatic confirmation email after the report is submitted.

Reporting process, alternate option for local elected officers: As an alternative to electronic filing with the FPPC, AB 775 would permit local elected officers to file behested payment reports directly with their local filing officer <u>if</u> all behested payment reports for officers of that agency are posted publicly on the local agency website. Local electronic filing would also be authorized, and the bill would clarify that an electronically filed report is an original report. The bill would require local agencies to post the behested payment reports online within 10 days of receipt.

Deadline for initial behested payment reports: AB 775 would alter the deadline for filing behested payment reports. Behested payments that meet the threshold of \$5,000 or more in the aggregate from a single source in a calendar year would be required to be reported within 30 days following the end of the calendar quarter in which that threshold was met.

Subsequent reports: AB 775 would require reporting of subsequent payments made after an initial behested payment report for a particular 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 two regulations: AB 775 would codify two existing regulations, which specify additional information that must be reported on a behested payment report and permit a good faith estimate of the behested payment amount to be reported.

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

Short Summary: AB 808 makes conforming 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.

Deletes reference to "forms": AB 808 would delete the reference to "forms" in the definition of "campaign statement."

Clarifies when signature verification is needed: AB 808 would clarify for campaign finance reporting, verification is needed for semiannual and pre-election 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.

<u>AB 953 (Pacheco and Alanis) – Preventing Foreign Interference in California</u> <u>Elections</u>

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 <u>government</u> or foreign <u>principal</u> from making a contribution, expenditure, or independent expenditure in connection with a state or local <u>ballot</u> <u>measure</u>. 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.

<u>SB 280 (Cervantes and Dahle) – Contributions in State and Local Offices and Office</u> <u>Buildings</u>

Short Summary: SB 280 would 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 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.

AB 950 (Solache) – Campaign Advertisement Disclaimers

Short Summary: AB 950 makes several changes to the campaign advertisement disclaimer requirements. The bill would (1) clarify that the campaign disclaimer statements on yard signs and billboards may use shortened committee names, (2) provide detailed criteria and specific approved abbreviations for shortening top contributor names in campaign advertisement disclaimers, (3) change the way top contributor names must be separated/differentiated when they are not listed on separate lines, (4) and alter the disclaimer statements required for ads not paid for or authorized by the candidate.

Detailed Summary:

Existing law: Existing law in the PRA generally requires candidates and campaign committees to put disclosures on campaign advertisements that identify the committee that paid for or authorized the communication.

Clarification regarding shortened committee name: Existing law authorizes certain types of campaign advertisements, including print advertisements that are larger than those designed to be individually distributed, to use a shortened committee name in the disclaimer statement. AB 950 clarifies that those print advertisements include, but are not limited to, yard signs or billboards. The bill additionally makes formatting changes to this section.

Authorizes shortening top contributor names: AB 950 would authorize the top contributor names in the disclaimer to be shortened according to a specific set of rules and criteria, including a list of approved abbreviated words. The bill would authorize the Commission to establish other acceptable abbreviations, subject to certain criteria.

Differentiation between top contributor names: Existing law provides that the top contributors do not need to be listed on separate lines if the names are separated by commas. AB 950 would instead require that each top contributor has a clearly visible bullet point or is numbered (1., 2., 3.), largest to smallest, if the names do not appear on separate lines.

Disclaimer for ads paid for by independent expenditure: Existing law requires a disclaimer statement that an advertisement supporting or opposing a candidate paid for by independent expenditure was not authorized by a candidate or a committee controlled by a candidate. AB 950 would instead require the specific statement, "Not paid for by a candidate."

Disclaimer for ads paid for by a candidate for a different office: Existing law, for an advertisement authorized or paid for by a candidate for another office, requires a disclaimer the statement: "This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office." AB 950 would instead require the statement: "Not paid for by a candidate for this office."

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

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 makes two corrections to citations to federal law in the PRA. *Voter information guide*: AB 1511 would also change "ballot pamphlet" to "voter information guide" throughout the PRA.

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

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.

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.

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

<u>SB 760 (Allen) – Behested Payments Reporting Exemption for Public Appeals for</u> <u>Payment</u>

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 when 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.
- (E) A public speech to a group of 100 or more individuals.

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

- (A) It is reasonably foreseeable that the payment will have a <u>material financial effect</u>, distinguishable from its effect on the public generally, on the behesting officer or member, or a member of their immediate family.
- (B) The behesting officer or member is <u>knows that a specific payment was made</u> in response to the officer or member's public appeal.