STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Silver and Commissioners Baker

From: Lindsey Nakano, Sr. Legislative Counsel

Subject: **Legislative Update – April 2024**

Date: April 12, 2024

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1. General Update

- As of the date of this report, there are 21 active FPPC-related bills.

- Staff is continuing to reach out to and work with members, interested parties, and stakeholders, and to seek bipartisan support on Commission legislation.

2. Upcoming Legislative Deadlines

- Apr. 26 - Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
- May 3 - Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house
- May 10 - Last day for policy committees to meet prior to May 28
- May 17 - Last day for fiscal committees to hear and report to the floor bills introduced in their house
    - Last day for fiscal committees to meet prior to May 28
- May 20-24 - Floor Session only. No committees, other than conference or Rules committees, may meet for any purpose
- May 24 - Last day for each house to pass bills introduced in that house
- May 28 - Committee meetings may resume
- June 15 - Budget Bill must be passed by midnight
- June 27 - Last day for a legislative measure to qualify for the Nov. 5 General Election ballot
- July 3 - Last day for policy committees to meet and report bills
    - Summer Recess begins upon adjournment provided Budget Bill has been passed

- Aug. 5 - Legislature Reconvenes from Summer Recess
- Aug. 16 - Last day for fiscal committees to meet and report bills
- Aug. 19-31 - Floor Session only. No committees, other than conference and Rules committees, may meet for any purpose
- Aug. 23 - Last day to amend on the floor
- Aug. 31 - Last day for each house to pass bills
    - Final Recess begins upon adjournment
- Sept. 30 - Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1
- Nov. 5 - General Election
- Dec. 2 - 12 Noon convening of the 2025-26 Regular Session for one-day organizational session

3. FPPC Priority Bills

Updates (as of 4/11/24)

- **Bills Amended:** SB 1404 (Glazer)

- **Committee Updates:** AB 2001 (Gallagher), SB 1027 (Menjivar), SB 1404 (Glazer)

Status and Summaries

- **AB 1170 (Valencia) – Electronic Filing of SEIs (Form 700s)**

  Status: Passed in the Assembly Elections Committee on 1/10/24 (7-0); passed in the Assembly Appropriations Committee on 1/18/24 (15-0); passed in the Assembly on 1/29/24 (77-0)

  Short Summary: AB 1170 would (1) require officials whose filing officer is the Commission to file their SEIs (Form 700s) using the Commission's electronic filing system, (2) require redaction of certain information from SEIs posted online by the Commission, and (3) allow for electronic retention of certain paper reports and statements.

  Detailed Summary:

  Electronic filing of SEIs: Existing law provides that the Commission is the filing officer for statewide elected officers and candidates and other specified public officials. Generally, these public officials file their SEIs with their agency or another person or entity, who retain a copy of the statement and then forward the original statement to the Commission. AB 1170 would instead require public officials for whom the Commission is the filing officer

to file their SEIs directly with the Commission using the Commission's electronic filing system.

Redaction of certain information: Existing law requires the Commission to redact private information, including signatures, from the data made available on the internet about SEIs filed through the Commission's online filing system. The bill would provide that the information required to be redacted additionally includes the personal residential address and telephone number of the filer, and the street name and building number of the filer's business address and any real property interests.

Electronic retention of reports and statements: Existing law requires filing officers to retain certain reports and statements filed by paper for 2 years in paper format before converting those filings to electronic or other specified formats. The bill would authorize filing officers to retain reports and statements filed by paper in electronic or other specified formats immediately upon receiving those reports or statements.

FPPC Position: Support (Sponsor)

- **AB 2001 (Gallagher) – Minor Changes to PRA and Cleanup**

Status: Passed in the Assembly Elections Committee on 3/20/24 (8-0); passed in the Assembly Appropriations Committee on 4/10/24 (14-0)

Short Summary: AB 2001 would (1) add new clarifying provisions to the section requiring local government agencies to post paper filings on its website, (2) make conforming amendments to a section that was inadvertently left out of a prior bill, relating to advertisement disclosures, (3) correct a cross-reference that was inadvertently cited incorrectly in a prior bill, (4) delete the definition of a term that is not used in the Act, and (5) make other nonsubstantive corrections.

Detailed Summary:

Clarifying section on online posting of filings by local agencies: Existing law requires a local government agency to post on its website all of the campaign reports and statements filed with that agency in paper form within 72 hours of the filing deadline. The FPPC's advice staff received questions from local agencies about what their duties were with regard to certain scenarios not specifically addressed in the law. The bill would clarify local government agency duties by (1) requiring late filings to be posted within 72 hours of receipt, (2) providing that local agencies need not post filings erroneously filed with that agency, and (3) apply the online posting requirements to filings received by email or fax.

Conforming changes to advertisement disclosure section: In existing law, there are two versions of Section 84504.2 in the Government Code- one version is operative now, and the second version supersedes the existing version upon certification of the Cal-Access Replacement System by the Secretary of State. SB 1360 (2022) inadvertently amended only the latter version of Section 84504.2. The intent was to amend both versions. The bill would make the same amendments to the currently operative version of 84504.2.

Cross-reference correction: In 2017, the Legislature passed a bill that reorganized various provisions and also changed a citation that was cross-referenced in the bill language. The incorrect citation resulted in a broadened definition of "campaign expenditures" for purposes of determining what counts against the voluntary expenditure limit. The legislative history suggests that this was an inadvertent error. The bill would correct that citation.

Other nonsubstantive corrections: The term "statewide election" is not used in the Political Reform Act, but is defined in Section 82052.5. The proposal would delete the definition as cleanup. The bill would also make other nonsubstantive corrections.

FPPC Position: Support (Sponsor)

- **AB 2631 (Mike Fong) – Local Ethics Training Program**

Status: Passed in the Assembly Elections Committee on 3/20/24 (8-0); on suspense in the Assembly Appropriations Committee

Short Summary: AB 2631 would require the FPPC to create, maintain, and make available a local agency ethics training course that satisfies certain requirements.

Detailed Summary:

Existing law: Existing law, passed in 2005, requires local agency officials to receive at least two hours of ethics training every two years, which includes training on the Political Reform Act. After passage of the bill adding this requirement, the FPPC voluntarily created a free online local ethics training course that would satisfy these training requirements.

Establishes a permanent program: The bill would codify a requirement that the FPPC, in consultation with the Attorney General, create, maintain, and make available to local agency officials an ethics training course that satisfies these training requirements, thereby making this a permanent program.

FPPC Position: Support (Sponsor)

- **SB 1027 (Menjivar) – Redaction of Bank Account Information on Statements of Organization**

  Status: Passed in the Senate Elections Committee on 3/19/24 (7-0); passed in the Senate Judiciary Committee on 4/3/24 (11-0); set for hearing in the Senate Appropriations Committee on 4/15/24

  Short Summary: SB 1027 would require the Secretary of State to redact the bank account number and the names of persons authorized to obtain bank account records from a committee's Statement of Organization before providing the statement to the public. The bill would also authorize a committee to omit that same information from the copy of the statement filed with the local filing officer.

  Detailed Summary:

  Existing law: Existing law provides that a person or group of persons that receives $2,000 or more in contributions in a calendar year is a "committee" under the Act. These types of committees, referred to as recipient committees, must file a Statement of Organization with the SOS and a copy of the statement with the local filing officer, if any, within 10 days of qualifying as a recipient committee. The Statement of Organization includes, among other things, disclosure of the committee's bank account number and the names of persons authorized to obtain committee bank account records.

  Fraud risk: Committees and committee representatives have expressed concern that public disclosure of the committee bank account number and the names of the listed persons makes the committee vulnerable to financial fraud.

  Redaction of bank account information: The bill would require the Secretary of State to redact the bank account number and, subject to a delayed operative date, the names of persons authorized to obtain bank account records from a committee's Statement of Organization before providing the statement to the public. The bill would also authorize a committee to omit that same information from the copy of the Statement of Organization filed with the local filing officer.

  Delayed operative date: Due to limitations within the existing Cal-Access campaign reporting system, additional fields cannot be redacted on Cal-Access. Because of this limitation, redaction of the names of persons authorized to obtain bank account records would take effect only after the Cal-Access Replacement System is operational.

  FPPC Position: Support (Sponsor)

- **SB 1404 (Glazer) – Lobbying Audits and Lobbyist Fee**

  Status: Amended 4/3/24 and 4/8/24; passed in the Senate Elections Committee on 4/2/24 (5-0); set for hearing in the Senate Appropriations Committee on 4/15/24

  Short Summary: SB 1404 would transfer the duty to conduct audits of lobbying entities from FTB to the FPPC. The bill would additionally impose an additional fee on lobbyists in an amount set by the FPPC to offset the cost of the PRA's lobbying audit program.

  Detailed Summary:

  Existing law on lobbying audits: Existing law requires the Franchise Tax Board to conduct audits of 25% of lobbying firms and 25% of lobbyist employers every two years. Existing law requires the FPPC to conduct mandatory audits of candidates for specified offices and authorizes the FPPC to conduct discretionary audits of any reports or statements required under the PRA.

  Transfer of audit duty: The bill would transfer the lobbying audit duty to the FPPC, commencing with the entities selected for audit in February of 2027.

  Excluding entities with no activity and placement agents: The bill would exclude lobbying firms and lobbyist employers from the audit selection pool if they have less than $1 in payments or contributions. The bill would also exclude placement agents, and lobbying firms and lobbyist employers that employ only placement agents, from the audit selection pool.

  Additional lobbyist registration fee: Existing law imposes a $50 per year fee for each lobbyist reported on the registration statement of a lobbyist employer or lobbying firm. The bill would impose an additional annual fee on lobbyists subject to audit, in an amount up to $500 as established by the FPPC to offset the costs associated with the lobbying audit program. The fee would be deposited in a new fund and moneys in the fund would be continuously appropriated to the FPPC to conduct the lobbying audit program.

  Additional FPPC duties: The bill would require the FPPC to:
  1. Post audits conducted by the FPPC on the FPPC website for at least 10 years from the conclusion of the audit.
  2. Annually report to the Legislature on the number and type of audits completed by the FPPC.
  3. Adopt regulations or policies to ensure the operational independence of audit personnel from enforcement operations under the PRA.

  FPPC Position: Support

- Other Commission Proposals:

    - AB 868 (Wilson) – Create a public record of digital campaign ads (2-year bill)
    - Separate placement agent requirements from lobbying requirements
    - Commission study on best practices for digital political advertisements
    - Add additional authority for filing officers to waive the late filing fee
    - Other minor changes and cleanup proposals

4. Other Commission-Related Bills

Updates (as of 4/11/24)

- **New Bills:** AB 2573 (Mike Fong), AB 2911 (McKinnor), AB 2990 (Low), AB 3239 (Carrillo), SB 948 (Limon and Zbur), SB 1111 (Min), SB 1181 (Glazer), SB 1243 (Dodd), SB 1422 (Allen)

- **Committee Updates:** AB 2041 (Bonta), SB 1156 (Hurtado), SB 1476 (Blakespear)

Status and Summaries

- **AB 2041 (Bonta) - Use of Campaign Funds for Security Expenses**

  Status: Passed in the Assembly Elections Committee on 3/20/24 (7-0); passed in the Assembly Appropriations Committee on 4/10/24 (13-0)

  Short Summary: AB 2041 would authorize a candidate or elected officer to use campaign funds for home or office security electronic security systems for, and for the reasonable costs of providing personal security to, the candidate, elected officer, or their immediate family or staff.

  Detailed Summary:

  Expansion to personal security expenses: Existing law allows campaign funds to be used for home or office electronic security systems under certain conditions. The bill would expand permitted campaign fund use to also include payments for the reasonable costs of providing personal security. The bill would specifically provide that the bill does not authorize campaign funds to be spent on firearms for these purposes.

  Expansion to family and staff: Existing law allows campaign funds to be used only for electronic security systems at the home or office of the candidate or elected officer. The bill would allow campaign funds to be used additionally

for home or office electronic security systems and personal security expenses for the immediate family or staff of the candidate or elected officer.

Repeal of verification requirement: Existing law allows campaign funds to be used for home or office security systems only if (1) the candidate or elected officer has received threats to their physical safety, (2) the threats arise from their activities, duties or status as a candidate or elected officer, and (3) the threats have been reported to and verified by law enforcement. The bill would repeal the verification requirements described in (1) and (3), and would also authorize use of funds for threats arising from staff's position as staff of the candidate or elected officer.

Repeal of $5,000 limit: Existing law allows up to $5,000 to be used for electronic security systems. The bill repeals that limit.

Return or reimbursement requirement: Existing law requires the candidate or elected officer to reimburse the campaign fund account for the costs of the security system upon sale of the property where the security equipment is installed, based on the fair market value of the security equipment at the time the property is sold. The bill instead requires either return of, or reimbursement for, the security system equipment and any other items within one year of when the official is no longer in office or the candidate is no longer a candidate for the office for which the security equipment was purchased, or, if applicable, upon sale of the property on which the security equipment is located, whichever occurs sooner. Return or reimbursement would be required for all security equipment and any other tangible items purchased with campaign funds.

Reporting and recordkeeping: Existing law requires candidates or elected officers who use campaign funds for electronic security systems to report this expenditure to the Commission and information including when the threat was reported to law enforcement, the contact information of the law enforcement agency, and a description of the threat. The bill would instead require candidates and elected officers to report expenditures and any reimbursement under these provisions on the candidate or elected officer's campaign statements. The bill would also require the candidate or elected officer to maintain certain detailed records.

FPPC Position: Support

- **AB 2573 (Mike Fong) – Gifts: Services of a Fellow**

  Status: Amended on 3/21/24; set for hearing in the Assembly Public Employment and Retirement Committee on 4/17/24

Short Summary: AB 2573 would clarify that the services of an Asian Pacific Islander Capitol Association (APICA) policy fellow are not a "gift" to a state elective or appointive officer for purposes of the gift limit.

Detailed Summary:

Existing law and advice: Existing law defines "gift" to mean, in relevant part, "any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received […]." The FPPC has provided advice that the services of a fellow to a state agency or the Legislative branch are not gifts under the Act, since these services do not confer a personal benefit to any public official.

Clarification in the law: The bill would provide that the services of an Asian Pacific Islander Capitol Association (APICA) policy fellow are not a "gift" to a state elective or appointive officer for purposes of the gift limit.

- **AB 2803 (Valencia) – Use of Campaign Funds for Legal Defense: Criminal Convictions**

Status: Set for hearing in the Assembly Elections Committee on 4/24/24

Short Summary: AB 2803 would prohibit expenditure of campaign funds for attorney's fees, other legal defense costs, or any fine, penalty, judgment, or settlement relating to a conviction for a felony or an offense that involves moral turpitude, dishonesty, or fraud.

Detailed Summary:

Existing law; use of campaign funds for legal costs: Expenditure of campaign funds for attorney's fees and other legal costs is permitted under certain conditions.

Existing law; contributions held in trust: Existing law provides that all contributions deposited into the campaign account shall be deemed to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office.

Existing law; political, legislative, or governmental purpose: Existing law requires expenditures that confer a substantial personal benefit to be directly related to a political, legislative, or governmental purpose. Legal fees and costs are directly related to a political, legislative, or governmental purpose if the litigation (1) is directly related to activities of a committee that are consistent with its primary objectives or (2) arises directly out of a

committee's activities or out of a candidate's or elected officer's activities, duties, or status as a candidate or elected officer.

Prohibition on use of campaign funds associated with certain criminal convictions: The bill would further restrict campaign funds from being used to pay, or pay reimbursement for, a fine, penalty, judgment, or settlement relating to, or attorney's fees and other costs in connection with, criminal litigation if the litigation results in a conviction of the candidate or elected officer for a felony or an offense that involves moral turpitude, dishonesty, or fraud.

- **AB 2990 (Low) – FPPC Enforcement Actions: Time Limits**

  Status: Amended on 3/21/24; set for hearing in the Assembly Elections Committee on 4/24/24

  Short Summary: AB 2990 would prohibit the FPPC from bringing a civil or administrative enforcement action more than 2 years after specified events triggering an investigation.

  Detailed Summary:

  Existing law: Existing law requires the FPPC to bring an administrative action alleging violations of the PRA within five years after the date on which the violation occurred.

  A more stringent time limit: The bill would amend that requirement to prohibit bringing an administrative action more than 5 years after the violation, or more than two years after the FPPC (1) receives a sworn complaint, audit report, or referral or (2) commences an investigation of its own accord, whichever period is less. The bill also would also prohibit the FPPC from bringing a civil action more than two years after the same events described above.

- **AB 3239 (Carrillo) – Use of Campaign Funds: Emotional Support Animal Airline Travel**

  Status: Amended 3/21/24; set for hearing in the Assembly Elections Committee on 4/24/24

  Short Summary: AB 3239 would authorize campaign funds to be used pay or reimburse airline travel expenses related to an emotional support animal under certain circumstances.

Detailed Summary:

Existing law: Under existing law, an expenditure of campaign funds that confers a substantial personal benefit must be directly related to a political, legislative, or governmental purpose of the committee. Existing law prohibits campaign funds from being used to pay or reimburse travel expenses except when these expenditures are directly related to a political, legislative, or governmental purpose.

Exception for emotional support animal airline travel costs: The bill would allow campaign funds to be used to pay or reimburse airline travel expenses related to an emotional support animal belonging to and traveling with an individual whose airline travel may be paid for or reimbursed by campaign funds.

Definition of emotional support animal: The bill would cross-reference the definition of "emotional support animal" elsewhere in state law, which defines the term to mean "an animal that provides emotional, cognitive, or other similar support to an individual with a disability, and that does not need to be trained or certified."

Reporting: The bill would require these costs to be reported on campaign statements the same as other travel costs, and would provide that the payments or reimbursement are considered for the same purpose as the candidate's or elected officer's travel.

- **SB 948 (Limon and Zbur) – Treatment of General Election Contributions After Withdrawal of Candidacy Before the Primary**

  Status: Amended 3/14/24; set for hearing in the Senate Elections Committee on 4/30/24

  Short Summary: SB 948 would provide that a candidate who raises funds for the general election before the primary election, and who does not file a declaration of candidacy to qualify for a primary election, may transfer these funds to a committee for the same or a different office.

  Detailed Summary:

  Existing law: Existing law permits a candidate controlled committee to receive contributions for a general election before the primary election but prohibits those funds from being expended for the primary election. If the candidate is defeated in the primary election, or withdraws from the general

election, the candidate must return the funds received for the general election to the contributors.

Ambiguity in existing law: Existing law does not explicitly address the scenario where a candidate withdraws before the primary election. This issue, and a related issue, were the subject of a regulation project presented to the Commission in August 2023 and March 2024.

Adding explicit authority to transfer general election campaign funds: This bill would explicitly provide that a candidate who does not file a declaration of candidacy to qualify for a primary election would not be required to refund contributions raised for the general election. The bill would instead allow those candidates to transfer funds raised for the general election to a committee established for the same or a different office, subject to the attribution rules.

Legislative statement: The bill states it is declaratory of existing law. As noted, the Legal Division considers existing law ambiguous regarding this specific scenario.

- **SB 1111 (Min) – Section 1090: Conflicts of Interest in Governmental Contracts: Family Member's Financial Interests**

  Status: Amended 3/19/24; set for hearing in the Senate Elections Committee on 4/22/24

  Short Summary: SB 1111 would require a public officer to disclose if the public officer's child, parent, or sibling, or the spouse of the child, parent, or sibling, has a financial interest in a government contract made by the officer or any body or board of which they are a member, if the interest is actually known to the public officer.

  Detailed Summary:

  Existing law- general rule: Existing law prohibits Members of the Legislature, and state, county, district, judicial district, and city officers or employees from being financially interested in a contract made by them in their official capacity or by any body or board of which they are members, subject to specified exceptions.

  Existing law- remote interests: Existing law provides that a public officer shall not be deemed financially interested in contract if the officer only has a remote interest. Existing law identifies certain remote interests, including the interest of a parent in the earnings of his or her minor child for personal

services. In order to be deemed not interested in the relevant contract due to a remote interest, a public officer must disclose the interest, and the body or board must authorize, approve, or ratify the contract in good faith without counting the vote of the public officer with the remote interest.

New remote interest for the financial interest of certain family members: The bill would, starting January 1, 2026, add a new remote interest for the financial interests of the public officer's child, parent, or sibling, or the spouse of a child, parent or sibling, if those interests are actually known to the public officer.

- **SB 1151 (Hurtado) - Registration and Reporting Requirements for Foreign Agents**

  Status: Set for hearing in the Senate Elections Committee on 4/16/24

  Short Summary: SB 1151 would make the agent of a foreign principal subject to the same registration and reporting requirements as lobbyists and lobbying firms under the PRA and certain additional requirements.

  Detailed Summary:

  Existing law: Existing law under the PRA's lobbying provisions requires an individual or entity that receives compensation for the purpose of influencing legislative or administrative action to register with, and submit periodic reports to, the Secretary of State. The PRA's lobbying disclosure provisions generally require lobbyists, lobbying firms, and lobbyist employers to provide basic identifying information, such as their name, telephone number, business address, and more detailed information, such as a description of the "business activity" in which the lobbyist or their employer is engaged.

  Registration and reporting requirements: The bill would require an individual who engages in certain specified activities related to influencing legislative or administrative action at the order, request, or under the direction or control of a foreign principal to register as an agent of a foreign principal and to file periodic reports with the Secretary of State. Registration and reporting would be in the same manner, with the same frequency, and with the same content as for lobbyists and lobbying firms.

  Additional requirement: The bill would additionally require a foreign agent to disclose on their registration statement any compensation received, contracted, or otherwise promised to the agent by each foreign principal.

  Training and fee: The bill would also subject foreign agents to the same ethics training requirements and the same annual fee as lobbyists.

Commissioner restriction: The bill would prohibit a foreign agent from being a Commissioner with the FPPC.

- **SB 1155 (Hurtado) - Postgovernment Employment Restriction for Former Heads of State Administrative Agencies**

  Status: Set for hearing in the Senate Elections Committee on 4/16/24

  Short Summary: SB 1155 would, for a period of one year after leaving office, prohibit an elected state officer or appointed official from lobbying the Legislature or a state administrative agency for compensation.

  Detailed Summary:

  Existing law; one-year ban: Existing law prohibits certain officials, for one year after leaving state service, from representing any other person by appearing before or communicating with, for compensation, their former agency in an attempt to influence agency decisions that involve the making of general rules (such as regulations or legislation), or to influence certain proceedings involving a permit, license, contract, or transaction involving the sale or purchase of property or goods.

  Existing law; permanent ban: Existing law prohibits former state officials from working on proceedings that they participated in while working for the state.

  New one-year ban on lobbying activity: The bill would prohibit the head of an agency, defined to mean an elected state officer or an appointed official, from engaging in any activity, for compensation, for the purpose of influencing legislative or administrative action by the Legislature or any state administrative agency that would require the individual to register as a lobbyist under the PRA.

- **SB 1156 (Hurtado) - Financial Disclosures for Groundwater Sustainability Agencies**

  Status: Passed in the Senate Natural Resources Committee on 4/9/24 (11-0); set for hearing in the Senate Elections Committee on 4/16/24

  Short Summary: The bill would amend the Water Code to create separate financial disclosure reporting requirements for members of the executive team, the board of directors, and other groundwater management decision makers of groundwater sustainability agencies.

  Detailed Summary:

Existing law; local government agencies: The PRA defines "local government agency" to mean a county, city or district of any kind including school district, or any other local or regional political subdivision, or any department, division, bureau, office, board, commission or other agency of the foregoing.

Existing law; financial disclosure: Existing law requires every local government agency to adopt and promulgate a Conflict of Interest Code pursuant to the PRA. Individuals designated in a Conflict of Interest Code must submit annual Statements of Economic Interests (SEI). Additionally, all officials listed in Section 82000 must submit SEIs.

Separate disclosure requirements: The bill would require members of the executive team, the board of directors, and other groundwater management decision makers of groundwater sustainability agencies to annually disclose any economic or financial interests as required for other public officials under the PRA that may reasonably be considered to affect their decision-making related to groundwater management. The bill would specify certain minimum required disclosures.

Administered and enforced by the FPPC: These disclosure statements would be submitted to the FPPC and the FPPC would be required to establish guidelines for submission and review of these statements. The FPPC would be authorized to enforce these provisions and violations would be subject to penalties under the PRA.

Note: Staff have determined that groundwater sustainability agencies are "local government agencies" under the Political Reform Act and are subject to the existing Conflict of Interest Code and SEI filing requirements. Staff have suggested amendments to simply clarify that groundwater sustainability agencies are local government agencies for purposes of the PRA.

- **SB 1170 (Menjivar) - Use of Campaign Funds for Mental Health Expenses**

  Status: Set for hearing in the Senate Elections Committee on 4/30/24

  Short Summary: SB 1170 would authorize expenditure of campaign funds for mental healthcare expenses for non-incumbent candidates under limited circumstances.

  Detailed Summary:

  Existing law: Existing law prohibits expenditure of campaign funds for health-related expenses for a candidate, elected officer, or any individual or

individuals with authority to approve the expenditure of campaign funds held by a committee, or members of their households.

Authorizing campaign funds use for mental healthcare expenses: The bill would authorize campaign funds to be used to pay or reimburse a non-incumbent candidate for reasonable and necessary mental healthcare expenses to address mental health issues that have arisen during the campaign or have been adversely impacted by campaign activities if the candidate does not have health insurance or has been denied coverage for these mental healthcare expenses by their health insurance.

Limited time period: Expenditures for mental healthcare expenses would be permitted from the date upon which a candidate committee is established to the date that the election results are certified.

Reporting: The bill would require these expenditures to be reported on campaign statements and would require the disclosures to note the underlying campaign-related circumstances or events that gave rise to the need for mental health expenses.

Mental healthcare expenses defined: Under the bill, "mental healthcare expenses" refers to expenses for services including therapy, psychological, or psychiatric counseling services, provided in a group or private setting, either virtually or in person, by a professional licensed by the California Board of Behavioral Sciences, or an associate accruing the house for such a license, to address mental health issues.

- **SB 1422 (Allen) – Disclosure of Payments for Elected Official Travel**

  Status: Set for hearing in the Senate Elections Committee on 4/16/24

  Short Summary: SB 1422 would expand who must report travel payments for elected officials and what must be disclosed, and would repeal the condition that disclosure is only required if these payments exceed 1/3 of the organization's total payments.

  Detailed Summary:

  Existing law: Under existing law, a nonprofit organization that regularly organizes and hosts travel for elected officials and reaches certain spending thresholds, must disclose to the Commission the names of donors who donated more than $1,000 to the nonprofit and who accompanied an elected official for any portion of the travel. This disclosure requirement applies only if the nonprofit organization's total expenses relating to travel are greater than one-third of the organization's total expenses, as reported on IRS Form 990.

Expands who must report: The bill would require disclosure for any individual or entity, other than governmental entities and higher education institutions, that makes payments for travel by an elected officer if those payments meet the spending thresholds.

Expands the information that must be disclosed: The bill would require disclosure of a donor's total cumulative contributions in the calendar year, if the donor knew or had reason to know their donations would be used for travel payments for officials, and would require information about each travel event to be disclosed.

- **SB 1476 (Blakespear) - State Bar of California**

Status: Passed in the Senate Elections Committee on 4/2/24 (7-0); set for hearing in the Senate Judiciary Committee on 4/23/24

Short Summary: SB 1476 would clarify that the State Bar of California is required to adopt a Conflict of Interest Code and its designated employees are required to submit Statements of Economic Interests.

Detailed Summary:

Existing law: Existing law in the Business and Professions Code provides that state law that restricts or prescribes a mode of procedure for the exercise of powers of state public bodies or state agencies is not applicable to the State Bar, unless the Legislature expressly so declares.

Existing law; PRA: Existing law in the PRA references the State Bar of California in four sections, including one section that provides for who the code reviewing body is for the State Bar. Existing law in the PRA implies, but does not explicitly state, that the State Bar of California must adopt a conflict of interest code and that its designated employees must submit Statements of Economic Interests (SEI).

Existing law; public official: Existing law in the PRA excludes a member of the Board of Governors and designated employees of the State Bar of California from the definition of "public official," thus excluding these individuals from the prohibition on participating in government decisions in which the public official has a financial interest and related provisions.

Clarifies which provisions apply to the State Bar: The bill would explicitly require the State Bar of California to maintain Conflict of Interest Codes for its board of trustees and designated employees that meet the requirements for Conflict of Interest Codes in the PRA. The bill would authorize the Commission to enforce these provisions.

Additional clarification needed: Additional clarification is needed regarding whether the intent is to subject State Bar officials to all of the conflicts provisions in the PRA, or only the Conflict of Interest Code and SEI provisions.

Three Bills Amending Section 84308 (Contributions to Agency Officers)

- **AB 2911 (McKinnor) – Contributions to Agency Officers: Disqualification: Reversal of SB 1439 (2022)**

  Status: Amended 3/19/24; set for hearing in the Assembly Elections Committee on 4/24/24

  Short Summary: AB 2911 would reverse the changes made by SB 1439 (2022) to exempt appointed officials from the disqualification requirements, shorten the contribution ban time period, and eliminate the cure provisions.

  Detailed Summary:

  Existing law and legislative history: Existing law requires disqualification and recusal of certain agency officers who received contributions from parties or participants in certain proceedings within specific time periods. In 2022, the Legislature passed SB 1439 (Glazer), which made three main changes in that area of law:

  - Eliminated the exception for directly elected local government officials such that the recusal provisions applied to them.
  - Lengthened the contribution ban from 3 to 12 months after the final decision of the agency.
  - Added a cure provision, which allowed officials to cure unintentional violations within 14 days.

  Reversal back to prior law: AB 2911 would reverse the changes made by SB 1439 back to prior law.

- **SB 1181 (Glazer) - Contributions to Agency Officers: Disqualification: Additional Notice**

  Status: Amended 4/10/24; set for hearing in the Senate Elections Committee on 4/22/24

Short Summary: SB 1181 would require the agenda for certain public proceedings to include a specified notice regarding limits on contributions from a party to an agency officer and party disclosure requirements.

Detailed Summary:

Existing law: Existing law prohibits certain contributions of more than $250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered in the proceeding. Existing law requires disclosure on the record of the proceeding of certain contributions of more than $250 within the preceding 12 months to an officer from a party or participant, or party's agent.

Adds an agenda notice requirement: The bill would require the agenda for a proceeding that is a public meeting to include a notice describing the above provisions. The bill also includes language for that notice.

- **SB 1243 (Dodd) – Contributions to Agency Officers: Disqualification: Narrowing the Scope of Section 84308**

Status: Set for hearing in the Senate Elections Committee on 4/30/24

Short Summary: SB 1243 would, for purposes of the disqualification provisions for agency officers, (1) narrow the definition of "participant," (2) shorten the date range for prohibited contributions, (3) increase the contribution threshold, (4) lengthen the cure period, (5) limit the aggregation rules, (6) create an exception for certain housing development projects, and make other changes.

Detailed Summary:

Existing law: Existing law prohibits certain contributions of more than $250 to an officer of an agency by any party, participant, or party or participant's agent in a proceeding while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 12 months following the date a final decision is rendered. Existing law requires disclosure on the record of the proceeding of certain contributions of more than $250 within the preceding 12 months to an officer from a party or participant, or party's agent. Existing law disqualifies an officer from participating in a decision in a proceeding if the officer has willfully or knowingly received a contribution of more than $250 from a party or a party's agent, or a participant or a participant's agent. Existing law allows an officer to cure certain violations of these provisions by returning a contribution, or the portion of the contribution

of in excess of $250, within 14 days of accepting, soliciting, or receiving the contribution, whichever comes latest.

Limits Who is a Participant: The bill would provide that a person is not a "participant" if their financial interest in the decision results solely from an increase or decrease in membership dues.

Shortens the Prohibited Contribution Date Range: The bill would change the date range during which an officer of an agency is prohibited from accepting, soliciting or directing a contribution from "while a proceeding is pending and for 12 months after a final decision is rendered," to 9 months before and 9 months after a final decision is rendered. The bill also adds that the contribution prohibition does not apply before an application has been filed or before a proceeding has otherwise commenced, and eliminates the contribution prohibition while a proceeding is pending, if it falls outside of the 9-month window.

Raises the Contribution Threshold: The bill would change the contribution threshold that triggers disqualification from $250 to $1,000.

Lengthens the Cure Period: The bill would lengthen the cure period during which an officer may cure an unintentional violation, from 14 to 30 days of accepting, soliciting, or directing the contribution.

Limits the Aggregation Rules: The bill would provide that, in determining whether a contribution has exceeded one thousand dollars ($1,000), the contributions of an agent shall not be aggregated with contributions from a party or participant.

Creates an exception to the disqualification requirements for certain housing development projects: The bill would provide that these provisions do not apply to housing development projects that conform with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

Additional Changes: The bill would clarify that "[l]icense, permit, or other entitlement for use" also includes the periodic review of contracts.

5. Bills Not Moving Forward

- AB 2611 (Wallis) – PRA Spot Bill
- AB 3008 (Ramos and Garcia) – Compensation from Tribal Governments