



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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**To:** Chair Remke and Commissioners Audero, Casher, Hayward, and Wynne

**From:** Phillip Ung, Legislative and External Affairs Director

**Subject:** Legislative Update – March 2017

**Date:** March 6, 2017

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The Legislature has proposed 20 bills that would amend the Political Reform Act. Three of the 20 bills are spot bills that may be amended in the future with proposals affecting the Act. Staff is not recommending any positions this month as outreach continues with legislative offices.

Legislation currently being tracked by Commission staff and other related documents can be found on the [Commission's Pending Legislation](#) page.

**Political Reform Act or Related Bills (#1-17)**

**1. AB 14 (Gomez): Advertisement Disclosure and Earmarking of Funds**

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Introduced: December 5, 2016

Last Action: Referred to Assembly Elections and Redistricting Committee

**Summary:**

The Act provides comprehensive regulations for campaign finance disclosure requiring committees that support or oppose ballot measures to use the name or phrase that clearly identifies the economic or other special interest of its donors of \$50,000 or more. If major donors share a common employer, then the employer is disclosed.

The bill would redefine and recast the Act's advertisement disclaimer provisions. The bill prescribes the disclosure statements, location, and format criteria required for television, radio, telephone, and internet advertisements with some exemptions; excludes apparel, sky writing, and certain electronic media. The bill would require on-advertisement disclosure of the top three contributors. Certain committees would be exempt from the top contributor disclosure, including major donors and individuals and entities making independent expenditures.

The bill also explicitly exempts from the definition of "advertisement" a communication paid for by a political party or a candidate controlled election committee. It should be noted that there is a potential risk for litigation as a result of the bill's expanding the advertisement rules to general purpose committees.

The bill narrows the circumstances for which a person earmarks funds. Additionally, the bill exempts contributions in an amount less than \$4,400 from a single source for the purpose of making contributions or expenditures from being considered earmarked. Lastly, the bill prohibits the Commission from using timing as the sole basis for violations related to earmarking. Staff has reached out to the author's office and sponsor regarding these issues.

## **2. AB 187 (Gloria): Local Ballot Measure Expenditure Reporting**

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Introduction: January 19, 2017

Last Action: Referred to Assembly Elections and Redistricting Committee

Summary:

The Act requires a committee that received contributions totaling \$2,000 or more in a calendar year to be subject to a specified reporting requirement, that committee is required to file online or electronically each time it makes contributions of independent expenditures of at least \$5,000 to support or oppose the qualification or passage of a single state ballot measure. Existing law requires that the filing occur within 10 business days of the contribution or independent expenditure and that it contain detailed information relating to the committee, ballot initiative, and contribution or independent expenditure.

This bill additionally requires a committee to file a report each time it makes independent expenditures aggregating \$5,000 or more to support or oppose the qualification of a single local ballot measure. The report will be filed with the local filing officer within 10 business days of reaching aggregated amount.

## **3. AB 551 (Levine): Employment Restrictions**

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Introduction: February 14, 2017

Last Action: Referred to Assembly Elections and Redistricting Committee

Summary:

The Act prohibits a public official from making, participating in making, or using his or her official position to influence a governmental decision in which the official has a financial interest. The act also requires the disclosure of specified financial interests of certain public officials on a statement of economic interests, which is filed annually. The act imposes certain restrictions on post governmental employment of specified public officials of state and local agencies.

This bill would prohibit an elected or appointed officer of a state or local agency, while holding office and for a period of one year after leaving office, from engaging in specified conduct, including maintaining employment with or being a compensated consultant of that agency or, for

compensation, aiding, advising, consulting with, or assisting an entity with a permit, regulatory action, or enforcement action pending before the agency.

**4. AB 664 (Steinorth): Campaign Expenditures**

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Introduction: February 14, 2017

Last Action: Referred to Assembly Elections and Redistricting Committee

**Summary:**

The Act requires that contributions deposited into a campaign account for a candidate for elective office be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office. The Act imposes limitations on certain expenditures as political, legislative, or government purposes. Government Code 84307.5 prohibits compensation from campaign funds to a candidate's spouse or domestic partner in exchange for services rendered.

This bill adds a new section to the Act that prohibits payment, in exchange for services rendered, to a parent, spouse or domestic partner, grandparent, sibling, child, or grandchild of that officer or candidate.

**5. AB 774 (Harper): Foreign Contributions**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 15, 2017

Last Action: Introduced

**Summary:**

The Political Reform Act prohibits a foreign government or principal, as defined, from making a contribution or expenditure in connection with a ballot measure and also prohibits a person or committee from soliciting or accepting a contribution from a foreign government or principal for this purpose. (Section 85320.)

This bill would expand the scope of these prohibitions by also prohibiting a foreign government, principal, or foreign national from making a contribution or expenditure, and a person or committee from soliciting or accepting this type of contribution, in connection with any election in California (not just ballot measures). While this activity is currently prohibited under federal law, this bill expands the Commission's authority to enforce incidents of foreign contributions or expenditures into California campaigns should the Federal Election Commission (FEC) not act.

**6. AB 867 (Cooley): Behested Payments**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 16, 2017

Last Action: Introduced

**Summary:**

The Act defines “contribution” as a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received, unless it is clear from the surrounding circumstances that it is not made for political purposes. The Act further describes types of payments that are expressly included or excluded from the definition, including specified payments made at the behest of a committee, elected officer, or member of the Public Utilities Commission. The Act requires that certain behested payments that are made principally for legislative, governmental, or charitable purposes be reported, as specified.

This bill revises the definition of “contribution” for purposes of the Act and creates sections for the definitions of “behested payments,” “election-related activities,” and “made at the behest of.” The bill also appears to narrow the circumstances under which behested payments must be reported and therefore disclosed to the public.

**7. AB 895 (Quirk): Campaign Statements; Electronic Filing**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 16, 2017

Last Action: Introduced

**Summary:**

The Act requires certain individuals and entities to file campaign statements with the Secretary of State including requiring some to file online and others to file online voluntarily. The Act requires paper filers to continue to file in paper format until the Secretary of State determines online filing is secure and effective. The Act also requires paper filing be considered the official filing for audits and other legal purposes.

This bill would eliminate the requirement of certain filers who file online to also file in paper format.

**8. AB 1089 (Mullin): Local Contribution Limits**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Introduced

**Summary:**

The Act contains contribution limits and other restrictions related to contribution limits for state office and statewide offices. The Act specifies nothing in the law

prevents the Legislature or local agency from adopting additional requirements, and nothing in the Act nullifies contribution limitations or prohibitions in local jurisdictions. All ordinances or other provisions adopted by local governments must be filed with the Commission.

The bill would amend the Act to establish a state-mandated contribution limit on local and special jurisdictions. The state-mandated contribution limit is equal to the limits of state legislative candidates and would be adjusted for cost-of-living. Jurisdictions that adopt their own limit or have already established a limit would not be subject to the state limit established by AB 1089.

**9. AB 1234 (Levine): Contribution Limits; Political Parties**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Introduced

**Summary:**

The Act contains contribution limits on state offices, statewide offices, the Governor and small contributor committees. The Act exempts a political party committee from these contribution limits.

This bill would eliminate the exemption and make political party committees subject to contribution limits.

**10. AB 1333 (Dababneh): Local Government Agency Notices**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Introduced

Summary:

Whenever an ordinance is submitted to voters of a county, city, or district at an election, election officials must print the ordinance and requires a copy of the ordinance to be made available to any voters who requests a copy.

This bill adds a new chapter to the Act to require every local government agency that maintains a website to post notice of any upcoming election in which voters will vote on a tax or bond measure of the agency. The bill also requires every local government agency that publishes an electronic newsletter to include the notice in the newsletter.

Staff is working with the author's office to determine why this provision was placed in the Act as we normally do not have jurisdiction over such election-related matters.

**11. AB 1458 (Friedman) Candidate websites; Cal-Access**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Introduced

Summary:

The Act requires candidate and committees to file periodic campaign statements with the Secretary of State or local filing officer. Secretary of State is required to disclose certain information from campaign statements in a user-friendly, easily understandable format.

This bill would require a candidate for elective office to include and conspicuously display on their campaign homepage a hyperlink to the Secretary of State's online disclosure website that displays the candidate's campaign finance information.

**12. AB 1524 (Brough): Mass Mailing Prohibition**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Introduced

Summary:

Commission regulations defines criteria for mass mailings at public expense and specify certain forms of mass mailing that are not subject to the Political Reform Act's prohibition against mass mailings.

This bill would prohibit a mass mailing that complies with the Commission's regulatory criteria from being sent within the 90 days preceding an election by or on behalf of a candidate, state or local, whose name will appear on the ballot or on behalf of an agency, if a measure on the ballot will have a direct financial impact on the agency. The bill exempts school districts or community

college districts who provide impartial and informative information regarding a bond issue or other measure. The bill does not apply to mass mailings required by law.

### **13. SB 24 (Portantino): Statement of Economic Interests**

FPPC Position: *None currently*

Status: Senate Elections and Constitutional Amendment Committee

Fiscal Estimate: None requested

Introduction: December 5, 2016

Last Action: Referred to Senate Elections and Constitutional Amendment Committee

**Summary:**

The Act requires the disclosures to include a statement indicating, within a specified value range, the fair market value of investments or interests in real property and the aggregate value of income received from each reportable source.

This bill would revise the dollar amounts associated with these ranges to provide for 8 total ranges of fair market value of investments and real property interests and 10 total ranges of aggregate value of income.

### **14. SB 45 (Mendoza): Mass Mailing Prohibition**

FPPC Position: *None currently*

Status: Senate Elections and Constitutional Amendment Committee

Fiscal Estimate: None requested

Introduction: December 5, 2016

Last Action: Referred to Senate Elections and Constitutional Amendment Committee

**Summary:**

Commission regulations defines criteria for mass mailings at public expense and specify certain forms of mass mailing that are not subject to the Political Reform Act's prohibition against mass mailings.

This bill would prohibit a mass mailing that complies with the Commission's regulatory criteria from being sent within the 90 days preceding an election by or on behalf of a candidate, state or local, whose name will appear on the ballot.

### **15. SB 267 (Pan): City of Sacramento Enforcement**

FPPC Position: *None currently*

Status: Senate Elections and Constitutional Amendment Committee

Fiscal Estimate: None requested

Introduction: February 8, 2017

Last Action: Referred to Senate Elections and Constitutional Amendment Committee

Summary:

The Act authorizes the Commission to enter into a contract with the County of San Bernardino and the City of Stockton to provide impartial, effective administration, implementation, and enforcement of local campaign finance ordinances.

This bill would authorize the Commission and the City of Sacramento to enter into such agreement. The bill also requires the Commission provide a report to the Legislature no later than four years after entering into an agreement with the City of Sacramento.

**16. SB 358 (Stern): Secretary of State; local disclosure websites**

FPPC Position: *None currently*

Status: Senate Elections and Constitutional Amendment Committee

Fiscal Estimate: None requested

Introduction: February 14, 2017

Last Action: Referred to Senate Elections and Constitutional Amendment Committee

Summary:

The Act requires candidates and committees to file periodic campaign statements with the Secretary of State or the local filing officer.

This bill would require the Secretary of State to post hyperlinks on his or her website of any local government agency that has publically-disclosed campaign finance information and update the hyperlinks accordingly.

**17. SB 529 (Nguyen): Inspection of Public Records**

FPPC Position: *None currently*

Status: Senate Rules Committee

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Referred to Senate Rules Committee

Summary:

The Act provides that every report and statement filed pursuant to the Act is a public record and open for public inspection and reproduction. The Act prohibits any conditions upon persons seeking to inspect reports and statements.

This bill specifies recipient committee campaign statements filed with local filing officers be furnished promptly and would clarify that a request to inspect does not need to be made pursuant to the California Public Records Act.

## **Spot Bills (#18-20)**

### **18. AB 780 (Harper): Controlled Committees**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 15, 2017

Last Action: Introduced

#### Summary:

This bill is a spot bill that makes non-substantive, technical changes to the Act.

### **19. SB 226 (Hertzberg): Slate Mailers**

FPPC Position: *None currently*

Status: Senate Rules Committee

Fiscal Estimate: None requested

Introduction: February 2, 2017

Last Action: Referred to Senate Rules Committee

#### Summary:

This bill is a spot bill that makes non-substantive, technical changes to the Act.

### **20. SB 738 (Fuller): Political Reform Act of 1974**

FPPC Position: *None currently*

Status: In Print

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Introduced

#### Summary:

This bill is a spot bill that makes non-substantive, technical changes to the Act.