



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission (the “Commission”), under the authority vested in it under the Political Reform Act (the “Act”)¹ by Section 83112 of the Government Code, proposes to adopt, amend, or repeal regulations in Title 2, Division 6 of the California Code of Regulations. The Commission will consider the proposed changes to its regulations at a public hearing on or after **July 16, 2020**, at the offices of the Fair Political Practices Commission, 1102 Q Street, Suite 3000, Sacramento, California, commencing at approximately **10:00 a.m.** Written comments should be received at the Commission offices no later than **5:00 p.m.** on **July 14, 2020**.

BACKGROUND/OVERVIEW:

Enacted in September 2019, Assembly Bill 902 (Stats. 2019, ch. 312; “AB 902”) made temporary changes to processes associated with the Act’s requirement that certain committees disclose their top 10 contributors to accommodate the pending completion of the Secretary of State’s Cal-Access Replacement System Project and codified certain Commission Regulations relating to campaign disclosure.

Assembly Bill 903 (Stats. 2019, ch. 102; “AB 903”) was enacted in July 2019 and clarified that any person required to file statements of economic interest must include each source of income’s “street address” in those statements. Regulation 18421.2 defines “street address” for certain provisions of the Act but not others.

Regulation 18431 sets forth what types of expenditures by a committee’s agent or independent contractor must be reported under Section 84303, including payments to vendors and subvendors. Regulation 18431(a)(2)(D) currently provides that subvendor payments for “surveys, polls, signature gathering and door- to-door solicitation of voters” must be reported under Section 84303, and can be read to require a committee reporting a subvendor payment to an individual signature gatherer, door-to-door solicitor, or canvasser to identify that individual if the individual is an independent contractor.

The proposed update of Commission Regulations would harmonize those regulations with changes to the campaign disclosure provisions of the Act resultant from the enactment of AB 902 and AB 903, amend Regulation 18431 to clarify that a subvendor is not required to report the name of an individual signature gatherer, door-to-door solicitor, or canvasser under Section 84303 or Regulation 18431(a)(2)(D), and make other technical and nonsubstantive changes.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

REGULATORY ACTIONS:

Add 2 Cal. Code Regs. Section 18250 - Street Address.

Amend 2 Cal. Code Regs. Sections 18422.5, 18426.1, 18427.1, 18428, 18431, 18438.5, 18450.1, 18450.3, 18530.4, 18530.45, 18531.62, 18616.4, 18700, 18729, 18754, 18941, 18943, 18992, and 18998.

Repeal 2 Cal. Code Regs. Sections 18116, 18117, 18215.1, 18229, 18421.2, and 18996.

Summary of the Proposed Update's changes to Commission Regulations.

AB 902

In response to changes to the Act made by AB 902, the proposed update would:

- Amend Regulation 18422.5, relating to top contributor disclosure by committees primarily formed for state ballot measures or candidates, to add a \$5,000 threshold to the requirement that such a committee update its top-10 contributor list upon a new contributor qualifying for the list or an existing top contributor making an additional contribution, in accordance with changes to Section 84223.
- Amend Regulation 18426.1, regarding duties and liability of assistant treasurers, to update a cross reference in light of amendment of Section 84100(a).
- Amend Regulation 18427.1, governing notifications of filing obligations to contributors, to strike subdivision (a) of that regulation, which was codified in new Section 84105, and to update cross references.
- Amend Regulation 18428, which governs reporting of aggregated contributions and independent expenditures, to update cross references in light of codification of Regulation 18215.1 as new Section 82015.5, and to make other technical and nonsubstantive changes to the regulation.
- Amend Regulation 18438.5, governing aggregated contributions under Section 84308, to update a cross reference in response to codification of Regulation 18215.1 as new Section 82015.5.
- Amend Regulation 18450.1, which provides defined terms for purposes of advertisement disclosure, to update a cross reference in subdivision (c) of that regulation in light of codification of Regulation 18215.1 as new Section 82015.5.
- Amend Regulation 18450.3, regarding top contributor disclosure by affiliated entities, to update a cross reference in response to codification of Regulation 18215.1 as new Section 82015.5.

- Amend Regulation 18530.4, which governs legal defense funds for state candidates and officers, to update a cross reference in subdivision (c) of that regulation in light of codification of Regulation 18996 as new Section 90002.
- Amend Regulation 18530.45, governing legal defense funds for local candidates and officers, to update a cross reference in subdivision (e) of that regulation due to codification of Regulation 18996 as new Section 90002.
- Amend Regulation 18531.62, relating to elected state officeholder bank accounts, to update a cross reference in subdivision (c)(4) in response to codification of Regulation 18996 as new Section 90002.
- Amend Regulation 18616.4, relating to lobbying coalition reporting, to strike the definition of a “lobbying coalition” due to codification of that definition in new Section 84308.3, and to update a cross reference in subdivision (b) due to addition of new Section 84308.3 and changes made to Section 86100.
- Amend Regulation 18700, which provides a guide to the Act’s conflict of interest regulations, to update a cross reference in subdivision (c)(6)(E) of the regulation in response to codification of a portion of Regulation 18941 as new Section 89503.5 and to make other technical and nonsubstantive changes to the regulation.
- Amend Regulation 18729, regarding leasehold interest disclosure and valuation, by striking subdivision (a) of that regulation which was codified as new Section 87206.5.
- Amend Regulation 18941, relating to receipt, promise, acceptance, and return of a gift, by deleting the portion of that regulation which was codified as new Section 89503.5 and updating related cross references in the regulation.
- Amend Regulation 18943, governing a gift to an official through a family member, to update a cross reference in subdivision (a)(1) of the regulation to Regulation 18229, which currently provides the definition of “spouse” for purposes the Act and was codified as new Section 82048.8.
- Amend Regulation 18992, which defines terms for purposes of Section 90001, to update cross references in response to codification of Regulation 18996 as new Section 90002.
- Amend Regulation 18998, regarding Commission Audits and Investigations, to correct a cross reference in subdivision (a) of that regulation in light of codification of Regulation 18996 as new Section 90002.
- Repeal Regulation 18116, governing filing dates for reports and statements, in response to codification of that provision as new Section 81005.

- Repeal Regulation 18117, regarding duties of filing officers and filing officials, because that provision was codified as new Section 81010.5.
- Repeal Regulation 18215.1, governing the aggregation of contributions, due to codification of that provision as new Section 82015.5.
- Repeal Regulation 18229, which provides the definition of “spouse” for purposes of the Act, in response to codification of that provision as new Section 82048.8.
- Repeal Regulation 18996, governing the scope of mandated audits and investigations of lobbying firms and lobbyist employers, due to codification of that provision as new Section 90002.

AB 903

AB 903 amended Section 87207, incorporating the term “street address” into that section. Existing Regulation 18421.2’s definition of “street address” only applies to Chapter 4 of the Act, and Section 87207 is in Chapter 7. The proposed update would repeal Regulation 18421.2 and add Regulation 18250 to expressly apply this definition throughout the Act.

Amendment of Regulation 18431

The proposed update would Amend Regulation 18431, governing reporting of expenditures by an agent or independent contractor, to clarify that a vendor or subvendor is not required to report the name of an individual signature gatherer, door-to-door solicitor, or canvasser under Section 84303 or Regulation 18431(a)(2)(D) and (d). This amendment would harmonize the regulation with recently issued formal written advice (*Sutton* Advice Letter, No. I-19-190(a)).

Amendment of Regulation 18754

Finally, the proposed update would Amend Regulation 18754 to update an obsolete cross reference in subdivision (a)(3)(D) of the regulation and make other technical and nonsubstantive changes to the regulation.

SCOPE:

The Commission may adopt the language noticed herein, or it may choose new language to implement its decisions concerning the issues identified above or any related issues.

FISCAL IMPACT STATEMENT:

Fiscal Impact on Local Government. This regulation will have no fiscal impact on any local entity or program.

Fiscal Impact on State Government. This regulation will have no fiscal impact on any state entity or program.

Fiscal Impact on Federal Funding of State Programs. This regulation will have no fiscal impact on the federal funding of any state entity or program.

AUTHORITY: Section 83112 provides that the Fair Political Practices Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the Act.

REFERENCE: Sections 81004, 82005, 82013, 82015, 82015.5, 82028, 82033, 82038.3, 82048, 82048.8, 84100, 84101, 84104, 84105, 84203, 84204, 84211, 84213, 84222, 84223, 84308, 84501, 84502, 84503, 84504, 84504.1, 84504.2, 84504.3, 84504.4, 84504.5, 84505, 84506.5, 84509, 84510, 84511, 85301, 85302, 85303, 85304, 85304.5, 85305, 85306, 86100, 86115, 87100, 87101, 87103, 87206, 87207, 87302, 89503, 89503.5, 89519, 90000, 90001, 90002, 90003, 90004, 90005, 90006, and 90007.

CONTACT: Any inquiries should be made to Matthew F. Christy, Fair Political Practices Commission, 1102 Q St., Suite 3000, Sacramento, CA 95811; email mchristy@fppc.ca.gov; telephone (916) 322-5660 or 1-866-ASK-FPPC. Proposed regulatory language can be accessed at <http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html>.