

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 regulation at a public hearing on or after **April 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 **April 14, 2020**.

BACKGROUND/OVERVIEW:

Sections 85301, 85302, and 85303 establish limits on contributions to candidates for elective state office. Under Regulation 18531, candidates subject to contributions may return excessive contributions within 14 days to avoid violating the Act's contributions limits. Currently, a committee may return a contribution only *prior* to deposit.

As stated in public comment to the Commission at the December 19, 2019 Commission meeting, a committee may be unaware of an excessive contribution until it has already been deposited if received by auto deposit or if the contribution only exceeds the limits when aggregated with previous contributions from the same contributor or affiliated contributors. Under existing Regulation 18531, a committee would not be permitted to return the contribution and avoid a violation of the Act's contributions limits because the contribution has already been deposited.

REGULATORY ACTION:

The Commission will consider amending Regulation 18531 and the applicable rules for returning excessive contributions. At a minimum, it is anticipated that the Commission will consider permitting the return of excessive contributions after deposit in some circumstances. In addition, the Commission may consider any and all other provisions related to Regulation 18531 including, but not limited to, the following:

- The current 14-day deadline for the return of excessive contributions.
- Limiting the return of excessive contributions when the committee has actual knowledge that the contribution exceeds the limits at the time of receipt or makes use of the contribution prior to returning it.

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.

- Expressly requiring reporting of excessive contributions deposited into the campaign account on the Committee's applicable campaign statements.
- Non-substantive and technical amendments for clarity and readability.

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 local entity or program.

Fiscal Impact on Federal Funding of State Programs. This regulation will have no fiscal impact on any local 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: The purpose of this regulation is to implement, interpret, and make specific Government Code Sections 85301, 85302, and 85303.

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