Fair Political Practices Commission

Memorandum

To: Chairman Getman, Commissioners Downey, Knox, Scott and Swanson

From: Luisa Menchaca, General Counsel, Legal Division

Subject: June 2001 Work Plan revisions and Proposition 34 Opinion/Regulations

Date: May 25, 2001

I.

INTRODUCTION

In November 2000, the Commission approved a regulatory work plan for calendar year 2001.[1] The plan provides for quarterly work plan revisions. The first part of the memo discusses Non-Prop. 34 revisions recommended at this time and the second part discusses Proposition 34 revisions. Work already completed is not discussed.

II.

NON-PROPOSITION 34

Items 1-4. Conflict of Interests Regulations:

Item 1. NO CHANGE. Phase 2 Review (Overview). In December 2000, the Commission completed Phase 2 of the Conflict of Interest Regulatory Improvement Project. In October, the staff is presently scheduled to submit a memorandum that provides a progress report on implementation of the regulatory changes. (See Attachment A, FPPC Regulation and Project Calendar for Calendar Year 2001.) The staff contemplates that there will be a need for clean-up regulatory action and has added pre-notice discussion of any proposed regulatory action for that month. Adoption of any necessary changes would occur in December.

Item 2. CHANGE. Standard of Care/Foreseeability. Staff is continuing its work on a Phase 2 project that concerns Regulation 18706. Pursuant to Government Code section 87103[2] and regulation 18706, a public official is disqualified from a decision if it is *reasonably foreseeable* that the decision will have a material financial effect on one or more of his or her economic interests (absent some express exception such as the "public generally" exception or legally required participation). "A material

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[1] See staff memo dated October 24, 2000, *Approval of Regulatory Calendar for the Year 2001*.

[2] All references are to the Government Code.

financial effect on an economic interest is reasonably foreseeable, within the meaning of section 87103, if it is substantially likely that one or more of the materiality standards applicable to that economic interest will be met as a result of the governmental decision." The Commission has been asked to consider regulatory action to further clarify what is considered "*reasonably foreseeable*."

The Commission's staff has held several public meetings on this issue, the most recent one in March 2001. It appears that regulatory language will be presented to the Commission based on the public's input. However, staff proposes to present language in October, along with other Phase 2 changes, instead of May. The attached calendar also reflects one more public meeting in August.

Recommendation: Staff proposes to postpone pre-notice discussion to October 2001. The additional working group meeting will be calendared for August and adoption of any regulatory action will be presented in December 2001.

Item 3. NO CHANGE. Regulation 18707.4. Appointed Boards and Commissions. Regulation 18707.4 permits public officials to represent certain constituencies, which they are explicitly appointed to represent. Under regulation 18707.4, as long as certain conditions are met, a public official can participate in a decision when the decision has a reasonably foreseeable material financial effect on his or her economic interest. Under some circumstances, the staff has applied this rule to officials who are appointed to represent a specific economic interest, even where the decision impacts an economic interest other than the interest the official is expressly required to represent. For example, an official is appointed to represent senior citizens, but receives income from a Senior Citizens' Group Home, not any specific senior citizen. It would not be consistent with the purposes of the regulation to advise that the official's employment in the field was a disqualifying economic interest. Staff is working on drafting language that will clarify the regulation. A working group meeting is scheduled for August with pre-notice discussion in October and adoption in December of 2001.

Item 4. NO CHANGE. Regulation 18708. (Section 87101). Section 87101 permits a public official with a conflict of interest in a decision to make or participate in making that decision to the extent that the official's participation is legally required for the decision to be made. Regulation 18708 prescribes the disclosures that an official must make on the record prior to making a "legally required" decision. After an appellate court invalidated a local government decision because it found that an official had not strictly complied with the requirements of Regulation 18708, the League of California Cities suggested during discussion of Projects M and P of the Conflict of Interest Regulatory Improvement Project that the regulation be modified to permit "substantial compliance" with its disclosure provisions. Pre-notice discussion of amendments to Regulation 18708 is currently scheduled for October and adoption is scheduled for December of 2001.

Item 5. CHANGE. Regulation 18452 – CalPERS' Reporting Requirements.

Section 84225 requires candidates for the Board of Directors of CalPERS to file certain campaign reporting statements. Regulation 18452, as directed by statute, sets forth the filing schedule and describes the contents of those statements. CalPERS' next election under the statute is in October of this year. Earlier this year, CalPERS prepared an election schedule that provided for runoff elections under certain circumstances, requiring amendment of Regulation 18452 since the regulation makes no provision for the filing of statements required by law during runoff election cycles. CalPERS has informed us that there will be no provision for runoff elections for this year's October election. Therefore, we are recommending removing this from the 2001 regulatory calendar.

Recommendation: Staff proposes to add consideration of the CalPERS amendment to next year's regulatory calendar if CalPERS' regulations provide for runoff elections in the future.

Item 6. NO CHANGE. Regulations 18741.1; 18746.1 - Permanent Ban on Post-Employment Activities.

This involves proposed amendments to regulation 18741.1, relating to the "permanent ban" on post-employment activities. Under the Political Reform Act, former officials in state government are prohibited from attempting to influence proceedings involving their former state employer in which they participated when under government employment. (Sections 87401 and 87402.) A former official has "participated" where he or she has had "personal and substantial" involvement in the proceeding. In 1999, the Commission adopted Regulation 18741.1 interpreting sections 87401 and 87402. That regulation provides, in pertinent part:

> *Any supervisor is deemed to have participated in any proceeding which was 'pending before,' as defined in 2 Cal. Code Regs. Section 18438.2, subdivision (b), the official's agency and which was under his or her supervisory authority....*

In the *Lucas* Opinion, O-00-157, the Commission interpreted this regulation in the context of a high-level official of the Board of Equalization. In so doing, the Commission concluded that even though the official technically had "supervisory authority" over all employees under his chain of command, the official was not a "supervisor" of those employees within the meaning of the regulation, and therefore the official did not participate in audits conducted by the lower-level employees. The Commission distinguished this interpretation with the 1990 Commission interpretation reflected in the *Brown* Advice Letter, No. A-91-033, which applied the ban to the former Chief of the Enforcement Division of the Commission.

The Commission instructed staff to amend regulation 18741.1 to reflect this distinction. It is anticipated that other technical changes may also be made to this regulation and regulation 18746.1. Therefore, reference to regulation 18746.1 has been added.

Item 7. CHANGE. Campaign Reporting Project.

Last year, the Commission convened an inter-divisional task force to review the current campaign reporting rules and devise ways to make it easier for candidates and committees to comply with the rules, and for the public and the media to access the information. Staff has met with and is continuing to meet with various interested persons to elicit feedback regarding the current rules and suggestions for improvement. In addition, staff has held internal meetings on campaign reporting. At these meetings, staff has brainstormed and reviewed ideas sent in by the regulated community. Employees throughout the agency have become more familiar with the technical, detailed aspects of reporting by receiving training from the Technical Assistance Division. During the last three months, staff conducted research and obtained first-hand experience with the electronic methods candidates and committees can use to comply with the campaign reporting rules. In addition, staff is planning to present an overview of the current system for the commissioners. The overview will cover the current rules, the purpose behind those rules, and applicable case law. Following the overview, staff will present a detailed work plan for Commission approval.

Recommendation: Staff proposes to present the Overview of the Law in July to accommodate staffing changes.

Item 8. CHANGE. *Fontana* Opinion and LAFCO proceedings.

Last year, at the request of the City of Los Angeles Ethics Commission, the Commission undertook a review of campaign reporting rules as they apply to LAFCO proceedings. Commission staff is scheduled to provide a status report regarding implementation of certain new laws impacting these proceedings. The status report was scheduled for May.

Recommendation: Staff proposes to present a status report for the Commission's September 2001 meeting.

Item 9. NO CHANGE. Annual Technical Clean-up.

The Commission is presented this month with a number of changes to Commission regulations that resulted from the staff's annual review for technical and other minor changes.

III.

PROPOSITION 34

Proposition 34 was passed by the voters on November 7, 2000. Proposition 34 established contribution and expenditure limits for state candidates and includes other provisions discussed in more detail below. The laws are in effect as of January 1, 2001, but most of the chapter 5 provisions of Proposition 34 are not applicable to statewide officers until November 6, 2002.

The remaining part of this memorandum discusses regulatory action approved by the Commission in March of 2001 to implement Proposition 34. The proposed changes reflect, in large part, additional work required to provide for certain campaign reporting requirements added by Proposition 34.

The remaining part of this memorandum discusses proposed regulatory action on a month-by-month basis.

JUNE 2001

OPINIONS

Item 10. ADDED. Consideration of Opinion Request – California Democratic Party and California Republican Party.

On May 15, 2001, the California Democratic Party requested the Commission to consider its reporting obligations with respect to certain reports required to be filed by newly enacted ordinances of the City of Los Angeles. The opinion request asks the Commission to undertake a conflict of law analysis, considering sections 81009.5, 81013, and 85312. On May 17, 2001, the California Republican Party made a similar request. The Executive Director granted the request and consideration of this matter is scheduled for this month. (There is no reference to this opinion in the attachment.)

PRE-NOTICE DISCUSSION OR EMERGENCY ADOPTION

Item 11. CHANGE. Codification of Los Angeles City Ethics Commission Opinion:

The Los Angeles City Ethics Commission made a request concerning four Proposition 34 sections (sections 85304, 85700, 85701, and 85308(b)).

Section 85304 - Candidate/Officeholder's Legal Defense Fund: Section 85304, added by Proposition 34, states that a candidate for elective state office or an elected state officer may establish a separate account to raise funds to pay legal costs incurred as a result of legal proceedings arising out of the conduct of an election campaign or the performance of the official's duties. This is an exception not only to the

"one bank account rule" but also is exempt from the contribution limits established by Proposition 34. All contributions, however, must be disclosed in a manner prescribed by the Commission.

In addition to prescribing the manner of disclosure, the Commission was asked by the Los Angeles City Ethics Commission to issue an opinion regarding the interplay between section 85304 and a local ordinance which limits contributions to an elected city official's legal defense fund.

Section 85308 - Contributions by Members of the Same Family: Proposition 34 prohibits aggregation of contributions made by a husband and wife. It also declares that a contribution made by a minor child is presumed to be a contribution from the parent or guardian of the child.

It is uncertain whether a contribution from a child is presumed to be apportioned equally among the parent(s) and whether it would be apportioned among step-parents, as well. Moreover, nothing in the statute describes whether or how the presumption may be rebutted.

The City of Los Angeles has enacted an ordinance that requires a contribution made by a minor be attributed to the parents. The Los Angeles City Ethics Commission asked the Commission to render an opinion about the status of that ordinance in light of section 85308.

Section 85700 - Disclosure of Contributor Information; Return of Contributions. Proposition 34 requires a candidate or committee return within 60 days a contribution of $100 or more for which the candidate or committee does not have on file in its records the name, address, occupation and employer of the contributor.

Questions have arisen whether multiple contributions in increments under $100 by the same contributor are to be aggregated for purposes of the statute. Also uncertain is whether the information described above is to be disclosed on committee campaign reports or whether it is sufficient merely to have the information on file. Finally, the Los Angeles City Ethics Commission asked the Commission whether a recipient of a contribution described above may deposit a check from a contributor before all the necessary information is obtained.

Section 85701 – Laundered Contributions; Payment to State General Fund. This section provides that the amount of laundered contributions shall be paid to the General Fund of the state.

Recommendation: In May, the Commission adopted an opinion concerning the four sections described above. Staff examined whether regulatory action is necessary to codify its conclusions. As expected, staff is presenting regulatory language for the Commission to consider concerning two of these sections. However, as explained in a separate memorandum, staff proposes to delete from the regulatory calendar consideration of a regulation concerning section 85308.

Item 12. Transfer Issues (Sections 85305, 85306, and 85317):

Section 85305 sets a $3,000 limit on inter-candidate transfers. Section 85306 governs intra-candidate transfers, and requires attribution of post January 1, 2001 contributions that are transferred. It also delays application of this provision to candidates for statewide elective office until November 6, 2002. Section 85317 provides that contributions collected but unexpended for one election may be carried forward to another election for the same elective state office.

Staff believes it is necessary to adopt a regulation to at least address the method of electing between "last in, first out" and "first in, first out" accounting of transferred contributions in section 85306. The March work plan memo provided for April pre-notice discussion and June adoption. The Commission discussed this regulation in May and requested a second pre-notice hearing for June.

Recommendation: This work plan revision proposes adoption of a permanent regulation concerning transfers for September instead of June.

EMERGENCY ADOPTION

Item 13. ADDED. Forms/Reports. In April of 2001, the staff and the regulated community expressed to the Commission the urgency of amending the Commission's Form 460 and of implementing provisions of Proposition 34 that require certain reports to be filed electronically. The Commission directed staff to conduct an interested persons' meeting on this issue and to present to the Commission proposed form revisions. The Commission considered the staff's analysis in May. In order to implement the necessary changes, four regulations are needed to set out the Proposition 34 reporting requirements. These regulations are presented for emergency adoption this month. It is expected that permanent adoption of these regulations will be presented in September.

Recommendation: Add consideration of a June adoption of emergency regulations 18421.4, 18539, 18539.2, and 18550 in connection with Proposition 34 reporting rules. Four of the regulations implement provisions of sections 85309, 85310, 85400-85402 and 85500.

Item 14. CHANGE. Sections 85400 – 85402. Voluntary Expenditure Limits:

Section 85400: This section specifies the amounts of the voluntary expenditure limits for elective state and statewide offices. The statute arguably fails to particularize expenditures that are subject to the limits established by this section. The forms that report campaign expenditures may be redrafted to provide more clear information to persons tracking expenditures subject to the limits. In addition, a regulation may be necessary to define or clarify expenditures subject to these limits. In May, the Commission decided to amend the Form 460 to provide for reporting of cumulative expenditures subject to these limits.

Section 85401: This statute requires a candidate to file a statement accepting or rejecting the voluntary expenditure limits prescribed by section 85400, when the candidate files his or her statement of intention as specified at section 85200. The statute is clear as to what must be filed, and when. The only question thus far raised by this statute is the desirability of a regulation that would allow candidates to "change their minds" after filing their acceptance/rejection statements, under circumstances other than those specifically permitted by section 85401(b).

Section 85402: This statute provides that candidates for elective state office who have accepted the voluntary expenditure limits of section 85400 are not bound by those limits if an opponent contributes personal funds to his or her campaign in excess of the voluntary expenditure limits. Subdivision (b) requires that the Commission promulgate a regulation prescribing timely notification of personal contributions.

A regulation pertaining to section 85402(b) is required as soon as possible, to specify the time and manner of filing. At present, it does not appear necessary that the regulation define "personal contribution," or treat matters other than the time and manner of filing. Staff recommended emergency adoption of a regulation pertaining to section 85402(b) for April and permanent adoption in June of 2001. Also, as noted above, a regulation may be necessary to interpret section 85400. This would come up for pre-notice discussion in July and adoption in September of 2001.

Recommendation: The staff proposes emergency adoption of a regulation implementing section 85402(b) and 85401(b) in June instead of April. In addition, staff has added an interested persons' meeting to be held on May 30, 2001 concerning other voluntary expenditure limit issues.

WORKING GROUP/INTERESTED PERSONS' MEETINGS

Item 15. CHANGE. 84501-84511. Advertising Disclosure.

Sections 84501-84510: These provisions are surviving provisions added by Proposition 208. These advertising disclosure provisions present difficult interpretative problems.

The purpose of the advertising disclosure rules is to inform voters of the "big money" behind political advertisements. However, interpretive issues exist with respect to whether advertisements for or against a ballot measure are subject to sections 84502-84504 or section 84506 (governing independent expenditures), or both. Additional issues that may be clarified by regulation: what types of advertisements are subject to the rules; are there exceptions; clarification of the term "cumulative contributions" as defined in section 84502; the treatment of independent expenditure advertisements under section 84506; the specific content of the disclosure; and under what circumstances must a disclosure be amended. Staff proposes to hold a working group meeting in June and present pre-notice discussion in September instead of July. Staff proposes adoption in November instead of September 2001.

Section 84511: This provision was added by Proposition 34. It provides that any individual who appears in an advertisement to support or oppose the qualification, passage, or defeat of a ballot measure and who has been paid or promised payment of five thousand dollars ($5,000) or more for that appearance shall disclose that payment or promised payment in a manner prescribed by the Commission. The advertisement shall include the statement, "(spokesperson's name) is being paid by this campaign or its donors" in highly visible roman font shown continuously if the advertisement consists of printed or televised material, or spoken in a clearly audible format if the advertisement is a radio broadcast or telephone message.

Recommendation: The staff initially proposed a regulation to prescribe a form for the "spokesperson" disclosure required by section 84511. In May, the Commission decided, based on staff's recommendation, to pursue a legislative amendment to section 84511 to require committees, rather than individuals, to have filing obligations pursuant to this section. Staff proposes to delete consideration of regulatory action concerning this section at this time.

Item 16. N0 CHANGE. Section 85316.

Section 85316 prohibits candidates for elective state office from accepting contributions after an election except that they may raise funds to pay net debts outstanding from the election. Staff has informally advised that section 85316 prohibits candidates for elective state office from raising funds after an election (including pre-34 elections) for officeholder expenses until they open a new account to run for a future election to the same office. Thus, staff interprets section 85316 to prohibit termed out candidates from raising any campaign funds except to pay off debt.

Another issue concerns the status of officeholder accounts established under Proposition 208. Many local and state candidates continue to have funds in these accounts even though there is no longer any statutory basis for these accounts. Under Proposition 208, money raised in these accounts could only be spent on officeholder expenses and could not be spent on campaign expenses.

A working group meeting was held in May and pre-notice discussion is set for this month, as previously scheduled.

JULY

PRE-NOTICE DISCUSSION OR EMERGENCY ADOPTION

Item 14. Section 85400 (Issues not related to forms).

Item 17. ADDED. One bank account rule issues (Section 85200, 85201).

In May, the staff asked the Commission to add consideration of amendments to existing Commission regulations concerning the one bank account rule under the Act. The staff will analyze how Proposition 34 has affected the "one bank account" laws and regulations.

Recommendation: Add consideration of these changes for either pre-notice discussion or emergency adoption in July.

Item 18. NO CHANGE. Section 85312 – Definitions for "Member Communications" Provision.

Section 85312 provides that certain payments for communications to "members, employees, shareholders, or families of members, employees, or shareholders of an organization" are not contributions or independent expenditures. While the Act currently provides a definition for the term "immediate family" pertaining to conflict of interest and disclosure rules, the term "families" as used in section 85312 may be interpreted more broadly. Similarly, other undefined terms of this section including "member," "employee," "shareholder," "communications," and "organization" warrant examination and definition by the Commission.

A regulation defining these terms will be proposed for pre-notice discussion in July. Two working group meetings were held in May in Sacramento and Los Angeles to ensure public input. Adoption of a regulation is scheduled for September of 2001.

Item 19. CHANGE. Making, Receiving, Accepting, and Returning Contributions.

Regulation 18215.2, an emergency regulation never permanently adopted, specified when a contribution is "accepted." Regulation 18531, amended by the Commission for purposes of Proposition 34 as part of the clean-up packet, describes when a contribution is deemed "not to have been accepted" for purposes of contribution limits. The Commission may wish to utilize language of these two regulations previously adopted for the implementation of Proposition 208. If so, it may be helpful to explore the issue of when a contribution is "accepted" if the conditions of Regulation 18531 are not carried out. Clarification on the manner in which a contribution may be made, accepted,

or returned may be included in such an examination. Additionally, what effect, if any, section 85319 has on this regulation should be addressed.

Recommendation: Pre-notice discussion would occur in July instead of May, and adoption would occur in September 2001 instead of July.

WORKING GROUP/INTERESTED PERSONS' MEETINGS

Item 20. NO CHANGE. Aggregation of Contributions.

The issue of aggregation of contributions arises in the context of both disclosure and contribution limits. Regulation 18428 addresses the disclosure and notification requirements of affiliated entities that participate in the financing of elections. (Section 84211.) Originally, regulation 18428 implemented the Commission's *Kahn* ((1976) 2 FPPC Ops. 151) and *Lumsdon* ((1976) 2 FPPC Ops. 140) opinions requiring a "combination of persons" to file one campaign statement. The regulation defined "affiliated entities" as "a person or group of persons whose campaign contributions are directed and controlled by another." This is the first appearance of the "direction and control" language. This standard remained on the books until 1996. At that point, it was amended to reference the "establishes, finances, maintains, or controls" Proposition 208 standard for determining whether entities should aggregate their contributions.

In 1995, the Commission also adopted regulations 18215.1 and 18225.4. These regulations replaced a Proposition 73 regulation. Former regulation 18215.1 is virtually identical to Proposition 34's affiliated entities statute (Section 85311). According to Commission documents, regulation 18215.1 codified the *Kahn* and *Lumsdon* opinions and applied for all purposes—disclosure, limits and prohibitions (including section 84308). At the same time, the Commission adopted regulation 18225.4, which is identical to regulation 18215.1 but only applies to independent expenditures. Regulation 18225.4 is still in effect.

In 1996, the voters passed Proposition 208 and imposed a different standard for aggregating contributions: "All payments made by a person established, financed, maintained, or controlled by any business entity, labor organization, association, political party, or any other person or group of such persons shall be considered to be made by a single person." To implement Proposition 208, the Commission repealed regulation 18215.1, amended regulation 18428, as discussed above to implement Proposition 208, and adopted regulation 18531.1. Regulation 18531.1 was a separate affiliation regulation added for purposes of the Proposition 208 contribution limits. This regulation was repealed as part of the Proposition 208 and 73 clean-up packet. The Commission did not repeal regulation 18225.4 which concerns cumulating independent expenditures, and the Proposition 208 changes to regulation 18428 are still on the books. In summary, regulation 18225.4 applies the direction and control standard for independent expenditures and regulation 18428 applies the Proposition 208 standard for the reporting

obligations of affiliated entities. Regulation 18531.1 (repealed) applied the Proposition 208 standard for contribution limit purposes.

Section 85311 of Proposition 34 codifies former regulation 18215.1 and establishes a "direction and control" standard for determining whether entities should aggregate their contributions. Thus, section 85311 appears to codify a standard that was in effect before the passage of Proposition 208.

The Commission will consider issues raised by regulations 18428, 18215.1, 18225.4, and 18531.1 and possibly adopt a new affiliation regulation applicable to the contribution limits of Proposition 34. A working group meeting would be held in July, with pre-notice discussion in September and adoption in November 2001.

Item 21. NO CHANGE. Section 85303 – Purpose of a Contribution; Political Parties.

Section 85303 provides limitations on contributions "for the purpose of making contributions to candidates for elective state office." Section 85303 also provides a higher contribution limit for political party committees. Criteria for determining whether a contribution is made for such a purpose may be required for implementation of this section.

Questions presented by section 85303 include: whether contributions for campaign activities such as slate mailers and joint fundraisers which benefit multiple candidates should be apportioned; whether a contribution from a candidate's federal campaign committee to the same candidate's campaign committee for state elective office is subject to the provisions of this section; and whether contributions from a single source to both a party's state central committee and county central committee are aggregated for purposes of the contribution limit.

A regulation will be considered to address these issues. Staff will hold a working group meeting on these issues in July, with pre-notice discussion in September and adoption in November of 2001.

AUGUST 2001

ADOPTION

Item 11. Regulations pertaining to the Los Angeles City Ethics Commission request.
Item 16. Net debt and officeholder issues. Section 85316.

WORKING GROUP/INTERESTED PERSONS' MEETINGS

Items 2 and 3. Working group meetings concerning conflict of interest issues (foreseeablility and appointed boards and commissions) will be held this month.

SEPTEMBER 2001

PRE-NOTICE DISCUSSION

Item 15. Advertisement disclosure. (Sections 84501-84511).
Item 20. Aggregation of contributions. (Sections 85311 and 84211).
Item 21. Section 85303.

Item 22. CHANGE. Section 85307.

Section 85307 provides that the provisions in Proposition 34 apply to extensions of credit, but do not apply to loans from commercial institutions made in the regular course of business for which a candidate is personally liable. In addition, section 85307 prohibits a candidate for elective state office from personally loaning to his or her campaign an amount, the outstanding balance of which exceeds $100,000.

Proposition 34 does not define "extensions of credit." For example, at what point does an unpaid bill become an extension of credit? Another issue concerns what types of loans are considered personal loans subject to the $100,000 prohibition. For example, does the $100,000 limit apply to loans made by a business wholly owned by a candidate and his or her immediate family? Finally, how does the $100,000 limit affect outstanding loan balances that existed before January 1, 2001? The Commission approved consideration of a regulation defining "extensions of credit" and "personal loans" for purposes of section 85307. A working group meeting on this issue is scheduled for May 30, 2001.

Recommendation: To allow consideration of the "one bank account rules," pre-notice discussion of this item would be scheduled for September instead of July. Adoption would be in November instead of September of 2001.

Item 23. NO CHANGE. Section 85702 (Lobbyist Contributions):

Section 85702 prohibits contributions by a lobbyist to elected state officers or candidates for elected state office, if the lobbyist is registered to lobby the government agency of the elected state officer or the agency to which the candidate seeks election. Proposition 208 contained a similar (but broader) prohibition, construed and applied by regulation 18626 (repealed). It would be useful to rewrite that regulation to conform to section 85702. Staff will redraft a regulation for pre-notice discussion in September 2001 and adoption in November of 2001.

ADOPTION

Item 12. Transfers.
Item 13. Form Regulations. Permanent adoption of emergency regulations.

Item 14. Section 85400 (issues other than forms).
Item 18. Section 85312.
Item 19. Acceptance, Making, Receipt, and Return of Contributions.

OCTOBER 2001

No Proposition 34 regulations. Conflict-of-interest issues/regulations and other regulations to be presented to the Commission this month for pre-notice discussion.

NOVEMBER 2001

ADOPTION

Item 15. Sections 84501 - 84511 (issues other than forms).
Item 20. Aggregation of contributions (Sections 85311 and 84211.)
Item 21. Section 85303.
Item 22. Section 85702.
Item 23. Section 85307.

DECEMBER 2001

No Proposition 34 regulations. Conflict-of-interest issues/regulations and other regulations to be presented to the Commission this month for possible adoption.

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