



**FAIR POLITICAL PRACTICES COMMISSION**  
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**To:** Chair Remke and Commissioners Casher, Eskovitz, Wasserman and Wynne

**From:** Erin V. Peth, Executive Director  
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**Subject:** Legislative Update

**Date:** June 5, 2014

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This report includes a summary of bills currently pending before the Legislature that would impact the Political Reform Act (the "Act").

The Governor signed SB 27, a bill the Commission sponsored. This bill will go into effect on July 1, 2014, in time for the November 2014 election. Staff is currently working on updated regulations to implement the new law and will bring them to the Commission at the next meeting.

**Political Reform Act Bills Pending in the Legislature**

**SB 2 (Lieu)**

Existing Law

The Act provides for the comprehensive regulation of campaign financing by requiring the reporting of campaign contributions and expenditures, and imposing other reporting and recordkeeping requirements on campaign committees.

The Act also regulates advertisements, which are defined as any general or public advertisement that is authorized and paid for by a person or committee for the purpose of supporting or opposing a candidate for elective office or a ballot measure. The Act places certain disclosure requirements on advertisements for or against any ballot measure, including that the advertisement disclose up to two persons who have made cumulative contributions of \$50,000 or more. The Act places more specific disclosure requirements on broadcast or mass mailing advertisements that are paid for by independent expenditures that support or oppose a candidate or ballot measure. In addition to other penalties imposed by the Act, a fine of up to triple the

amount of the cost of an advertisement can be imposed on a person who violates the disclosure requirements for advertisements.

The Act regulates mass mailings, known as slate mailers that support or oppose multiple candidates or ballot measures for an election. The Act requires that each slate mailer identify the slate mailer organization, or committee primarily formed to support or oppose one or more ballot measures, that is sending the slate mailer. Slate mailers must contain other specified information in specified formatting. The Act requires that each candidate and each ballot measure proponent that has paid to appear in the slate mailer be designated by an asterisk.

#### Proposed Law

This bill would require that television, video, or audio broadcast advertisements that are authorized by a candidate include a specified disclosure statement made by the candidate. The bill would increase the maximum penalty for a violation of the advertisement provisions to six times the amount of the costs of the advertisement. The bill would also increase fine ceilings for other violations of the Act.

This bill would require that a candidate or ballot measure appearing in a slate mailer as a result of a payment made by a third party be designated by an “@” and would require the notice to voters included on a slate mailer be revised to describe this new requirement.

This bill would require that a slate mailer that is produced in a language other than English provide the required notice to voters in that same language. The bill would require that a slate mailer provide the notice in both English and another language if a substantial portion of a slate mailer is produced in the other language.

This bill would reduce the amount of time within which a ballot measure committee must reference itself as a committee for or against a numbered proposition to within ten days of the designation of the numerical order of propositions by the Secretary of State.

Previously, staff recommended the Commission support this bill if the audit provisions were amended in a way that did not conflict with audit language in AB 800 because the bill’s other provisions further the purposes of the Act by requiring that candidates make disclosure statements on their own advertisements and increasing disclosure on slate mailers by informing voters when a third party has paid for a candidate or ballot measure to appear on a slate mailer. Staff recommended the Commission support this bill if amended, and the bill has been amended to reflect staff’s concerns. The Commission adopted staff’s recommendation at its June 2013 meeting.

**Status: Assembly Inactive File.**

**Staff Recommended Position: Support.**

**Fiscal Impact: Minor and absorbable.**

## **SB 52 (Leno)**

### Existing Law

The Act regulates advertisements, which are defined as any general or public advertisement that is authorized and paid for by a person or committee for the purpose of supporting or opposing a candidate for elective office or a ballot measure. The Act places certain disclosure requirements on advertisements for or against any ballot measure, including that the advertisement disclose up to two persons who have made cumulative contributions of \$50,000 or more. The Act places more specific disclosure requirements on broadcast or mass mailing advertisements that are paid for by independent expenditures that support or oppose a candidate or ballot measure. In addition to other penalties imposed by the Act, a fine of up to triple the amount of the cost of an advertisement can be imposed on a person who violates the disclosure requirements for advertisements.

The Act requires a person who makes a payment or promise of payment totaling \$50,000 or more for a communication that identifies, but does not advocate the election or defeat of, a candidate for elective state office, and that is disseminated within 45 days of an election, to file an online or electronic disclosure report with the Secretary of State within 48 hours.

### Proposed Law

This bill would define “Advertisement” to include electioneering communications and issue advocacy advertisements.

The bill would define “issue advocacy advertisement” as an advertisement that clearly refers to and reflects a view on the subject matter, description, or name of a pending legislative action, administrative action, or one or more ballot measures and does any of the following:

- (1) Can only be interpreted as an appeal for the recipient of the advertisement to take action by contacting an employee or elected official of the state government or any local government or encouraging others to contact those persons.
- (2) Refers to a pending legislative action and is disseminated, broadcast, or otherwise communicated within 60 days of the end of the legislative session.
- (3) Refers to one or more ballot measures and is disseminated, broadcast, or otherwise communicated within the 120 days of the election concerning that measure or measures.

The bill would impose new disclosure statement requirements for:

- (1) Radio advertisements and prerecorded telephonic messages – these advertisements would be required to have a disclosure at the end of the advertisement that states the committee’s name and the three largest contributors for the advertisement that have met or exceeded a disclosure threshold of \$10,000 or more for statewide candidates or measurers or \$2,000 or more for local candidates or measures unless they are already identified in the advertisement.

- (2) Television or video advertisements – these advertisements would be required to have a disclosure at the beginning of the advertisement on a solid black background that covers the entire bottom one-third of the display for a minimum of six seconds listing the three largest contributors who have met or exceeded a disclosure threshold of \$10,000 or more for statewide candidates or measurers or \$2,000 or more for local candidates or measures along with a website address to the committee’s Internet Disclosure Website and committee name.
- (3) Print advertisements other than slate mailers – these advertisements would be required to have a disclosure area on the largest page of the mass mailing or print advertisement that has a solid white background with black writing in a box that discloses the top three funders of the ad that have met or exceeded a disclosure threshold of \$10,000 or more for statewide candidates or measurers or \$2,000 or more for local candidates or measures. If the advertisement is four inches tall or less, only the top two contributors must be disclosed and if the advertisement is three inches tall or less, only the top funder would be required to be disclosed on the advertisement. A link to an Internet Disclosure Website and the committee’s name would also be required.

The bill will require committees that have received contributions meeting or exceeding the disclosure threshold of \$10,000 or more for statewide candidates or measurers or \$2,000 or more for local candidates or measures to maintain an Internet Disclosure Website that lists the Committees top 10 donors, and that also have a link to a page with all of the committees donors who have met or exceeded the disclosure thresholds.

The bill would provide authority to the Commission to promulgate regulations to require disclosures on all forms of political advertisements including electronic media advertisements and billboards.

The bill would require a person who makes a payment or promise of payment of \$10,000 or more for a communication that identifies but does not expressly advocate the election or defeat of a candidate for elective state office that is disseminated between 120 days before the primary or special election and the date of the general or run-off election to file an online or electronic report with the Secretary of State within 48 hours.

Further amendments to this bill are expected.

**Status: Assembly Elections & Redistricting.**  
**Fiscal Impact: \$363,000.**

### **SB 831 (Hill)**

#### Existing Law

Under the Act, a payment made at the behest of a candidate for elective office is considered a contribution unless the payment is made for purposes unrelated to the candidate’s candidacy. A payment is presumed to be unrelated to a candidate’s candidacy if it is made principally for legislative, governmental, or charitable purposes. Payments principally for legislative,

governmental, or charitable purposes made at the behest of a candidate who is an elected officer must be reported within 30 days following the date on which the payment or payments equal or exceed \$5,000 in the aggregate from the same source in the same calendar year in which they are made.

The Act prohibits specified officers from receiving gifts, as defined, in excess of \$440 in value from a single source in a calendar year. The Act exempts gift payments for the actual costs of specified types of travel that are reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy from the annual limit on the value of gifts from a single source.

The Act requires that contributions deposited into a campaign account be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office. Expenditures must be reasonably related to a political purpose when associated with election of the candidate and must reasonably relate to a legislative or governmental purpose when associated with holding office. Expenditures which confer a substantial personal benefit must be directly related to a political, legislative, or governmental purpose. The Act authorizes the use of campaign funds to make donations or loans to bona fide charitable, educational, civic, religious, or similar tax-exempt nonprofit organizations. The Act imposes additional limitations on certain expenditures, including those relating to automotive expenses, travel expenses, tickets for entertainment or sporting events, personal gifts, and real property expenses.

#### Proposed Law

This bill would prohibit an elected officer from requesting that a payment be made, or a person from making a payment, at the behest of the elected officer to a business entity or nonprofit organization that the elected officer knows or has reason to know is owned or controlled by the elected officer or an immediate family member of the elected officer. The bill would prohibit an elected officer or a committee controlled by the elected officer from making an expenditure of campaign funds to a business entity or nonprofit organization owned or controlled by the elected officer or an immediate family member of the elected officer. Additionally, the bill would require a nonprofit that funds a public official's travel to disclose donors whose funds were used to pay for the travel. This bill would also limit the expenditure of campaign funds for specific items such as country club memberships, household food items, tuition payments, and payments to a health club or recreational facility. This law would take effect immediately per the urgency clause.

**Status: Senate Floor.**

**Fiscal Impact: \$129,639.**

#### **SB 844 (Pavley)**

#### Existing Law

Each campaign committee formed or existing primarily to support or oppose a statewide ballot measure is required to file with the Secretary of State periodic reports identifying the sources and

amounts of contributions received during specified periods. Existing law, including the Act, also specifies information required to be included in the statewide ballot pamphlet for each statewide ballot measure to be voted upon.

#### Proposed Law

This bill would require the Secretary of State to post on his or her Internet Web site, for each statewide ballot measure, a list of the 10 highest contributors of \$50,000 or more who have made the largest cumulative amount of contributions to campaign committees formed or existing primarily to support or oppose that ballot measure. The bill would require the Secretary of State to update each list of contributors at specified intervals up until 2 business days before the election and to post a final version of each list by a specified date after the election. In addition, the bill would require the statewide ballot pamphlet to include a printed statement that refers voters to the Secretary of State's website for the above-described lists of contributors.

**Status: In Assembly, held at desk.**

**Fiscal Impact: Minor and absorbable.**

#### **SB 952 (Torres)**

#### Existing Law

Government Code Section 1090 prohibits Members of the Legislature, and state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. State, county, district, judicial district, and city officers or employees are also prohibited by law from being purchasers at any sale or vendors at any purchase made by them in their official capacity. Existing law also prohibits the Treasurer, Controller, county and city officers, and their deputies and clerks from purchasing or selling, or in any manner receiving for their own or any other person's use or benefit any state, county, or city warrants, scrip, orders, demands, claims, or other evidences of indebtedness against the state, a county, or city. A willful violation of these prohibitions is a crime punishable by fine or imprisonment in the state prison, and forever disqualifies the offending public officer or person from holding any office in the state.

#### Proposed Law

This bill would prohibit an individual from aiding or abetting a public officer or person in violating these prohibitions, and expand these penalties to also apply to the individual who willfully aids or abets.

**Status: Senate Floor.**

**Fiscal Impact: None yet completed.**

**SB 1101 (Padilla)**

Existing Law

The Act places limits on the amount of campaign contributions that a person may make to a candidate for elective state office, but does not restrict the dates on which those contributions can be made.

Proposed Law

This bill would prohibit any campaign contribution to a Member of the Legislature during the following periods of time:

- 1) From the date the Director of Finance provides to the Legislature a revised estimate of General Fund revenues, proposals to reduce expenditures, and proposed adjustments to the Governor's Budget to the date of enactment of the budget bill.
- 2) In each odd-numbered year (first year in a two-year legislative session) from the date 30 days preceding the date the Legislature is scheduled to adjourn for a joint recess to reconvene in the second calendar year of the session to the date that adjournment occurs.
- 3) In each even-numbered year during the period from August 1 to August 31.

There is an exception from these blackouts for Legislators who are running in a special election and an urgency clause was added to the bill which would make it go into effect immediately.

**Status: Senate Floor.**  
**Fiscal Impact: \$84,573.**

**SB 1103 (Padilla)**

Existing Law

The Act requires an individual to file a statement of intention to be a candidate for an elective office, signed under penalty of perjury, prior to soliciting or receiving a contribution or loan.

Proposed Law

The bill would prohibit an elected state officer or candidate for elective state office who has filed a statement of intention to be a candidate for more than one elective state office from having more than two campaign contribution accounts open simultaneously for purposes of receiving campaign contributions in connection with those elective state offices. The bill will take effect immediately per the urgency clause.

**Status: Senate Floor.**  
**Fiscal Impact: Minor and absorbable.**

**SB 1104 (Padilla)**

Existing Law

The Act regulates certain communications, including mass mailings, slate mailers, and advertisements, by requiring those items to include specified information and disclosures.

Proposed Law

This bill would require a candidate for elective state office, a slate mailer organization, or a committee that authorizes an expenditure for a campaign communication to file an electronic copy of the campaign communication with the Secretary of State. The Secretary of State would be required to maintain an archive of the filed campaign communications and to make them available for public inspection.

**Status: Senate Floor.**

**Fiscal Impact: \$90,133.**

**SB 1226 (Correa)**

Existing Law

The Act authorizes the Commission, upon mutual agreement between the Commission and the Board of Supervisors of the County of San Bernardino, to have primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance reform ordinance of the County of San Bernardino. The Act authorizes the Commission to investigate possible violations of the local County of San Bernardino campaign finance reform ordinance and bring administrative actions against persons who violate the ordinance. The Act specifies that the Board of Supervisors of the County of San Bernardino and the Commission may enter into any agreements necessary and appropriate for the operation of these provisions, including agreements for reimbursement of state costs with county funds. The Board of Supervisors of the County of San Bernardino or the Commission may, at any time, by ordinance or resolution, terminate any agreement for the Commission to administer, implement, or enforce the local County of San Bernardino campaign finance reform ordinance or any provision thereof.

Proposed Law

This bill would extend these provisions to all counties and cities within California.

**Status: Assembly Elections.**

**Fiscal Impact: Minor and absorbable.**

### **SB 1294 (Huff)**

#### Existing Law

The Act requires that the ballot pamphlet contain, among other things, the official summary prepared by the Attorney General. Existing law requires the Attorney General to provide a ballot label and a ballot title for each measure to be submitted to the voters at a statewide election and to prepare a summary of the chief purposes and points of each statewide ballot measure as part of the ballot title.

#### Proposed Law

This bill would require the Legislative Analyst, instead of the Attorney General, to prepare the ballot label and the ballot title and summary for all measures submitted to the voters of the state.

**Status: Senate Elections, failed in committee with reconsideration granted.**

**Fiscal Impact: None yet completed.**

### **SB 1379 (Huff)**

#### Existing Law

The Act provides for the comprehensive regulation of campaign financing, including the reporting of campaign contributions and limiting certain types of contributions. The Act does not limit the amount of contributions a person may make to a committee that is primarily formed to support or oppose one or more ballot measures. The Act prohibits a candidate for elective state office or a committee controlled by that candidate from making a contribution to another candidate for elective state office in excess of the contribution limit for elective state offices. The Act prohibits or restricts earned income by Legislators and candidates for the Legislature from lobbyists or lobbyist employers, the receipt of gifts, and restricts the purposes for which campaign funds can be used.

#### Proposed Law

This bill would require Legislators and candidates for the Legislature to report contributions of \$1,000 or more within 3 business days to the Secretary of State during times outside of the 90-day election cycle. This bill would place a contribution limit on candidate controlled committees which would be the same as the limit that a person can give to members of the Legislature. This limit would be a cap and would be aggregated among all of a particular candidate's controlled committees that are primarily formed to support or oppose a ballot measure. Candidates and their controlled committees would be prohibited from making a contribution to another candidate for elective office or to a committee controlled by candidate for elective office that is primarily formed to support or oppose a ballot measure in excess of the limit described above. A candidate controlled ballot measure committee that is primarily formed to support or oppose a ballot measure would be prohibited from making a contribution or a transfer of funds to another

committee unless it is for the purpose of supporting or opposing a ballot measure that the controlled committee was primarily formed to support or oppose.

This bill would prohibit a lobbyist or lobbyist employer from providing any compensation to a spouse or dependent of a Member of the Legislature or a candidate for the Legislature unless it is in the course of ordinary employment. This bill would prohibit the use of campaign funds to pay criminal fines, penalties, or legal fees unless the money is being used for legal defense of the Member. This bill would also prohibit Members of the Legislature or candidates for the Legislature from using campaign funds to compensate a spouse or a dependent of a Member of the Legislature or candidate for the Legislature. This bill would double fines and penalties for bribery under the Penal Code and contains an urgency clause to make the law take effect immediately.

**Status: Senate Rules.**

**Fiscal Impact: None completed.**

### **SB 1441 (Lara)**

#### Existing Law

The Act prohibits a lobbyist from making and an elected state officer or candidate for elective state office from accepting a contribution if the lobbyist is registered to lobby the governmental agency for which the candidate is seeking election or the governmental agency of the elected state officer. Currently, there is an exception from the prohibition on lobbyist contributions in the Act that allows a lobbyist to hold a campaign fundraiser or meeting for an elected state officer or candidate for elective state office if the cost is \$500 or less and the event is held at a home or office of a lobbyist.

#### Proposed Law

This bill would include lobbyist home fundraisers within the definition of contribution, in effect banning lobbyist in home fundraisers for lobbyists that are registered to lobby the government agency for which the candidate is seeking election or the governmental agency of the elected officer. The bill would also apply the same prohibition to lobbyist employers holding fundraisers at their offices.

**Status: Assembly Elections.**

**Fiscal Impact: Minor and absorbable.**

### **SB 1442 (Lara)**

#### Existing Law

The Act provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. The Act requires elected officers,

candidates, committees, and slate mailer organizations to file various reports, including semiannual reports, preelection statements, and supplemental preelection statements. The Act defines “late contributions” and “late independent expenditures” to include certain contributions and independent expenditures, respectively that are made within 90 days before the date of the election.

#### Proposed Law

This bill would require elected state officers, candidates for elective state office, and committees primarily formed to support or oppose a candidate for elective state office or one or more statewide ballot measures to file quarterly statements each year instead of semiannual statements. The bill would repeal some types of existing reports that are or would no longer be needed because they overlap with other reports. Repealed reports would include supplemental preelection statements, supplemental independent expenditure reports, and odd-numbered year reports.

This bill would revise definitions of “late contribution” and “late independent expenditure” to specify that those terms also include contributions and independent expenditures that are made on the date of the election.

**Status: Assembly Elections.**

**Fiscal Impact: \$147,321.**

#### SB 1443 (De Leon)

##### Existing Law

The Act prohibits a lobbyist or lobbying firm from making gifts to any person of more than \$10 a month and prohibits an elected state officer, elected officer of a local agency, or other designated employee from accepting gifts from any single source of \$250. The Commission is required to adjust the \$250 gift limit in accordance with changes in the Consumer Price Index every two years and therefore the gift limit is currently at \$440.

##### Proposed Law

This bill would prohibit lobbyists from making gifts to any person of any amount and would lower the current gift limit to \$200, while giving the Commission discretion to adjust this amount in each odd numbered year based on changes in the Consumer Price Index. Further, the bill would prohibit certain types of gifts including tickets to specified venues and events or a gift comprised of specified recreational activities.

**Status: Assembly Elections.**

**Fiscal Impact: Minor and absorbable.**

**AB 510 (Ammiano)**

Existing Law

The Act currently requires a committee that makes an expenditure of \$5,000 or more to an individual for his or her appearance in an advertisement to support or oppose the qualification, passage, or defeat of a ballot measure to file a report within ten days, and to include a statement in the advertisement that notifies viewers that the individual was paid to appear in the advertisement.

Proposed Law

This bill would impose additional requirements on a committee that makes an expenditure of any amount to an individual for his or her appearance in an advertisement that supports or opposes the qualification, passage, or defeat of a ballot measure and that states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training as a prerequisite to engage in that occupation. The bill would require the committee to file a report that identifies, among other things, the individual's occupation. The bill would require the committee to include a specified disclosure statement in the advertisement indicating that individuals are compensated spokespersons and not necessarily employed in the occupations portrayed. The Committee is permitted to omit this statement if the committee maintains proper documentation showing that the individuals are employed in the occupations portrayed in the advertisement and the Committee makes this documentation available to the Commission immediately upon request.

**Status: Senate Elections.**

**Fiscal Impact: \$35,000.**

**AB 1431 (Gonzalez)**

Existing Law

Existing law provides for election of officials of school districts and community college districts.

Proposed Law

This bill would amend the Act to prohibit an administrator of a school district or community college from knowingly soliciting, accepting, or receiving a political contribution from any person for the campaign of an elected official of the district employing the administrator, or any candidate for that office unless it is for their own campaign for office.

**Status: Senate Rules.**

**Fiscal Impact: Minor and absorbable.**

**AB 1666 (Garcia)**

Existing Law

The Act provides for the comprehensive regulation of campaign financing and prohibits the use of campaign funds to pay or reimburse fines, penalties, judgments, or settlements, except as specified.

Penal Code Section 86 subjects any member of the Legislature or any member of the legislative body of a city, county, city and county, school district, or other special district who asks for or receives a bribe in exchange for influence over his or her official action to imprisonment in a state prison and imposes prescribed restitution fines based on whether a bribe has actually been received.

Proposed Law

This bill would increase the restitution fines to twice the original amount and prohibit the use of campaign funds to pay for the restitution fines.

**Status: Senate Elections.**

**Fiscal Impact: Minor and absorbable.**

**AB 1673 (Garcia)**

Existing Law

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 prohibits lobbyists from making campaign contributions, however the Act also allows for a payment made by an occupant of a home or office (including a lobbyist) for costs related to any meeting or fundraising event held in the occupant’s home or office if the costs for the meeting or fundraising event are \$500 or less to be excluded from the definition of contribution.

Proposed Law

This bill would revise the definition of “contribution” to exclude a lobbyist, lobbying firm, or lobbyist employer from the exemption authorizing a payment of \$500 or less by the occupant of a home or office for costs related to a meeting or fundraising event at the home or office, thereby making those payments by a lobbyist, firm, or lobbyist employer a contribution for purposes of the Act, and therefore prohibited.

**Status: Senate Elections.**

**Fiscal Impact: Minor and absorbable.**

## **AB 1692 (Garcia)**

### Existing Law

The Act provides that all contributions deposited into a campaign account are deemed to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding offices. The Act provides that an expenditure to seek or hold office is within the lawful execution of this trust if it is reasonably related to a political, legislative, or governmental purpose. Expenditures that confer a substantial personal benefit must be directly related to a political, legislative, or governmental purpose.

The Act also authorizes certain candidates and elective officers to establish a separate legal defense fund campaign account to defray attorney's fees and other related legal costs incurred in the defense of the candidate or elective officer who is subject to one or more civil, criminal, or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officers' governmental activities and duties.

### Proposed Law

This bill would prohibit an expenditure of campaign funds of any amount to pay a fine, penalty, judgment, or settlement relating to an expenditure of campaign funds that resulted in a personal benefit to the candidate or officer if it is determined that the expenditure was not reasonably related to a political, legislative, or governmental purpose. The bill would also impose the same limitation with respect to a fine, penalty, judgment, or settlement relating to an expenditure of campaign funds that resulted in a substantial personal benefit to the candidate or officer if it is determined that the expenditure was not directly related to a political, legislative, or governmental purpose.

**Status: Senate Elections.**

**Fiscal Impact: Minor and absorbable.**

## **AB 1716 (Garcia)**

### Existing Law

The Act prohibits a former state administrative official from participating in judicial, quasi-judicial, or other proceedings before a court or state administrative agency in which the State is a party or has a direct and substantial interest and in which the former state administrative official participated, subject to limited exceptions. This is commonly known as the revolving door "permanent ban."

### Proposed Law

This bill would impose these restrictions, subject to the same exemptions, on local administrative officials with respect to judicial, quasi-judicial, or other proceedings before a court, local government agency, or state administrative agency.

**Status: Senate Elections.**  
**Fiscal Impact: \$140,000.**

**AB 1728 (Garcia)**

Existing Law

The Act prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 3 months following the date a final decision is rendered in the proceeding, if the officer knows or has reason to know that the participant has a financial interest. The Act also requires an officer to disclose on the record a contribution of more than \$250 from a party or participant received within the 12 months preceding a decision in a proceeding and would prohibit the official from making, participating in making, or otherwise using his or her official position to influence a decision in a proceeding in which the official knows or has reason to know that the party or participant has a financial interest in the decision.

The Act defines an “agency,” for these purposes, to mean any state or local government agency, except certain entities, including local governmental agencies whose members are directly elected by the voters. The Act defines a “participant,” for these purposes, as a person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the decision. The Act defines a “license, permit, or other entitlement for use,” for these purposes, to include, among other things, all contracts except competitively bid, labor, or personal employment contracts.

Proposed Law

This bill would revise the definition of “agency” to include a local government agency formed pursuant to provisions of the Water Code. The bill would revise the definition of “license, permit, or other entitlement for use” with respect to proceedings before a local government agency formed pursuant to the Water Code to apply to all contracts that are not competitively bid. The bill would deem the financial interests of a person who compensates a participant to actively support or oppose a particular decision in a proceeding on his or her behalf to also be a financial interest of the participant.

**Status: Senate Elections.**  
**Fiscal Impact: \$115,331.**

**AB 2320 (Fong)**

Existing Law

The Act prohibits a spouse or domestic partner of an elected officer or a candidate for elective office from receiving compensation from campaign funds held by a controlled committee of the officer or candidate for services rendered in connection with fundraising.

Proposed Law

This bill would instead prohibit a spouse or domestic partner of an elected officer or a candidate for elective office from receiving compensation, in exchange for any services rendered, from campaign funds held by a controlled committee of the officer or candidate.

**Status: Senate Elections.**

**Fiscal Impact: Minor and absorbable.**

**AB 2661 (Bradford)**

Existing Law

Existing law establishes the State Energy Resources Conservation and Development Commission, commonly known as the Energy Commission. Current law imposes a prohibition against receiving a substantial portion of income from specified energy-related entities in the 2 years preceding appointment to the Energy Commission. Members of the Energy Commission are prohibited from being employed by an electric utility or applicant or, within 2 years after the member ceases to be a member of the Energy Commission, a person who engages in the sale or manufacture of a major component of a facility. Members of the Energy Commission are also prohibited from holding any other elected or appointed public office or position, except as specified. Existing law prohibits persons with specified relationships to a member or employee of the Energy Commission from appearing in proceedings and other matters in which the Energy Commission is a party or has a direct and substantial interest.

Proposed Law

This bill would repeal these qualifications and conflict-of-interest requirements for members and employees of the Energy Commission that are currently outside of the Act and recast them within the Act. The bill would authorize the Commission to exempt a member or employee of the Energy Commission from the application of certain of these provisions after a finding that the member's or employee's interest is not sufficiently substantial to affect the integrity of services expected from the member or employee.

**Status: Double referred to Senate Elections and Senate Energy.**

**Fiscal Impact: \$57,189.**

**AB 2692 (Fong)**

Existing Law

The Act requires that an expenditure of campaign funds that confers a substantial personal benefit be directly related to a political, legislative, or governmental purpose. The Act defines “substantial personal benefit” to mean an expenditure of campaign funds that results in a direct personal benefit with a value of more than \$200 to a candidate, an elected officer, or an individual with authority to approve the expenditure of campaign funds held by a committee. The Act authorizes the Commission to issue an order imposing various administrative remedies if the Commission determines that a violation of the act has occurred, including a monetary penalty of up to \$5,000 per violation payable to the General Fund.

Proposed Law

This bill would provide that if the Commission determines in an administrative action that an expenditure has been made that confers a substantial personal benefit but is not directly related to a political, legislative, or governmental purpose, in violation of the Act, the individual who received the substantial personal benefit shall pay to the state General Fund, in addition to any administrative penalty imposed by the Commission, an amount equal to the substantial personal benefit that he or she received.

**Status: Senate Elections.**

**Fiscal Impact: Minor and absorbable.**

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