



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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# EXECUTIVE STAFF REPORTS

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*May 25, 2017 Commission Hearing*

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# I. ENFORCEMENT DIVISION

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STAFF: GALENA WEST, CHIEF OF ENFORCEMENT

During the period of April 6, 2017 through May 11, 2017, the Enforcement Division received 70 complaints, opened 11 for investigation, and rejected 36. The Enforcement Division received 191 non-filer referrals during this time and rejected 9.

Also during this time, the Enforcement Division closed a total of 141 cases including:

- 43 warning letters,
- 1 advisory letter,
- 29 no action letters,
- 34 as a result of the adoption of stipulations and defaults at April Commission meeting, and
- 34 committees were administratively terminated.

The Division had 998 cases in various stages of resolution at the time of the April Monthly Report and currently has approximately 972 cases in various stages of resolution, including the 44 cases before the Commission as listed in the May 2017 agenda.

On May 1, 2015, the Division received from the Secretary of State's office 2,460 \$50 Annual Fee referrals for 2013 fees not paid timely. Of those, 204 have been resolved with fines and 104 remain pending. On October 22, 2015, the Division received the \$50 Annual Fee referrals for 2014, which totaled 1,786. Of those, 78 have been resolved with fines and 155 remain pending. As for other referrals, they were rejected, the committees were terminated locally without notice to Secretary of State, the committees were administratively terminated or are slated for administrative termination, or the committee received no violation or warning letters. We are receiving 2015 and 2016 referrals periodically through the new Electronic Complaint System.

## II. LEGAL DIVISION

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STAFF:

HYLA WAGNER, GENERAL COUNSEL

JOHN WALLACE, ASSISTANT GENERAL COUNSEL

TRISH MAYER, ASSISTANT CHIEF

JACK WOODSIDE, SENIOR COMMISSION COUNSEL

### A. Pending Litigation

*Howard Jarvis Taxpayers Association v. Edmund Brown, et al.*

On December 12, 2016, the Howard Jarvis Taxpayers Association and retired State Senator and Judge Quentin L. Kopp filed a lawsuit against Governor Brown and the Commission to invalidate a new law that would allow public funds to be used for political campaigning. In September of 2016, the Governor signed Senate Bill 1107 which authorizes the use of public funds for the purpose of financing campaigns if a jurisdiction adopts a law or ordinance creating a public financing program. Plaintiffs allege the new law improperly eliminates the prohibition against public financing of campaigns, implemented pursuant to Proposition 73 in 1988, because it was done without voter approval. In addition, plaintiffs allege that the new law violates the Act because it does not “further the purposes of the Act,” an express requirement in the Act for legislative amendment. The Attorney General’s Office is representing both Governor Brown and the Commission in this litigation. The hearing is currently scheduled for August 4, 2017. The briefing schedule is as follows: Petitioners’ opening brief is due May 15; Respondents’ opposition brief is due June 28; and Petitioner’s reply is due July 20.

*Frank J. Burgess v. Fair Political Practices Commission*

Frank J. Burgess filed a writ of mandate in Riverside Superior Court on October 4, 2015, seeking relief from the Commission’s decision and order in *In re Frank J. Burgess*, Case No. 12/516.

Mr. Burgess’s case was first heard by an Administrative Law Judge (ALJ), and then Mr. Burgess challenged the ALJ’s decision to the Commission. On March 19, 2015, the Commission rejected the ALJ’s decision and decided the case based on the record and the parties’ supplemental briefing. Ultimately, the Commission found that Mr. Burgess had violated Section 87100 of the Political Reform Act (Act)<sup>1</sup> and imposed a \$5,000 fine on July 7, 2015.

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<sup>1</sup> 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 this source, unless otherwise indicated.

Mr. Burgess challenged that decision as an excess of the Commission's jurisdiction, an abuse of discretion, and a denial of due process rights. On September 15, 2016, the superior court issued its judgment granting the petition on due process grounds. The Court further ordered the Commission to file a Return to the Writ on or before November 7, 2016.

After a closed session discussion at the Commission meeting on October 20, 2016, the Commission voted to let the superior court's judgment stand and to vacate and set aside its Decision and Order in the underlying matter. The Commission has therefore dismissed the administrative proceedings against Mr. Burgess and timely filed a Return to the Writ.

On November 14, 2016, Burgess filed a Motion for Attorney's Fees under Code of Civil Procedure section 1021.5 ("private attorney general"). The FPPC in conjunction with the Attorney General's office prepared an opposition to this motion which was filed on January 25, 2017. The fee motion was heard on April 3, 2017, and the superior court took the matter under submission after argument by the parties. On April 10, 2017, the superior court granted Burgess's motion for attorney's fees. There is a closed session on the Agenda this month regarding this case.

## **B. Outreach and Training**

On April 22, 2017, Senior Commission Counsel Emelyn Rodriguez participated in a panel discussion as part of the lobbyist ethics training course conducted by the Assembly Legislative Ethics Committee and the Senate Committee on Legislative Ethics. The training is required for all registered lobbyists.

## **C. Advice**

In April 2017, the Legal Division responded to the following requests for advice:

- ***Requests for Advice:*** Legal Division Political Reform Consultants and attorneys collectively responded to more than 757 email and telephone requests for advice.
- ***Advice Letters:*** Legal Division received 17 advice letter requests and issued 15 advice letters.
- ***Section 1090 Letters:*** Legal Division received seven new advice letter requests concerning Section 1090 and issued six. This year to date we have received 23 requests regarding Section 1090.

## D. Advice Letter Summaries

Full copies of FPPC Advice Letters, including those listed below, are available at:

<http://www.fppc.ca.gov/the-law/opinions-and-advice-letters/law-advice-search.html>.

### Conflict of Interest

**Phaedra Norton****A-17-031**

A city councilmember may participate in decisions involving reconstruction of a major street even though his residence is within 500 feet of the project because the facts indicated that the reconstruction of the street will not have a material financial effect on his home.

**Bradley W. Sullivan****I-17-036**

City councilmember was found not to have a conflict of interest under the Act in decisions to approve developments in the city even if as a realtor he may later represent the buyer in a resale of properties located within the development in the future. Under the facts the councilmember had no preexisting relationship with the developers or prospective home buyers and there were intervening events between the city council's approval and any possible financial effect on the councilmember making the financial effect unforeseeable.

**Derek McDonald****A-17-045**

A member of the District's Board of Directors may not make, participate, in making, or use his or her official position to influence a decision to appoint an immediate family member as a Successor Officer on the Board. Because the immediate family member will be compensated if seated, the decision will have a reasonably foreseeable material effect on the official's interest in his or her personal finances.

**Alexandra Barnhill****A-17-052**

Three public officials were not found to have a disqualifying conflicts of interest under the Act in connection with upcoming design review decisions on a project within a masterplan because the officials' residences were more than 1,000 feet from the project and would not be materially affected by the decision.

**Steven W. Dahlem****I-17-054**

The Act does not prohibit a member of both County's Water Agency Advisory Board and its Grand Jury from additionally serving as a County Planning Commissioner. Because laws outside the Act's purview may restrict the official from holding "incompatible offices," the official is encouraged to check with the Attorney General's office to determine if other laws apply.

**David P. Hale****I-17-064**

The city council will establish land use ordinances in response to a new law to allow the sale and use of medical marijuana in the city. The requestor concedes that the ordinances may impact real estate values and availability, and thus increase the demand for the councilmember's brokerage services to buy, sell and lease real estate in the city – all of which should positively impact the

value of her real estate business. The councilmember will have a disqualifying conflict of interest in governmental decisions involving ordinances that will impact the value of her business.

**Charles A. Newman****A-17-071**

A member of a planning commission does not have a financial interest in the local YMCA of which he is merely a dues paying member, and does not have a disqualifying conflict of interest in decisions that involve that organization.

**Reed Gallogly****A-17-073**

A planning commissioner has a financial interest in an engineering firm he previously owned. Although he sold his entire ownership interest back to the company more than 12 months ago, he continues to have an interest in the firm based on the promissory note he received in exchange for his interest which is considered an investment and a source of income for as long as the promissory note is not fully paid.

**Heather C. McLaughlin****I-17-075**

The mayor and two councilmembers all have real property interests in or close to the Downtown Mixed Use Master Plan area. The mayor owns a home located almost within 500 feet from the nearest boundary. The two councilmembers own real property within the Plan area where they operate their businesses. The city is examining noise issues in connection with outdoor live music from downtown area businesses because the city expects that businesses will petition for temporary permits to play music beyond the standards of the current ordinance. We concluded that where such permits allow deviation from the current noise ordinances on a temporary basis, the decisions will not foreseeably and materially affect the values of any of the businesses or real properties of the officials.

**Rebecca L. Moon****A-17-082**

The City of Sunnyvale is considering a proposed specific plan that will refine and guide the future development of Sunnyvale's El Camino Real corridor. Multiple city officials own homes and reside in proximity to the boundaries of the specific plan area. However, since none of the properties are in the plan area, and there exist buffers of developed property and/or neighborhoods between their property and the specific plan area, none of the officials' property will be foreseeably and materially affected by the plan decision.

**Blaine R. Cox****I-17-084**

We advised an irrigation district board that one of its compensated directors was prohibited from participating in a decision to file a Writ of Mandamus to halt her recall election. The director would receive a measurable financial loss if the recall effort moved forward and she lost her position on the board. Thus, there is a reasonably foreseeable material financial effect upon her personal finances and she would have a conflict of interest in participating in the decision to begin the process of halting the recall election by filing a Writ of Mandamus.

**Larissa Seto****A-17-098**

The conflict of interest rules of the Act do not prohibit a Parks and Recreation Board Commissioner from attending meetings regarding the Downtown Specific Plan Update at other agencies -- the Downtown Specific Plan Task Force, Planning Commission, or City Council,

despite being recused from the matter at the Parks and Recreation Board, so long as the Commissioner does not act or purport to act on behalf of, or as the representative of, the Parks and Recreation Commission.

### Gifts

#### **Alan Seem**

**A-17-103**

Travel, lodging, and meal payments from a foreign governmental entity are reportable gifts that are not subject to the gift limits.

### Section 1090

#### **Bill Sarton**

**A-17-027**

Under Section 1090 we advised that a city council could enter into a contract for grant funding with a nonprofit organization that mentors at risk youth and employs one of its city councilmembers as Executive Director, so long as the city councilmember discloses her financial interest in the contract, her interest is noted in the city's official records, and she abstains from participating in making the contract. This was permissible because the remote exception for an officer or employee of certain nonprofit entities found in Section 1091(b)(1) applied to the decision to approve the contract. We also concluded that the Act prohibits the city councilmember from taking part in decisions relating to the contract due to a reasonably foreseeable material financial effect on her financial interests.

#### **Michael C. Gizzoni**

**A-17-037**

Despite owning property near a company's underground oil pipelines, a county supervisor is not prohibited under the Act or Section 1090 from taking part in county decisions regarding (1) the company's permits necessary for inspection and remediation activities under federal corrective action orders or (2) litigation against the company, including settlement agreements, resulting from a 2015 oil spill. Under applicable conflict of interest regulations, the effect of a decision concerning repair or maintenance of the pipelines is not material. With respect to Section 1090, the supervisor does not have a financial interest in the potential contracts.

#### **Michael J. Ciccozzi**

**A-17-049**

Where a construction firm has previously worked for the county and provided the county an assessment of existing facilities, the firm has not, by virtue of the assessment contract, made or participated in making a subsequent city contract for construction management services regarding the new facility, and therefore is not prohibited by Section 1090 from bidding on this subsequent contract.

#### **Stacey Simon**

**A-17-065**

The Act does not prohibit a County Supervisor who also serves as the uncompensated President of the Board of Directors of the Eastern Sierra Land Trust, a tax-exempt 501(c)(3) nonprofit organization, from taking part in decisions relating to real property owned by the county and subject to a conservation easement held by the Trust because the Supervisor is not financially interested in those decisions. Section 1090 does not prohibit the Supervisor from making or participating in the making of, or the county from entering into, contracts with third parties

pertaining to that real property because the noninterest exception in 1091.5(a)(8) for noncompensated officers of tax exempt corporations applies.

**Kristen DePaul****A-17-077**

Section 1090 does not require the cancellation of an existing contract between the County and the newly appointed County Assessor/Recorder's husband's veterinary clinic for providing animal control services because that contract was made prior to the Assessor/Recorder's appointment. Section 1090 does not prohibit the County from entering into a new contract for animal control with the Assessor/Recorder's husband's veterinary clinic so long as the Assessor/Recorders refrains from making or participating in the making of that contract in her official capacity.

**Revolving Door Restrictions****Abdulmalik Adulrahman-Wells****A-17-055**

The one year ban is applicable to a former systems software specialist III employed by the California Department of Technology (CDT). Thus, he is prohibited from influencing CDT during the one year period after his separation from CDT as an employee for a private company. He may work to implement an existing contract. He may also advise as to an Invitation for Bid for a new contract, so long as he is not identified in these efforts. He may implement a resulting contract. He is not prohibited under Section 1090 from working on either contract, as he was not involved in the "making" of the Invitation for Bid or contract.

**E. Miscellaneous Decisions**

**None to report.**

**F. Upcoming Regulations**

**June – July 2017:** None scheduled.

**August 2017:** Pre-Notice: Conflict of Interest Regulations. Having advised on the new conflict of interest rules for over a year, staff will propose refinements of the conflict of interest regulations enacted in 2014 and 2015 to clarify obligations and requirements.

## G. Conflict of Interest Codes

### Adoptions and Amendments

#### *State Agency Conflict of Interest Codes*

- None

#### *Multi-County Agency Conflict of Interest Codes*

- Citrus Heights Water District
- Coast Life Support District
- Desert Community College District
- Dry Creek Joint Elementary School District
- Fairfield-Suisun Unified School District
- Fullerton Joint Union High School District
- Greater Kaweah Groundwater Sustainability Agency JPA
- Kern-Tulare Water District
- Mayers Memorial Hospital District
- North Fork Kings Groundwater Sustainability Agency
- Patterson Joint Unified School District
- Roseville Joint Union High School
- San Luis and Delta-Mendota Water Authority
- School for Integrated Academics and Technologies
- Tehama-Colusa Canal Authority
- Truckee Sanitary District
- Tuolumne Joint Powers Authority
- Vista Charter Public Schools

### Exemptions and Extensions

#### *Exemption*

- None

#### *Extension*

- None

## H. Probable Cause Hearings

*Please note, a finding of probable cause does not constitute a finding that a violation has occurred. The respondents are presumed to be innocent of any violation of the Act unless a violation is proven in a subsequent proceeding.*

### **1. In the Matter of Consumers for Choice, Tim Snipes, and John Stoos, Case No.**

**15/078.** On April 19, 2017, after hearing, probable cause was found to believe Respondents committed the following five violations of the Act:

Count 1: Snipes and Consumers for Choice failed to timely file a semi-annual statement covering the reporting period of July 1, 2011 through December 31, 2011, due by January 31, 2012, in violation of Section 84200.

- Count 2: Snipes and Consumers for Choice failed to timely file a semi-annual campaign statement covering the reporting period of January 1, 2012 through June 30, 2012, due by July 31, 2012, in violation of Section 84200.
- Count 3: Stoos and Consumers for Choice failed to include the name Food 4 Less as its sponsor in the name of the committee on a mass mailer that it sent out in opposition to Ken Cooley on or around October 19, 2012, in violation of Section 84506(a)(1).
- Count 4: Stoos and Consumers for Choice failed to include the name Food 4 Less as its sponsor in the name of the committee on a mass mailer that it sent out in opposition to Ken Cooley on or around October 27, 2012, in violation of Section 84506(a)(1).
- Count 5: Stoos and Consumers for Choice failed to report an accrued expense of \$27,382.56 on their semi-annual campaign statement covering the reporting period of July 1, 2012 through December 31, 2012, in violation of Section, 84211(i) and (k).

The following matters were decided based solely on the papers. The respondents did not request a probable cause hearing.

**2. In the Matter of Alfonso Sanchez and Alfonso Sanchez for School Board 2016, Case No. 16/20105.** On April 20, 2017, probable cause was found to believe Respondent committed the following violations of the Act:

- Count 1: As a “controlled committee” under the Act, the Committee and Sanchez were required to file a pre-election campaign statement for the period of July 1, 2016 to September 24, 2016, by September 29, 2016. However, the Committee and Sanchez failed to do so, in violation of Sections 84200.5(a); and 84200.8 (a).
- Count 2: As a “controlled committee” under the Act, the Committee and Sanchez were required to file a pre-election campaign statement for the period of September 25, 2016 to October 22, 2016, by October 27, 2016. However, the Committee and Sanchez failed to do so, in violation of Sections 84200.5(a); and 84200.8(b).
- Count 3: As a “controlled committee” under the Act, the Committee and Sanchez were required to file a semi-annual campaign statement for the period of October 23, 2016 to December 31, 2016, by January 31, 2017. However, the Committee and Sanchez failed to do so, in violation of Section 84200(a).
- Count 4: As a “controlled committee” under the Act, the Committee and Sanchez are required to file 24-hour reports that disclose certain information, including the amount of the late contribution. On its Form 497 24-Hour Contribution Report

filed on September 9, 2016, the Committee and Sanchez failed to disclose the contribution amount for a contribution received on September 9, 2016, in violation of Section 84203(a).

**3. In the Matter of Sandeep Grewal, FPPC No. 15/034.** On April 21, 2017, probable cause was found to believe that the named Respondent committed three violations of the Act, as follows:

- Count 1: Respondent failed to timely file an Annual Statement of Economic Interests (SEI) for the year of 2013 in violation of Sections 87200 and 87203.
- Count 2: Respondent failed to timely file an Annual SEI for the year of 2014 in violation of Sections 87200 and 87203.
- Count 3: Respondent failed to timely file an Annual SEI for the year of 2015 in violation of Sections 87200 and 87203.

## III. EXTERNAL AFFAIRS AND EDUCATION DIVISION

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STAFF: TARA STOCK, MANAGER

### **Phone Advice Requests**

The External Affairs and Education Division responded to 610 requests for advice via phone in April.

### **Training Presentations**

Political Reform Consultants Alex Castillo and Glen Bailey accommodated requests from individuals who asked for additional training after attending a workshop at the FPPC for individuals who perform the administrative duties for the Statements of Economic Interests (Form 700). Alex and Glen provided one-on-one training tailored to the specific agencies for filing officers at a community college, a city, and a special district. The filing officers provided positive feedback and indicated that the training was extremely helpful.

### **Filing Schedules**

Staff created four filing schedules for local jurisdictions holding special elections in 2017. In addition, staff created and posted on our website the filing schedules for the June and November 2018 state elections. Filing schedules for the June and November 2018 local elections are now being created and will be available on the website soon.

## IV. LEGISLATIVE UPDATE

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STAFF: PHILLIP UNG, DIRECTOR, LEGISLATIVE AND EXTERNAL AFFAIRS

There are 16 active bills affecting the Political Reform Act. This is a reduction from 22 bills in the April Report. Since the April Report, a key legislative deadline has passed. Bills that were not approved by policy committee by April 28 are either “dead” or became two-year bills. The Legislature’s fiscal committees are actively evaluating and amending the bills listed below, so please visit the Commission’s Pending Legislation page to view updated versions and descriptions. Staff is not recommending any positions this month.

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 (#1-16)

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

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Urgency: Yes

Last Amended: May 1, 2017

Last Action: Amended and Re-referred to Assembly Elections and Redistricting Committee (05/01/17)

#### 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 Act prohibits any person from making any contribution to a committee on the condition or with the agreement that it will be contributed to a particular candidate (i.e., earmarked) unless the true source of the contribution is fully discussed.

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. 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 resulting from the provision in the bill that would expand the advertisement rules to general purpose committees. This bill contains an urgency clause.

There are several concerns regarding the earmarking provisions of the bill. First, the bill would narrow the circumstances of when contributions are considered illegally earmarked. It also would allow up to \$4,400 in contributions from a single source per calendar year to flow through elections without disclosure of the true source of that money - an exemption that could be particularly detrimental in local races. Lastly, the bill prohibits the Commission from using “timing” as the sole basis for finding violations related to earmarking. Staff has flagged these issues with the author’s office and sponsor.

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

FPPC Position: *None currently*

Status: Senate Rules Committee

Fiscal Estimate: Minor and absorbable

Last Amended: March 23, 2017

Last Action: Approved by Assembly Floor vote. Referred to Senate. (04/20/17)

### Summary:

The Act subjects a committee that receives contributions totaling \$2,000 or more in a calendar year to 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 contributions totaling \$5,000 or more or 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 the aggregated amount.

## **3. AB 551 (Levine): Post-Governmental Employment; Exemptions**

FPPC Position: *None currently*

Status: Senate Rules Committee

Fiscal Estimate: Minor and Absorbable

Last Amended: April 18, 2017

Last Action: Approved by Assembly. Referred to Senate. (05/08/17)

### Summary:

The Act prohibits a local official from receiving compensation to communicate with or appear before their former agency to influence legislative action. This prohibition lasts for one year after leaving office. The Act excludes from the prohibition government-to-government communications.

This bill prohibits an independent contractor of a local government agency or a public agency from appearing or communicating on behalf of that agency before their former agency. The prohibition lasts for one year.

#### **4. AB 867 (Cooley): Behested Payments**

FPPC Position: *None currently*

Status: Senate Rules Committee

Fiscal Estimate: Minor and Absorbable

Last Amended: April 17, 2017

Last Action: Approved by Assembly – Consent File. Referred to Senate. (05/04/17)

##### 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.”

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

FPPC Position: *None currently*

Status: Senate Rules Committee

Fiscal Estimate: Minor and Absorbable

Last Amended: April 18, 2017

Last Action: Approved by Assembly. Referred to Senate. (05/04/17)

##### 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 to file in the paper format if they file online. The bill will be implemented upon certification by the Secretary of State of the new Cal-ACCESS system.

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

FPPC Position: *None currently*

Status: Assembly Appropriations Committee – Suspense File

Fiscal Estimate: \$1,091,973 (first year), \$1,035,973 (ongoing)

Introduction: February 17, 2017

Last Action: Referred to Assembly Appropriations Suspense File (04/05/17)

**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 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 establish a state-mandated contribution limit on local and special jurisdictions, which the Commission would be required to regulate and enforce. 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 this bill.

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

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: \$141,171 first year; \$134,171 ongoing

Introduction: February 17, 2017

Last Action: Referred to Assembly Appropriations Committee (04/27/2017)

**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.

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

FPPC Position: *None currently*

Status: Assembly Appropriations Committee – Suspense File

Fiscal Estimate: Assembly Appropriations estimate over \$150,000

Introduction: February 17, 2017

Last Action: Referred to Assembly Appropriations Committee Suspense File (05/03/17)

Summary:

Whenever an ordinance is submitted to voters of a county, city, or district at an election, election officials must print the ordinance and make a copy of the ordinance 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.

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

FPPC Position: *None currently*

Status: Assembly Floor

Fiscal Estimate: Minor and Absorbable

Last Amended: April 18, 2017

Last Action: Approved by Assembly Appropriations Committee. Referred to Assembly Floor. (05/10/17)

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 state 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. This requirement would not apply to social media.

**10. AB 1620 (Dababneh): Post-Governmental Employment**

FPPC Position: *None currently*

Status: Assembly Appropriations – Consent Calendar

Fiscal Estimate: Minor and Absorbable

Last Amended: May 2, 2017

Last Action: Amended with author's amendments; re-referred to Assembly Appropriations – Consent Calendar (05/01/2017)

Summary:

The Act prohibits a former Member of the Legislature from receiving compensation to communicate to or appear before the Legislature to influence legislative action. This prohibition lasts for one year after leaving office.

The bill would extend the prohibition for a Member of the Legislature who resigns from office prior to the completion of a term. For these individuals, the prohibition begins the day of

resignation and ends one year after the final date of the term which the officer was elected to serve.

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

FPPC Position: *None currently*

Status: Assembly Rules Committee

Fiscal Estimate: Minor and absorbable.

Introduction: December 5, 2016

Last Action: Approved by Senate. Referred to Assembly.

#### 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.

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

FPPC Position: *None currently*

Status: Senate Appropriations Committee

Fiscal Estimate: \$141,171 first year; \$134,171 ongoing

Last Amended: April 24, 2017

Last Action: Set for Committee Hearing – May 15, 2017. (05/04/17)

#### Summary:

Existing law provides that no newsletter or other mass mailing shall be sent at public expense. The Commission's regulation defines criteria for mass mailings at public expense, and lists certain forms of mass mailings that will be permitted despite the Act's prohibition, including announcements of specified meetings or events sent by elected officials.

This bill would adopt the Commission's regulation in its entirety, including the list of exceptions from the prohibition. The bill also would provide that despite the exceptions, a mass mailing shall not be 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, except as otherwise specified in the bill.

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

FPPC Position: *None currently*

Status: Assembly Rules Committee

Fiscal Estimate: Minor and Absorbable

Last Amended: April 4, 2017

Last Action: Approved by Senate. Referred to Assembly. (05/08/17)

Summary:

The Act regulates slate mailer organizations and prescribes specific disclosures on slate mailers and mass mailings. There are slate mailer organizations that identify themselves as representing non-governmental organizations including organizations composed of or affiliated with public safety-related occupations. The Act specifies additional disclosures for mailers that imply association with public safety-related occupations.

Regarding public safety-related occupations, this bill would require the slate mailer organization to disclose on the mailing, in a specified format, the number of members of public safety personnel the slate mailer organization represents, or a statement that the organization does not represent any public safety personnel.

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

FPPC Position: *None currently*

Status: Assembly Rules Committee

Fiscal Estimate: City of Sacramento to reimburse FPPC's costs

Urgency: Yes

Last Amended: March 21, 2017

Last Action: Approved in Senate. Referred to Assembly. (04/27/17)

Summary:

The Act authorizes the Commission to 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 a similar agreement. The bill also requires the Commission provide a report to the Legislature no later than four years after contracting with the City of Sacramento. This bill contains an urgency clause.

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

FPPC Position: *None currently*

Status: Assembly Rules Committee

Fiscal Estimate: No cost to the Commission

Introduction: February 14, 2017

Last Action: Approved in Senate. Referred to Assembly.

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 publicly-disclosed campaign finance information and update the hyperlinks accordingly.

**16. SB 679 (Morrell): Post-Governmental Employment**

FPPC Position: *None currently*

Status: Senate Appropriations Committee

Fiscal Estimate: Minor and Absorbable

Last Amended: March 26, 2017

Last Action: Set for Hearing on May 15 (05/04/17)

Summary:

The Act prohibits a former Member of the Legislature from receiving compensation to communicate to or appear before the Legislature to influence legislative action. This prohibition lasts for one year after leaving office.

This bill prohibits lobbying by Members of the Legislature who resign prior to the end of their term. This prohibition lasts for two years commencing on the day of resignation.

**Bills Expected Not to Move Further in 2017 (#17-20)**

**17. 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: Failed Passage in Assembly Elections and Redistricting Committee. Granted Reconsideration. (04/26/17)

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 would prohibit payment, in exchange for services rendered, to a parent, spouse or domestic partner, grandparent, sibling, child, or grandchild of that officer or candidate.

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

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Introduction: February 15, 2017

Last Action: Failed Passage in Elections and Redistricting Committee. Granted Reconsideration. (04/26/17)

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 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 the law 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. There is a risk for potential litigation because the bill expands the current law prohibition to foreign nationals.

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

FPPC Position: *None currently*

Status: Assembly Elections and Redistricting Committee

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Heard in Assembly Elections and Redistricting Committee; Two-year Bill (04/26/17)

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.

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

FPPC Position: *None currently*

Status: Senate Elections and Constitutional Amendment Committee

Fiscal Estimate: None requested

Introduction: February 17, 2017

Last Action: Set for hearing. Cancelled at Request of Author; Two-Year Bill (04/04/17)

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 (#21-22)**

**21. 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.

**22. 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.