To: Chair Miadich, Commissioners Baker, Cardenas, Wilson, and Wood

From: Lindsey Nakano, Sr. Legislative Counsel

Subject: Legislative Update – February 2022

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1. General Update

• The Legislature reconvened on January 3, 2022. Staff is continuing to engage potential authors, reach out to and work with other members of the Legislature and interested parties, and seek bipartisan support on Commission legislation.

2. Upcoming Legislative Deadlines

- Feb. 18 Last day for bills to be introduced
- Apr. 29 Last day for policy committees to hear and report fiscal bills introduced in their house to fiscal committees
- May 20 Last day for fiscal committees to hear and report bills introduced in their house to the floor
- May 27 Last day for each house to pass bills introduced in that house
- June 15 Budget bill must be passed by midnight
- July 1 Last day for policy committees to meet and report bills
- Aug. 12 Last day for fiscal committees to meet and report bills
- Aug. 25 Last day to amend bills on the floor
- Aug. 31 Last day for each house to pass bills
- Sept. 30 Last day for the Governor to sign or veto bills

3. Committee Membership

 Speaker Anthony Rendon appointed Assemblymember Isaac G. Bryan as Chair of the Assembly Committee on Elections, replacing Assemblymember Marc Berman who was appointed as Chair of the Assembly Committee on Business and Professions in November.

Senate Committee on Elections and Constitutional Amendments

- Steven M. Glazer (Chair)
- Jim Nielsen (Vice Chair)
- Robert M. Hertzberg
- Connie M. Leyva
- Josh Newman

Senate Budget Subcommittee No. 4 on State Administration and General Government

- Anna M. Caballero (Chair)
- Sydney Kamlager
- Jim Nielsen

Assembly Committee on Elections

- Isaac G. Bryan (Chair)
- Kelly Seyarto (Vice Chair)
- Steve Bennett
- Evan Low
- Chad Mayes
- Kevin Mullin
- Blanca Rubio

Assembly Budget Subcommittee No. 4 on State Administration

- Wendy Carrillo (Chair)
- Jim Cooper
- Tom Lackey
- Adrin Nazarian
- Buffy Wicks
- Philip Ting Democrat Alternate
- Vince Fong Republican Alternate

4. FPPC Priority Legislation

Updates

- Assemblymember Berman confirmed that he will continue <u>AB 775</u>, relating to automatic recurring contributions, as a 2-year bill.
- Senator Newman introduced **SB 921** on February 4th, a Commission-sponsored bill creating a state archive for digital political advertisements.

Status and Summaries

• AB 775 (Berman) – Recurring contributions.

Summary:

AB 775 would require a candidate or committee to obtain affirmative consent from a person making a recurring contribution at the time of the initial contribution.

The bill would require a candidate or committee that accepts a recurring contribution to provide a receipt for each contribution, provide information necessary to cancel the recurring contribution, and immediately cancel a recurring contribution upon request.

• SB 921 (Newman) – State Digital Advertisement Archive.

Status: Introduced 2/3/22.

Summary:

SB 921 would require a committee that pays for a digital advertisement, as defined, to submit a copy of the ad and other specified information to the Fair Political Practices Commission no later than the date that the campaign report is due for the attendant expenditure, or within 24 hours in the 90 days before an election.

The bill would require the Commission to make that information available in a publicly accessible online format and to maintain the information for no less than 12 years from the date the information was submitted.

The bill would require the information to be available to the public in a user-friendly format that includes search capabilities, including filtering by various parameters, and the ability to download raw data.

Other Commission Proposals:

- o Political Advertisement Disclaimer Study
- Lobbying Reports and Audits
- o State or Local Agency Use of Public Funds for Campaign Communications
- o Electronic Filing of Statements of Economic Interests

- Increase Transparency of Committee Bank Accounts
- o FPPC Special Investigator Authority
- o Gift Limit Reconciliation
- o Minor Change to Campaign Ad Disclaimer Requirement

5. New Legislative Proposals

• Diversion Program

Background:

- In January 2021, the Commission approved regulations expanding and adjusting the Commission's Streamline Program, including language providing for the development of a Diversion Program to allow for education of respondents who have little or no experience with the Political Reform Act and commit minor violations, in lieu of monetary penalties.
- Commission staff have been developing the program, which will start with a free trial version of the program for qualifying Statement of Economic Interests violations.
- The costs of the program will be absorbed for this initial stage of testing, but additional funding is needed to sustain the program long-term.

This proposal would:

Codify the diversion program in statute, authorize the Commission to collect a fee to offset the costs to administer the program, which would be deposited in the General Fund, and seek funding for the program through an appropriation in the budget.

o Benefits:

- This Diversion Program represents a new way of fulfilling the duties of the Commission to enforce the PRA and educate the regulated community, while also creating the added benefits of focusing enforcement resources on more serious violations and helping to proactively prevent repeat violations.
- This proposal will allow the Commission to expand the program and sustain it long term.

• Electronic Signatures

Background:

- The Political Reform Act makes numerous references to the filing of "original" documents, but does not specify the particular required form.
- The Act generally requires that reports and statements be signed under penalty of perjury and verified by the filer.
- A recently added Commission regulation clarifies that "original" documents may be either in paper format with a handwritten signature or in an electronic format with a secure electronic signature, if permitted by the agency accepting the filing. The regulation also defines "secure electronic signature."
- Additional statutory changes are needed to clarify that secure electronic signatures may be accepted as original signatures.

o This proposal would:

• Clarify that secure electronic signatures are original signatures submitted under penalty of perjury.

Benefits:

For many years, business has increasingly moved away from paper and into digital form, and the need for digital options grew even more during the current pandemic. The clarifications made by this proposal would increase digital filing options for the regulated community.

6. Other Commission-Related Bills

Status and Summaries

• <u>AB 975</u> (Luz Rivas) – Statements of economic interests and reimbursement for gifts. Status: Passed in the Assembly on 1/31/22 (72-0)

Summary:

AB 975 would require certain public officials to file statements of economic interests using the Commission's electronic filing system and would revise and recast other provisions relating to those statements.

The bill would also extend the time that an official may pay reimbursement for a gift of admission to an invitation-only event from 30 days from receipt of the gift, which is the date of attendance, to 30 days from the end of the calendar quarter in which the gift was received, and would codify related regulations.

The bill would reduce the amount of time in which lobbyists, lobbying firms, and lobbyist employers must provide a beneficiary of a gift certain information about that gift from 30 days to 15 days following the end of each calendar quarter in which the gift was provided.

• AB 1693 (Seyarto) – Contribution limits: recall elections: elected state officers.

Status: Introduced 1/25/22

Coauthors: Assembly Member Davies and Senator Wilk

Summary:

AB 1693 would require an elected state officer to comply with contribution limits for campaign contributions to oppose a recall.