**To:** Chair Miadich, Commissioners Baker, Gómez, Wilson, and Wood

From: Lindsey Nakano, Sr. Legislative Counsel

**Subject:** Legislative Update – January 2023

**Date:** January 13, 2023

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# 1. General Update

- The Legislature reconvened on January 4, 2023. As of the date of this report, three Political Reform Act-related bills have been introduced.
- Staff is continuing to reach out to and work with potential authors, interested parties, and stakeholders, and to seek bipartisan support on Commission legislation.

## 2. Upcoming Legislative Deadlines

- Feb. 17 Last day for bills to be introduced.
- Mar. 31 Apr. 10 Spring recess.
- Apr. 28 Last day for policy committees to hear fiscal bills introduced in their house and report them to the fiscal committees.
- May 5 Last day for policy committees to hear and report non-fiscal bills introduced in their house.
- May 19 Last day for fiscal committees to hear and report to the Floor bills introduced in their house.
- June 2 Last day for each house to pass bills introduced in that house.
- June 15 Budget must be passed by midnight.
- July 14 Last day for policy committees to meet and report bills.
- July 15 Aug. 14 Summer recess.
- Sept. 1 Last day for fiscal committees to meet and report bills to the Floor.
- Sept. 8 Last day to amend on the floor.
- Sept. 14 Last day for each house to pass bills.
- Oct. 14 Last day for the Governor to sign or veto bills.

# 3. Committee Membership

## Senate Committee on Elections and Constitutional Amendments

- Senator Steven M. Glazer, Chair
- Senator Janet Nguyen, Vice Chair
- Senator Benjamin Allen
- Senator Mike McGuire
- Senator Caroline Menjivar
- Senator Josh Newman
- Senator Thomas J. Umberg

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

- Senator Steve Padilla, Chair
- Senator Anna M. Caballero
- Senator Roger W. Niello

### Assembly Committee on Elections\*

- Assemblymember Isaac Bryan, Chair
- Assemblymember Tom Lackey, Vice Chair

# Assembly Budget Subcommittee No. 4 on State Administration\*

• Assemblymember Wendy Carrillo, Chair

# 4. FPPC Priority Bills

## **Status and Summaries**

• <u>SB 29</u> (Glazer) – Codifies the Political Reform Education Program (PREP).

Status: Introduced.

### Summary:

SB 29 would codify FPPC regulation by authorizing the Commission to establish and administer a political reform education program for persons who violate the PRA, as an alternative to an administrative enforcement proceeding, and would set forth minimum requirements for eligibility, which are consistent with the Commission's existing eligibility requirements for participation.

<sup>\*</sup>As of the date of this report, the full membership of the committee has not been set.

The bill would authorize the Commission to charge a fee, payable to the General Fund, to a participant in the program, which may not exceed the reasonable costs of administering the program.

The bill would require filing officers to waive the late filing fee for a person who completes the program.

## Other Commission Proposals:

- o Centralized Record of Online Campaign Ads (DATA Act)
- o Paid Posts by Influencers
- Lobbying of Local Redistricting Commissions
- o Authorizing File by Proxy
- o Require Redaction of Private Financial Information
- o Contributor Education and Certification Requirement
- o Long Arm Statute
- o Mandatory Electronic Filing of Statements of Economic Interests
- Minor Changes/ Cleanup Bill

#### 5. Other Commission-Related Bills

#### **Status and Summaries**

• <u>AB 37</u> (Bonta) – Authorizes broader use of campaign funds for security systems and personal security.

Coauthor: Senator Wiener

Status: Introduced

### Summary:

Existing law allows up to \$5,000 in campaign funds to be used to pay, or reimburse the state, for the costs of installing and maintaining home or office electronic security systems only if all of the following circumstances are met: (1) the candidate or elected officer has received threats to their physical safety, (2) the threats arise from their activities, duties or status as a candidate or elected officer, and (3) the threats have been reported to and verified by law enforcement. Existing law also require any expenditures for these purposes to be reported to the Commission, and requires the candidate or officer to reimburse the campaign fund for the costs of the equipment upon the sale of the property on which the equipment is installed.

AB 37 repeals the above provisions and instead authorizes campaign funds and surplus funds to be used to pay, or reimburse the state, for security expenses to protect a

candidate, an elected officer, or the immediate family and staff of a candidate or elected officer, if those security expenses are reasonably related to the candidate or elected officer's status as a candidate or elected officer.

The bill defines "security expenses" to mean the reasonable costs of installing and monitoring a home or office electronic security system and the reasonable costs of providing personal security to a candidate, elected officer, or the immediate family and staff of a candidate or elected officer.

• <u>AB 83</u> (Lee) – Prohibits contributions and expenditures by foreign-influenced business entities.

Coauthor: Assemblymember Kalra

Status: Introduced

Summary:

AB 83 expands the existing prohibition on foreign contributions, expenditures, and independent expenditures to additionally apply to a "foreign-influenced business entity."

The bill would also require a business entity, within 7 days of making a contribution, expenditure, or independent expenditure, to file a statement of certification with the filing officer and candidate or committee avowing that the business entity is not a foreign-influenced business entity.

The bill would prohibit a person from using a contribution or donation from a business entity for the purpose of making a contribution, expenditure, or independent expenditure, or for conveying funds to another for any of those same purposes, unless the person receives the business entity's statement of certification and complies with the other requirements of the Act.

The bill defines "foreign-influenced business entity" to mean a business entity in which any of the following occur:

- (A) A single foreign principal holds, owns, controls, or otherwise has direct or indirect beneficial ownership of one percent or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the entity.
- (B) Two or more foreign principals, in aggregate, hold, own, control, or otherwise have direct or indirect beneficial ownership of equity or voting shares in an amount that is equal to or greater than 5 percent of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the entity.

(C) One or more foreign principals participate in any way, directly or indirectly, in the business entity's decisionmaking process with respect to contributions or expenditures of funds in connection with a ballot measure or election.

The bill provides that it does not prohibit a business entity from sponsoring a sponsored committee and does not require a statement of certification from a sponsor solely because it has engaged in specified activities that qualify it as a sponsor.