

CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION

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From: Lindsey Nakano, Sr. Legislative Counsel

Subject: Legislative Update – August 2025

Date: August 7, 2025

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I. General Update

- As of the date of this report, there are 13 active bills relating to the Political Reform Act, including 8 Commission-initiated bills.
- Staff is continuing to reach out to and work with authors, other members, interested parties, and stakeholders, and to seek bipartisan support on Commission legislation.

II. Upcoming Legislative Deadlines

- Aug. 29 Last day for fiscal committees to hear and report bills to the Floor.
- Sept. 2-12 Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.
- Sept. 5 Last day to amend on the Floor.
- Sept. 12 Last day for each house to pass bills.
 - o Interim Recess begins upon adjournment.
- Oct. 12 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 12 and in the Governor's possession on or after Sept. 12.

III. FPPC Priority Bills

Updates (as of 8/7/25)

- Chaptered: AB 1029 (Valencia)
- Passed in Committee: AB 359 (Ramos), AB 775 (Fong), AB 808 (Addis), AB 953 (Pacheco and Alanis), AB 1029 (Valencia), AB 1286 (Boerner), SB 280 (Cervantes and Dahle), SB 852 (Committee on Elections and Constitutional Amendments)
- Amended: AB 359 (Ramos), AB 808 (Addis), AB 953 (Pacheco and Alanis), AB 1286 (Boerner), SB 852 (Committee on Elections and Constitutional Amendments)
- On Suspense in Appropriations Committee: AB 775 (Fong)

Status and Summaries

1. AB 359 (Ramos) – Extension of Local Contracting Authority

Status: Passed in the Senate Elections Committee on 7/1/25 (5-0); amended on 7/2/25; passed in the Senate on 7/17/25 (35-0)

Short Summary: AB 359 would delete the sunset provision in the statute that authorizes the FPPC to contract with local government agencies, upon mutual agreement, to administer, implement, and enforce the agency's local campaign finance or government ethics laws.

Detailed Summary:

Existing law: Existing law authorizes the FPPC, upon mutual agreement with the governing body of a local government, to assume primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance or government ethics law passed by the local government agency. Existing law includes a sunset provision that repeals this section on January 1, 2026, unless other legislation extends or repeals the sunset provision, and required the FPPC to submit a report to the Legislature on January 1, 2025, on the performance of any agreements entered under this section, which was timely submitted by the FPPC.

Current contracts: Pursuant to the authority in this section, the FPPC has one current contract with the City of San Bernardino.

Extend the authority indefinitely: AB 359 would delete the sunset provision, thereby extending the operation of the section indefinitely. The bill would also delete the expired reporting provision.

Clarify authority: Pursuant to the general authority granted to administer, implement, and enforce these local laws, the FPPC has interpreted the section to include authority to audit. For clarity, AB 359 would add explicit authority for the FPPC to conduct audits with regard to the local campaign finance or government ethics laws.

Repeals redundant section: Existing law authorizes the FPPC, upon mutual agreement with the County of San Bernardino, to assume primary responsibility for the impartial, effective administration, implementation, and enforcement of the county's local campaign finance reform ordinance. This authority is similar to the general authority to contract with local government agencies discussed above. AB 359 would repeal that section.

FPPC Position: Sponsor

FPPC Costs: The costs of the bill would be reimbursable by the contracting local agency or agencies. The costs for each contract vary depending on the scope of the agreement.

2. AB 775 (Fong) – Behested Payment Reporting

Status: Passed in the Senate Elections Committee on 7/1/25 (5-0); on the Suspense File in the Senate Appropriations Committee

Short Summary: AB 775 would require behested payment reports submitted by elected state and local officers and members of the Public Utilities Commission to be electronically filed directly with the FPPC. As an alternative to electronic filing with the FPPC, the bill would permit local elected officers to file directly with their local filing officer under the condition that the reports are posted publicly on the local agency's website. The bill would also alter the reporting deadline, create a new threshold for when a subsequent report is required to be filed for additional behested payments from the same donor, and codify two existing regulations.

Detailed Summary:

Existing law:

Definition of behested payment: Generally, a "behested payment" is a
payment requested or solicited by an elected official that is paid by one
individual or organization to another individual or organization for a

legislative, governmental, or charitable purpose.

- Reporting threshold for behested payments: An elected officer or member of the Public Utilities Commission (PUC) is required to submit a behested payment report when a single source (payor) makes a behested payment or payments at the behest of the elected officer or PUC member totaling \$5,000 or more in the aggregate in a calendar year.
- Reporting process and deadline: Elected officers and PUC members must file behested payment reports with their respective agencies within 30 days of reaching the reporting threshold. At the state level, the agency is then required to forward a copy of the report to the FPPC within 30 days. At the local level, the agency is required to forward a copy of the report to the local filing officer within 30 days.
- Subsequent reports: If an elected officer or PUC member submits a behested payment report for a payor, and that same payor later makes another behested payment in any amount in the same calendar year, the elected officer or PUC member must submit a subsequent behested payment report for that payor.

Reporting process, electronic filing: AB 775 would require behested payment reports filed by elected state or local officers or PUC members to be filed directly with the FPPC using the FPPC's electronic filing system for behested payment reports. The bill would require that the FPPC's e-filing systems for behested payment reports send an automatic confirmation email after the report is submitted.

Reporting process, alternate option for local elected officers: As an alternative to electronic filing with the FPPC, AB 775 would permit local elected officers to file behested payment reports directly with their local filing officer if all behested payment reports for officers of that agency are posted publicly on the local agency website. Local electronic filing would also be authorized, and the bill would clarify that an electronically filed report is an original report. The bill would require local agencies to post the behested payment reports online within 10 days of receipt.

Deadline for initial behested payment reports: AB 775 would alter the deadline for filing behested payment reports. Behested payments that meet the threshold of \$5,000 or more in the aggregate from a single source in a calendar year would be required to be reported within 30 days following the end of the calendar quarter in which that threshold was met.

Subsequent reports: AB 775 would require reporting of subsequent payments made after an initial behested payment report for a particular donor only after reaching an additional \$1,000 from the same donor in the same calendar year.

These subsequent reports would also be due within 30 days after the end of the calendar quarter.

Codification of two regulations: AB 775 would codify two existing regulations, which specify additional information that must be reported on a behested payment report and permit a good faith estimate of the behested payment amount to be reported.

FPPC Position: Sponsor

FPPC Costs: \$177,000 first year and \$170,000 ongoing for 1 IT position and annual software costs.

3. AB 808 (Addis) – Cal-Access Replacement System Clean-Up Bill

Status: Amended on 7/8/25; passed in the Senate Elections Committee on 7/15/25 (5-0)

Short Summary: AB 808 would make several conforming and streamlining amendments to sections in the PRA that become operative after the certification of the Cal-Access Replacement System by the Secretary of State.

Detailed Summary:

Background: Cal-Access is the statewide campaign finance and lobbying reporting platform, created and administered by the Secretary of State. The Cal-Access Replacement System, known as CARS, is currently in development and will be a modernized, data-driven filing and search system. Several sections of the PRA have been amended by prior legislation with delayed operative dates, set to take effect after CARS is certified by SOS.

Eliminates filing by fax: AB 808 would eliminate references to filing by fax in the PRA.

Eliminates references to form-based reporting practices: AB 808 would transition relevant sections of the Political Reform Act away from form-based and paper-based reporting terminology, including by deleting or replacing, as appropriate, references to "forms" and replacing "statement" with "report" throughout the Act. The bill would also streamline the committee registration process and replace "statement of organization" with the term "registration."

Clarifies when signature verification is needed: AB 808 would clarify for campaign finance reporting that verification is needed for semiannual and preelection statements. This would clarify that, once CARS is certified, this verification is not needed for the 24-hour/10-day independent expenditure reports, consistent with current law.

Loan limit: In 2022, the Supreme Court found that limits on the repayment of candidate loans are unconstitutional. (FEC v. Ted Cruz for Senate, 142 S. Ct. 1638). AB 808 would repeal a provision in the PRA made unenforceable by that decision.

Updated copy of the PRA: Existing law requires the FPPC to annually publish a booklet that includes the provisions of the PRA. AB 808 removes the requirement to publish the PRA in a physical booklet, thereby enabling the FPPC to provide these materials exclusively electronically.

FPPC Position: Sponsor (Co-Sponsor with SOS)

FPPC Costs: Minor and absorbable

4. AB 953 (Pacheco and Alanis) – Preventing Foreign Interference in California Elections

Status: Passed in the Senate Elections Committee on 7/1/25 (5-0); amended on 7/2/25

Short Summary: AB 953 would expand the existing prohibition on foreign governments and foreign principals making contributions, expenditures, and independent expenditures to apply additionally to foreign nationals.

Detailed Summary:

Existing federal law prohibits a foreign <u>national</u> from making a contribution, expenditure, or independent expenditure in connection with a federal, state, or local candidate election.

Existing state law further prohibits a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure. In California, "foreign principal" is defined for these purposes to include an individual who is "outside the United States" and is not a U.S. citizen. Because the definition of "foreign principal" in state law is centered on the location of the individual (outside the United States), state law would permit a foreign national to enter the country and make a contribution, expenditure, or independent expenditure in connection with a ballot measure, even though that person would be prohibited from making the contribution or expenditure if they were located outside of the United States.

Extension of the prohibition: AB 953 would prohibit a foreign national from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure.

"Foreign national" defined: AB 953 would define "foreign national" to mean a person who is not a citizen of the United States and who is not a lawfully admitted permanent resident. This is the same definition used in federal law.

Exemption for DACA: AB 953 would exempt from the definition of "foreign national" a person who has been granted deferred action, and whose deferred action has not expired, under the federal Deferred Action for Childhood Arrivals (DACA) program, as described in guidelines issued by the United States Department of Homeland Security.

FPPC Position: Sponsor

FPPC Costs: Minor and absorbable

5. AB 1029 (Valencia) – Disclosure of Digital Financial Assets (Cryptocurrency) [CHAPTERED]

Status: Passed in the Assembly (69-0); passed in the Senate (35-0); signed by the Governor and Chaptered on 7/30/25

Coauthor: Senator McNerney

Short Summary: AB 1029 would revise the definition of "investment" to include a "digital financial asset," as defined, for purposes of disclosure on the Statement of Economic Interests (Form 700) and the conflict of interest provisions.

Detailed Summary:

Existing law:

- Statement of Economic Interests: Existing law requires every elected official and public employee who makes or influences governmental decisions to submit a Statement of Economic Interest (Form 700). Generally, filers must disclose their financial interests, including investments, income, and interests in real property.
- Conflicts of interest: Existing law prohibits a public official from taking part in a government decision if it is reasonably foreseeable that the decision would have a material financial effect on one or more of the official's financial interests.
- Definition of investment: Under existing law, "investment" generally means any financial interest in, or security issued by, a business entity that is located in or does business in the jurisdiction that is worth \$2,000 or more. The FPPC Legal Division has previously determined that the

existing definition of investment is too narrow to be interpreted to include cryptocurrency.

Definition of digital financial asset: Under existing law in the Financial Code, "digital financial asset" is defined to mean a digital representation of value that is used as a medium of exchange, unit of account, or store of value, and that is not legal tender, whether or not denominated in legal tender, subject to certain exceptions.

Investments: AB 1029 would revise the definition of "investment" in the PRA to include a direct or indirect interest in a "digital financial asset," as defined in the Financial Code. The bill would also make conforming amendments in other sections in the PRA. As an investment under the PRA, digital financial assets would be subject to disclosure on the Form 700 in the same manner as other types of investments and could give rise to a conflict of interest if it was reasonably foreseeable that a government decision would have a material financial effect on the digital financial asset.

Delayed operative date: AB 1029 will become operative on January 1, 2027.

FPPC Position: Sponsor

FPPC Costs: Minor and absorbable

6. AB 1286 (Boerner) – Disclosure of Prospective Employment

Status: Passed in the Senate Elections Committee on 7/1/25 (5-0); amended on 7/2/25; passed in the Senate (35-0)

Short Summary: AB 1286 would require the Statement of Economic Interests (Form 700) filers listed in Section 87200 to disclose arrangements for prospective employment on their Form 700s.

Detailed Summary:

Existing law:

- Existing law prohibits a public official from making, participating in making, or using the public official's official position to influence, any governmental decision directly relating to any person with whom the public official is negotiating, or has any arrangement concerning, prospective employment.
- Public officials listed in Section 87200 or designated in their agency's conflict of interest code are required to file Statements of Economic Interests (Form 700s).

New disclosure on Form 700: AB 1286 would require the public officials listed in Section 87200 to disclose on the Form 700 an "arrangement for prospective employment," defined in the bill to mean "an agreement pursuant to which a prospective employer's offer of employment has been accepted by the prospective employee, including through verbal or written acceptance."

Content of disclosure: Under AB 1286, public officials required to disclose prospective employment must disclose (1) the date that the filer accepted the prospective employer's offer of employment, (2) the business position, (3) a general description of the business activity of the prospective employer, and (4) the name and street address of the prospective employer.

FPPC Position: Sponsor

FPPC Costs: Minor and absorbable

7. SB 280 (Cervantes and Dahle) – Contributions in State and Local Offices and Office Buildings

Status: Passed in the Assembly Elections Committee on 7/2/25 (7-0); passed in the Assembly Appropriations Committee on 7/16/25 (13-0)

Principal Coauthor: Assemblymember Pellerin

Short Summary: SB 280 would expand the existing prohibition on delivering or receiving contributions in state offices and office buildings to additionally apply to local government offices and office buildings and legislative district offices.

Detailed Summary:

Existing law: Existing law prohibits a person from receiving, personally delivering, or attempting to deliver a contribution in the State Capitol, any state office building, or in any office for which the state pays the majority of the rent other than a legislative district office.

Expanding the prohibition: SB 280 would apply the above prohibition to local government office buildings, provide that the prohibition applies to any office for which the state or a local government pays any rent, and strike the exemption for legislative district offices.

Definition: "State or local government office building" would be defined in the bill to mean any state-owned or local government-owned building in which more than 50 percent of the total floor area is used as office space for government employees.

FPPC Position: Sponsor

FPPC Costs: Minor and absorbable

8. SB 852 (Committee on Elections and Constitutional Amendments) – PRA Bill Notifications

Status: Amended on 6/17/25; passed in the Assembly Elections Committee on 7/2/25 (7-0); passed in the Assembly Appropriations Committee on 7/16/25 (13-0)

Short Summary: SB 852 would eliminate the manual notification requirement for PRA bills and make a corrective change relating to electronic filing of statements of economic interests.

Detailed Summary:

Existing law: Existing law requires that the PRA may be amended by the Legislature if at least 8 days before passage in each house, or at least 12 days before passage in each house if the previous form of the bill did not amend the PRA, the bill in its final form has been delivered to the FPPC for distribution to persons who have requested that the FPPC send PRA bill updates.

Background: In accordance with that requirement, FPPC staff send manual notifications by email whenever a PRA bill is introduced or amended. Three individuals are currently signed up for this email list.

Legislative history: As of January 1, 2024, <u>leginfo.legislature.ca.gov</u> has an automatic notice function for changes to all PRA bills. This function is available to the public and a link to sign up for these notifications is displayed on the Legislative Information homepage. The alert must be sent no later than 9 a.m. the calendar day after the legislative action. SB 681 (2023) added this special notice function to Section 81012.5.

Manual notification: SB 852 would eliminate the manual notification requirement, linking the 8- or 12-day period described above to when the bill was printed, distributed to Members of the Legislature, and published on the internet, rather than when the bill was delivered to the Commission for manual distribution.

Electronic filing of Statements of Economic Interests (Form 700s): Last year, the Legislature passed a bill that required certain categories of filers to file online using the FPPC's electronic filing system. That bill inadvertently left off one category of 87200 filers from that list: public officials who manage public investments. SB 852 corrects that inadvertent omission, adding those public officials to the list of positions that must file electronically with the FPPC.

Other changes: SB 852 makes other changes in the Government Code unrelated to the FPPC or PRA.

FPPC Position: Sponsor

FPPC Costs: None

IV. Other Commission-Related Bills

Updates (as of 8/7/25)

- **Passed in the Committee**: AB 950 (Solache), AB 1511 (Committee on Elections), SB 42 (Umberg, Allen, and Cervantes)
- Amended: AB 950 (Solache), SB 760 (Allen)
- On Suspense in Appropriations Committee: SB 42 (Umberg, Allen, and Cervantes)
- Passed in the House of Origin: AB 950 (Solache), AB 1511 (Committee on Elections), SB 42 (Umberg, Allen, and Cervantes), SB 760 (Allen), SB 827 (Gonzalez)

Status and Summaries

9. AB 950 (Solache) – Campaign Advertisement Disclaimers

Status: Amended on 7/8/25; passed in the Senate Elections Committee on 7/15/25 (5-0)

Short Summary: AB 950 makes several changes to the campaign advertisement disclaimer requirements relating to the order of disclaimers, shortening or abbreviating disclaimers, formatting and spacing, and specific required phrasing.

Detailed Summary:

Existing law: Existing law in the PRA generally requires candidates and campaign committees to put disclosures on campaign advertisements that identify the committee that paid for or authorized the communication.

Clarification regarding shortened committee name: Existing law authorizes certain types of campaign advertisements, including print advertisements that are larger than those designed to be individually distributed, to use a shortened

committee name in the disclaimer statement. AB 950 clarifies that those print advertisements include, but are not limited to, yard signs or billboards. The bill additionally makes organizational changes to this section.

Committee identification number: Existing law requires the Secretary of State to assign a number to every committee that files a statement of organization. Existing law permits certain committees required to list top funders on their ads to display their committee identification number using the format of "Committee ID" followed by the committee's identification number. AB 950 would change the format for that disclosure to "Committee #" followed by the committee's identification number.

Multipurpose organizations: The PRA defines "multipurpose organization" to generally mean an organization described in Section 501(c)(3) to 501(c)(10) of the Internal Revenue Code that is exempt from taxation under 501(a) of the Internal Revenue Code. Multipurpose organizations (MPOs) may qualify as committees under the PRA if they receive contributions, make independent expenditures, or make contributions over a certain amount. FPPC regulation requires that the MPO's committee name must be the full legal name of the organization and requires the MPO on its statement of organization to add additional descriptive information after its name, including the type of nonprofit it is (e.g., 501(c)(3)) or the PAC ID #, if it is a federal or out of state political committee. The regulation further provides that this description is not required to be included in the committee's name on advertisements, communications, sender identification, or disclaimers. AB 950 provides that, if the disclosure of the name of a top contributor is required and that top contributor is a multipurpose organization, only the name of the multipurpose organization shall be disclosed.

Requires and authorizes shortening of top contributor names: Existing law prohibits a top contributor name from including certain words or phrases in the disclosure of the top contributor's name, such as "incorporated" and "committee." AB 950 would add "limited liability company" to the list of prohibited phrases, and would authorize the top contributor names in the disclaimer to be shortened according to a specific set of rules and criteria, including a list of approved abbreviated words. The bill would authorize the Commission to establish other acceptable abbreviations, subject to certain criteria. Below is the full list of approved abbreviations:

- (e) (1) The disclosure of the name of a top contributor pursuant to this section may be shortened by doing any of the following:
- (A) Using approved abbreviations as described in paragraph (2).

- (B) Leaving out "A," "An," or "The" at the beginning of an entity name.
- (C) Leaving out the following words or phrases at the end of the top contributor's name:
- (i) The words "and affiliated entities," "and its subsidiaries," "AFL-CIO," "California," "council," "group," "leadership fund," "of America," "of California," "regional council," "state council," and "USA."
- (ii) Any other words or phrases that the Commission determines are not essential to a voter being able to recognize the top contributors and that are published or provided in written advice by the Commission.
- (D) Replacing the name of a candidate controlled committee with the name of the candidate, including their office if they are currently an officeholder, followed by the word "Committee."
- (E) Replacing the name of a Yes/No ballot measure committee on Proposition or Measure X with "Yes/No on X: Committee #" followed by the committee's identification number.
- (2) Approved abbreviations are any of the following:
- (A) The two-letter postal abbreviations for states, such as "CA" for "California."
- (B) All of the following: "&" for "and," "Air" for "Airlines," "Assoc." for "Association," "Co." for "Company," "Co-op" for "Cooperative," "Fed." for "Federation," "Invest." for "Investments," "LA" for "Los Angeles," "Prop." for "Proposition," "NorCal" for "Northern California," "SoCal" for "Southern California," "Tech." for "Technology" or "Technologies," "Yes/No on" for "Yes/No on Measure," "Yes/No on" for "Yes/No on Proposition," and "Yes/No on" for "Yes/No on Prop."

Order of disclaimers on print advertisements: Campaign advertisements are subject to several disclaimer requirements under current law, including, as applicable, a disclaimer statement for ads generated or substantially altered with artificial intelligence, disclaimer statements for ads paid for with independent expenditures, disclosure of the campaign committee name that paid for the ad

("ad paid for by..."), and disclosure of the committee's top funders. AB 950 would specify the order that these disclaimers must appear on certain print ads.

Spacing of disclaimers: AB 950 would require that the various disclaimer statements on certain print ads must be separated from each other by at least half a blank line.

Formatting: AB 950 would make changes to the required formatting of the top funder disclaimer by specifying which parts of the disclaimer must be underlined or printed in bold type.

Large print ads: For printed ads that are larger than those designed to be individually distributed, such as yard signs or billboards, existing law provides that the required disclosures must be a total height of at least 5 percent of the height of the ad. Existing law provides that the top contributors do not need to be listed on separate lines if the names are separated by commas. AB 950 would instead require the disclosures to be a total height of at least 5 percent of the height or width of the advertisement, whichever is less. The bill would also require that the top contributors are listed together on one horizontal line, if possible, with the top contributors separated by a clearly visible bullet point or number (1., 2., 3.), with the top contributors listed in the order of largest to smallest contributor.

Disclaimer for ads paid for by independent expenditure: Existing law, for an advertisement supporting or opposing a candidate that is paid for by an independent expenditure, requires a disclaimer statement that the ad was not authorized by a candidate or a committee controlled by a candidate. AB 950 would instead require the specific statement: "Not paid for by candidate."

Disclaimer for ads paid for by a candidate for a different office: Existing law, for an advertisement authorized or paid for by a candidate for another office, requires a disclaimer the statement: "This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office." AB 950 would instead require the statement: "Not paid for by a candidate for this office."

FPPC Position: No position

FPPC Costs: \$205,000 first year and \$198,000 ongoing for 1 attorney position in Legal Division.

10. AB 1511 (Assembly Committee on Elections) – Transfer of Candidate Funds

Status: Passed in the Senate Elections Committee on 7/15/25 (5-0)

Short Summary: AB 1511 would revise the conditions under which a candidate who, before the primary election, raises campaign funds for the general election may transfer those general election funds to another candidate committee.

Detailed Summary:

Existing law: Existing law permits a state, county, or city candidate to raise contributions for a general or special general election before the primary or special primary election for the same office if those contributions are set aside and used for the general or special general election. Existing law requires the candidate to refund those general or special general election funds to the contributors if the candidate is defeated in the primary or special primary election or otherwise withdraws from the general or special general election.

Existing law: Existing law, as added by SB 948 (2024), provides that the above refund requirement does not apply to a candidate who does not file a declaration of candidacy to qualify for a primary or special primary election, and the candidate is not required to refund those contributions. Existing law permits these candidates to instead transfer those funds to a committee established for the same or a different office, subject to the attribution rules.

Expansion of transfer authority: AB 1511 would revise the above provision to instead permit a candidate to transfer general or special general election funds if (1) the candidate's name has not been listed on the ballot at a primary or special primary election, and (2) the candidate has not qualified to have write-in votes cast on their behalf counted by elections officials for nomination or election to an elective office at a primary or special primary election."

Corrections: AB 1511 makes two corrections to citations to federal law in the PRA.

Voter information guide: AB 1511 would also change "ballot pamphlet" to "voter information guide" throughout the PRA.

FPPC Position: No position

FPPC Costs: Minor and absorbable

11. SB 42 (Umberg, Allen, and Cervantes) - Public Campaign Financing

Status: Amended 6/25/25; passed in the Assembly Elections Committee on 7/2/25 (5-2); on the Suspense File in the Assembly Appropriations Committee

Principal Coauthors: Senators Becker, Blakespear, and Stern, and Assemblymembers Berman, Kalra, Lee, and Pellerin

Coauthors: Senators Arreguín, Cortese, McNerney, Pérez, and Wiener, and Assemblymembers Haney, Ortega, Schiavo, Bennett, and Solache

Short Summary: SB 42 would generally permit the use of public money for the purpose of seeking elective office under certain conditions and restrictions. The bill would also make an unrelated change in the PRA to increase the maximum penalty for violations of the foreign contributions prohibition. The bill would be subject to voter approval at the November 2026 election.

Detailed Summary:

Existing law, public campaign financing: Existing law prohibits a public officer from expending, and a candidate from accepting, public money for the purpose of seeking elective office.

Legislative and legal history: In 2016, an exception was added to allow public funds to be used for campaigns under specific conditions. The 2016 exception was challenged and was declared void and unenforceable by a Superior Court decision and affirmed by the Court of Appeals in 2019 as an improper legislative amendment of a voter initiative.

Eliminates the prohibition: SB 42 would strike the general prohibition on using public funds for the purpose of seeking elective office.

Earmarked funds: SB 42 would prohibit the use of public funds for the purpose of seeking elective office if the funds are earmarked by any state or local entity for education, transportation, or public safety.

Conditions for receiving public funds: SB 42 would require candidates to abide by expenditure limits and meet "strict criteria," set by statute, ordinance, or charter, to qualify for public funds. The bill requires that the criteria require candidates to demonstrate broad-based support in their district.

Prohibited use: SB 42 would prohibit public funds from being used to pay legal defense fees or fines, repay a personal loan to their campaign, or use of any source of funds to repay a personal loan to the campaign after the campaign ends.

Expenditure limits: SB 42 would authorize a statute, ordinance, or charter to increase the expenditure limits for each qualified, voluntarily participating candidate, subject to a specific restriction.

Prohibition on party, challenger, or incumbent preference: SB 42 would prohibit public funding statutes, charters, ordinances, and resolutions from discriminating based on party or according to whether a candidate is a challenger or an incumbent.

Enforcement: SB 42 would provide that the FPPC is not responsible for the administration or enforcement of a local system of public funding of candidates, unless the commission enters into a written agreement with the agency to do so.

Existing law, foreign contributions: Existing law prohibits a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure or the election of a candidate to state or local office. Existing law provides that a person who violates this prohibition shall be guilty of a misdemeanor and fined an amount equal to the amount contributed or expended.

Increasing the penalty: SB 42 would provide that a violation of the foreign contributions prohibition is subject to a fine of, at minimum, the amount contributed or expended, or up to three times the amount contributed or expended.

Future amendment of the section: SB 42 would provide that any amendments to this section must be approved by the voters, except that the provisions defining terms, including "expenditure limits" and "strict criteria," and the provision authorizing the Legislature or a local government to increase the expenditure limits for participating candidates, may be amended by the Legislature with a 2/3 vote of each house.

Voter approval: The bill would be submitted to the voters for approval at the November 3, 2026, statewide general election.

FPPC Position: No position

FPPC Costs: \$205,000 first year and \$198,000 ongoing for 1 position in the Legal Division. The FPPC may incur potential additional costs in an unknown amount for enforcement against local jurisdictions.

12. SB 760 (Allen) – Behested Payments Reporting Exemption for Public Appeals for Payment

Status: Passed in the Assembly Elections Committee on 7/16/25 (7-0); amended on 7/17/25

Coauthor: Assemblymember Solache

Short Summary: SB 760 would create an exemption to the behested payment reporting requirements for certain public appeals for payment.

Detailed Summary:

Existing law: Existing law requires elected officers and members of the Public Utilities Commission to submit behested payment reports within 30 days following the date on which the behested payments from a single donor reach \$5,000 or more in the aggregate in a calendar year. Generally, a "behested payment" is a payment requested or solicited by an elected official that is paid by one individual or organization to another individual or organization for a legislative, governmental, or charitable purpose.

Exemption to reporting: SB 760 would provide that no behested payment report is required if the officer or member makes a public appeal for payment by:

- (A) Television.
- (B) Radio.
- (C) Billboard.
- (D) A public message on an online platform.
- (G) A public speech, unless the speech is given at an event that the officer or member knows is being held for the purpose of raising funds for the recipient organization and any of the following apply:
 - (i) The officer or member consents in advance to be a speaker.
 - (ii) The officer or member consents to be featured in a solicitation.
 - (iii) The officer or member publicly solicits contributions to the recipient organization.

Limit to exemption: SB 760 provides that the reporting exemption above does not apply if either of the following apply:

- (A) The payee organization is not a governmental agency and the elected officer or member of the Public Utilities Commission knows that they, or a member of their immediate family, campaign staff, or officeholder staff, holds a position, including any of the following, with that payee organization:
 - (i) Any position with decision-making capacity within the organization, such as a board member or executive officer position.
 - (ii) Salaried employment at the organization.
 - (iii) Status as a founding member of the organization.
 - (iv) A position on an honorary or advisory board of the organization.
- (B) The behesting officer or member knows, within two years of the payment, that a specific payment was made in response to the officer or member's public appeal.

Reporting deadline for delayed knowledge of payment: If an officer or member does not know at the time that a payment was made in response to their public appeal, the 30-day reporting deadline commences on the date that the officer or member first learns that the payment was made in response to that public appeal.

FPPC Position: No position

FPPC Costs: Minor and absorbable

13. SB 827 (Gonzalez) – Ethics Training for Local Agency Officials

Status: Passed in the Assembly Local Government Committee on 7/16/25 (7-0)

Coauthor: Senator Arreguín and Assemblymember Ransom

Short Summary: SB 827 would expand the local agency ethics training requirements to an additional category of individuals and would shorten the deadline for completing the training.

Detailed Summary:

Existing law: Existing law requires local agency officials to complete training on general ethics principles and ethics laws, including ethics requirements in the PRA. A bill effective this year imposed a statutory requirement that the FPPC, in consultation with the AG, create, maintain, and make available to local agency officials an ethics training course that satisfies the training requirements.

Expansion to additional individuals: SB 827 would expand those ethics training requirements additionally to "[a] department head or other similar administrative officer of a local agency."

Training deadline: Existing law requires that the ethics training must be completed within 1 year from the first day of service with the local agency. SB 827 would instead require local agency officials who commence service with a local agency on or after January 1, 2026, to receive the training no later than six months from the first day of service with the local agency.

Local agency duty: Existing law requires a local agency that is subject to the ethics training requirements to maintain certain records of the training. SB 827 would require the local agency, if the local agency has an internet website, to publish those records on its internet website.

Other changes: The bill makes additional changes in the Government Code unrelated to the FPPC.

FPPC Position: No position

FPPC Costs: Approximately \$5,000 annually for additional software costs for the online training system.

V. Bills Not Moving Forward This Year

- 1. AB 26 (DeMaio) Intent Bill
- 2. AB 351 (McKinnor) Section 84308; Contributions to Agency Officers
- 3. AB 884 (Essayli) Prohibition on Contributions from Investor-Owned Utilities
- 4. SB 300 (Padilla) Exception to the Conflict of Interest Prohibition (2-Year Bill)
- 5. SB 321 (Cervantes) Late Signature Curing Expenditure Reports (Held in Appropriations)
- 6. SB 401 (Hurtado) State Employee Restriction on Business Ownership (2-Year Bill)
- 7. SB 458 (Niello and Umberg) Ballot Measure Titles, Summaries, and Financial Impact Estimates (Held in Appropriations)
- 8. SB 644 (Blakespear) Contribution Limits for Candidates for Judicial, School District, and Community College District Office (Held in Appropriations)
- 9. SB 817 (Choi) Intent Bill