

**Notice**  
**Fair Political Practices Commission**  
**Law and Policy Committee Meeting<sup>i</sup>**  
**March 11, 2020 10:00 a.m.**  
**Unapproved Minutes**

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The Advisory Committee was called to order at 10:00 a.m.

**1. Update on Sponsored Committee Regulation.**

- a. Commissioner Hayward stated she wanted this to be on the Committee agenda to give the public one more time to give comment since the regulation is significantly different from when it was first posted.
- b. Chair Miadich asked Zachary Norton, Commission Counsel, to explain the difference between the different timing options presented.
- c. Commissioner Hayward stated she prefers option one.
  - i. The Law and Policy Committee discussed supporting option one at the Commission Meeting where the regulation would be up for adoption.
  - ii. Dave Bainbridge, General Counsel, asked if Staff should create another version of the regulation to include this new option.
  - iii. Galena West, Chief of Enforcement, suggested adding the 16 days after the last pre-election since under option one, there would not be any review in that period.
- d. The Committee was unanimous in deciding to present option one with the inclusion of reporting during the 16 days after the last pre-election report at the future Commission Meeting.

**2. Update on Return of Excess Contribution Regulation.**

- a. Kaitlyn Green, Commission Council, gave an update on the regulation and stated that no public comment has been received. She further discussed the two concerns Commissioner Hatch brought up at the prenotice hearing, single checks over the limit and the 14-day timeline being too short for electronic deposits, stating she believes the regulation addresses both concerns. The regulation was noticed with OAL in time for April adoption.

**3. Discussion of Options for Gathering Information on Behested Payments Issues.**

- a. Chair Miadich would like to hold an Interested Persons meeting to invite stakeholders to identify and resolve challenges in behested payments.
- b. Commissioner Hayward wants to know how the behested payment process and disclosure process came to be. She is concerned about behested payments used for personal profit.
- c. Dave Bainbridge, General Counsel, and staff will report back a list of issues and they will present the information at the next Law and Policy Committee meeting. The Committee will then present recommendations to the full Commission.

#### 4. Legislative Update.

- a. Phillip Ung, Legislative Director, gave an update on the current status of legislative development and status of potentially sponsored bills.
- b. Mr. Ung mentioned that Assemblymember Rivas is concerned about privacy and the accuracy of gift reporting separate from Form 700 while holding a spot bill for the issue. The current practice is to not disclose legislative employees Form 700 and, if we do, we redact the signature. Ms. Rivas would like to codify that practice. Ms. Rivas also wants clarification on how to return, buy back, or pay down gifts when they are not reported until 30 days after the quarter ends.
  - i. Chair Miadich wanted to clarify the process: Mr. Ung went shopping for authors of a Commission sponsored bill and Ms. Rivas has taken that on while also asking for these additional changes.
  - ii. Chair Miadich stated he finds the gift reporting provision troubling. Commissioner Hayward stated she thinks we should have a clean Form 700 electronic filing legislation and then a separate legislation for these issues. Mr. Ung said he would talk with Ms. Rivas' office on whether she has another vehicle to bifurcate the issues.
  - iii. Chair Miadich would like to brief the full Commission about this issue and see if Staff should continue negotiating with the Author's office.
- c. Chair Miadich and Commissioner Hayward agreed with Mr. Ung's recommended positions to the four bills, AB 2407, AB 2505, AB 2151, and AB 2889.
- d. The Committee discussed a memo regarding LLCs and three policy options available to the Commission. 1. Allowing LLCs to continue to register and file under the current committee structure and add additional requirements, 2. Build a whole new structure for LLCs based on their level of activity, similar to MPOs, and 3. Regardless of activity or created threshold, an LLC will have to disclose their ownership.
  - i. Chair Miadich asked about providing the memo to the full Commission prior to the next meeting. Commissioner Hayward agreed with that idea.

The meeting concluded at 11:21 a.m.

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<sup>i</sup> The Commission has established two separate two-person standing advisory committees, the Budget and Personnel Committee and the Law and Policy Committee, to allow greater participation by individual Commissioners in making recommendations to the full Commission. In recognition of the public's interest in the meetings of these committees, the Commission has directed the committees to allow the public to monitor committee deliberations, whenever possible, by publishing a five-day notice of the meeting and allowing callers to listen to the proceeding with a call-in telephone number. Additionally, the Commission is permitting public participation in the noticed meeting in person or via telephone.

As two-person advisory committees, Bagley Keene Open Meeting Requirements (Government Code Sections 11120 - 11132) do not apply to the committee meeting. However, the Commission will be soliciting public comment before and during the meeting. If you would like to comment on an agenda item prior to the meeting, you may email your comments to the Commission Assistant at [CommAsst@fppc.ca.gov](mailto:CommAsst@fppc.ca.gov). Any comments submitted prior to the meeting will be provided to the committee members for consideration at the meeting.