

Meeting Minutes
Fair Political Practices Commission
Law and Policy Committee Meetingⁱ
July 8, 2021 10:00 a.m.

The Law and Policy Committee was called to order at 10:00 a.m.

- 1. Public Comment for items not on the agenda.**
- 2. Approval of June 10, 2021 minutes.**

MOTION: To approve June 10, 2021 Committee minutes. Moved by Commissioner Baker, seconded by Chair Miadich. The motion was approved 2-0.

- 3. Legislative Update.**

AB 378 passed in both houses and was enrolled and presented to the Governor on June 29th.

AB 1367 is set for hearing in the Senate Elections Committee on July 12th. It will be continuing with only the egregious personal use proposal and removes the previous campaign bank account language.

AB 1590 passed in the Senate Elections Committee on June 29th five to zero.

SB 686 was amended on June 23rd to adjust the thresholds for inclusion on the LLC statement of members and to delete the portion of the bill codifying recent regulations to LLCs. The Chamber of Commerce removed their opposition to the bill after the amendments. The bill passed in the Assembly Elections Committee six to one.

Commissioner Baker asked about the drafted amendments and recommended to the full Commission to continue sponsoring the bill.

MOTION: To recommend the Commission keep sponsoring SB 686. Moved by Commissioner Baker, seconded by Chair Miadich. The motion was approved 2-0.

AB 775 was recently amended to delete the prior language and insert new language relating to prechecked boxes for recurring contributions. Chair Miadich asked if it is considered a single violation, or a reoccurring violation. Mr. Bainbridge stated that each report can trigger its own violation and that each report needs to be full and accurate.

Chair Miadich asked if they have sufficient discretion to define what confirmative consent needs to be. Mr. Bainbridge stated that is a term that they could define.

Commissioner Baker suggested borrowing language from other statutes, and to look at other areas within our jurisdiction of campaign disclosures and finance.

Commissioner Baker also asked about some of the language used that may cause violations to occur easily, and what the current authority is to prohibit this method of campaign contribution. Mr. Bainbridge stated that he does not believe they have clear regulatory authority to prohibit these payments.

Chair Miadich asked about the timeline and what the expectations are for feedback. Ms. Nakano stated that the author is open to considering amendments, and the hearing will occur before the Commission meeting. SB 459 was amended July 6th and passed in the Assembly Elections Committee on June 30th 6 to 0.

Chair Miadich asked about the disclaimer on lobbying advertisements if a lobbyist paid for it themselves. Ms. Nakano stated that it only identified lobbyist employers and a 5 thousand filers as those who would have to disclose on the ad.

Commissioner Baker asked about some of the main points of opposition. Ms. Nakano stated that she is in the process of obtaining their opposition letters.

Chair Miadich asked if there were potential Constitutional problems, and if there are any significant risks. Ms. Nakano stated that the bar for scrutiny is high, there needs to be a stronger growing interest, and they have not included the potential fiscal for litigation.

SB 752 would make several changes to the disclosure requirements for political advertisements, including changes to the required form, content, and presentation of the disclosures depending on the medium in which the advertisement appears. The bill would revise the minimum contribution thresholds for the “top contributor” advertisement disclosure. The bill would also make changes in the Elections Code relating to initiative, referendum, and recall petitions.

4. Discussion and Interested Person Feedback on Proposed Regulations 18424, 18424.1, and 18424.2 (to Repeal and Replace Regulation 18215.3), related to Behested Payment Reporting.

Emily Andrews, Olson Remcho, on behalf of the California Political Attorneys Association, stated that they are not prepared to provide comments on the draft language as they are still reviewing language but hope to provide comments soon. Chair Miadich asked if they would be able to have any comments for the upcoming Commission meeting. Ms. Andrews state that they are unsure, but she will circle back to see if it is a possibility.

Chair Miadich asked about language used and suggested amendments to create clarification.

Commissioner Baker asked if the Commission has the authority to prohibit certain behested payments. Mr. Bainbridge stated the Commission does not have regulatory authority to prohibit behested payments but they do have regulatory authority in the realm of disclosure and reporting.

Commissioner Baker asked what would occur if a relationship develops after the behested payments, and about subsequent activities prior to behested payment has been filed.

Commissioner Baker suggesting including language to cover loopholes where solicitation that triggers a behested payment requirement may occur.

5. Discussion of items for August 2021 Committee meeting.

Chair Miadich said there would be a legislative update at the August 2021 meeting. Commissioner Baker asked that the Committee discuss potential legislative ideas for the next session soon.

MOTION: To adjourn the meeting. Moved by Chair Miadich, seconded by Commissioner Baker. The motion passed 2-0.

The meeting adjourned at 10:57 a.m.
