

## **NOTICE**

Fair Political Practices Commission Interested Persons Meeting April 6, 2023, 10:00 a.m. 1102 Q Street, Suite 3800 Hearing Room Sacramento, CA 95811

Fair Political Practices Commission staff will hold an Interested Persons meeting on April 6, 2023 at 10:00 a.m. as part of its April Law and Policy Committee meeting to solicit public input on a regulatory proposal regarding over-the-limit contributions. The proposal pertains to the Political Reform Act's provisions concerning the return or attribution of excessive contributions, Section 85319.5.

Existing Regulation 18531 allows a committee to return a contribution, or a portion thereof, that exceeds an applicable contribution limit to the contributor if done within 14 days of receipt as long as certain parameters are met. Legislation in 2022 added Section 85319.5 to the Act, codifying parts of existing Regulation 18531, as well as expanding the parameters under which a committee may return an over-the-limit contribution. In addition, Section 85319.5 now permits a committee that receives an over-the-limit contribution to avoid violating an applicable contribution limit by attributing the excess amount to a different election if certain criteria are met.

The Commission is interested in amending Regulation 18531 to eliminate language that has now been codified, directly address non-monetary over-the-limit contributions, and address provisions in the new law that provide for the Commission to promulgate regulations in the context of the new attribution allowance and contributor notification requirements. These regulatory proposals will be considered for adoption or amendment on May 18, 2023, at the Commission's monthly meeting. Below are the regulatory proposals that the Commission may pursue, for which the Commission is soliciting public comments.

## **Proposed Regulation for Amendment:**

• Regulation 18531. Return of Excessive Contributions

Existing Regulation 18531 allows a committee to return a contribution, or a portion thereof, that exceeds an applicable contribution limit to the contributor if done within 14 days of receipt as long as the committee does not:

- (1) Deposit or allow deposit of the contribution with actual knowledge that the contribution exceeds the applicable limit.
- (2) Make use of the contribution prior to returning it.

New Section 85319.5, recently enacted by Senate Bill 794 (Stats. 2022, Ch. 816, Glazer) codifies and expands upon the above provisions of existing Regulation 18531 by also permitting a

committee that receives an over-the-limit contribution—even if it had actual knowledge the contribution exceeded the limit—to avoid violating an applicable contribution limit by attributing the excess amount to a different election if certain criteria are met. The proposed amendments to Regulation 18531 would:

- Repeal text that is duplicative of language now codified in statute.
- Permit a committee to attribute the portion of a contribution that is in excess of the applicable limit to another election, as provided by new Section 85319.5.
- Address the return or attribution of over-the-limit <u>non-monetary contributions</u> under Section 85319.5.
- Clarify that the regulation shall not be construed to authorize the making or solicitation of any contribution in excess of the contribution limits of Section 85316, in addition to Sections 85301, 85302, and 85303.
- Clarify the timeframe for depositing a contribution that is earmarked for purposes other than making contributions directly to candidates for elective office into a separate account in order to avoid being deemed in excess of limits.
- Specify how contributions attributed to another election should be reported on campaign reports.
- Clarify the requirement under Section 89319.5 that a committee must notify the contributor of an over-the-limit contribution, including if the committee automatically attributes such a contribution between the primary and general election.

## **ADDITIONAL INFORMATION:**

Proposed language for the above regulations is attached for review and can also be found at <a href="http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html">http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html</a>.

You may participate in this meeting in person at the Commission's offices. You may also listen to and participate in this meeting by teleconference by calling: (877) 411-9748; access code 723284.

The Commission staff invites written comments addressing these topics. Address comments regarding the topic of this notice to Commission Counsel Toren Lewis at <a href="mailto:tlewis@fppc.ca.gov">tlewis@fppc.ca.gov</a> or to the address above. For questions about the scope of this meeting, you may contact Amanda Apostol at (916) 322-5660.