

**Fair Political Practices Commission  
Memorandum**

**To:** Chair Miadich, Commissioners Cardenas, Hatch, and Hayward

**From:** Galena West, Executive Director  
Dave Bainbridge, General Counsel

**Subject:** Regulation Projects and Schedule for 2021

**Date:** December 7, 2020

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**Introduction**

Commission staff proposes the following schedule for regulatory changes by the Commission in 2021. The general topic for each regulation project and the proposed dates it would be presented to the Commission are listed below. The summaries include a list of existing regulations that may be affected by the proposed regulatory changes but are not intended as a comprehensive list of all potential regulatory changes. Similarly, the scope and specific issues addressed in each regulation project described below may change during the process.

The proposed projects are based on prior direction from Commissioners, as well as recommendations from staff and the public. The schedule may require revision during the year in the event of circumstances requiring immediate Commission action, changes in Commission priorities, legislative actions, staffing changes, or other unforeseen circumstances. Additional regulatory projects may be added, particularly during the second half of the year, upon direction by the Commission or as otherwise needed.

In most instances, a regulation project will be presented to the Commission at a meeting for pre-notice to allow for Commission and public comment and discussion. After the pre-notice meeting, staff may revise the regulations based on input provided, and submit it to the Office of Administrative Law pursuant to the Administrative Procedures Act. Typically, two months after the pre-notice meeting, staff will present the regulations to the Commission for final consideration and adoption. The Law and Policy Committee, at its discretion, may review, discuss, take public comment, and make recommendations on any regulatory proposals before the item is presented to the Commission.

The purpose of the regulation schedule is to provide Commissioners, staff, and the public advance notice of potential upcoming regulatory changes. Staff encourages interested parties to provide input early on so that staff may consider that input during the drafting process. Upon approval by the Commission, the regulatory calendar will be posted on the Commission's website and will be updated periodically.

## Project Summaries

**(1) CARS.** (Regulations 18402.1, 18406, 18410, 18422.5, 18465, 18465.1, 18601, 18611, 18616, and 18616.4.) The Secretary of State’s new electronic campaign and lobbyist reporting system, Cal-Access Replacement System or “CARS,” is scheduled to begin operating in February 2021. Numerous minor updates to existing regulations will be required as a result of CARS and its implementing legislation.

**(2) Streamline and Warning Letter Programs.** (Regulations 18360.1, 18360.2, and 18360.3.) Proposed expansion and adjustment to the Commission’s Streamline Settlement and Warning Letter Programs in response to the Commission’s request to review the programs after initial implementation in 2019.

**(3) Local Office Contribution Limits.** (Regulations 18404.1, 18421.4, 18421.8, 18521, 18521.5, 18523.1, 18530.2, 18530.8, 18531.2, 18531.5, 18531.61, 18535, 18536, 18537.1, 18545, and 18951) Assembly Bill 571 (2019) imposes a contribution limit on elective city and county offices in jurisdictions that do not have local contribution limits, and gives authority to the Commission to enforce that limit. The proposed changes would apply various regulations governing state contribution limits to those city and county offices subject to AB 571, amongst other regulatory changes to implement the legislation.

**(4) Permissible campaign expenditures** (New regulation) – Provide guidance on whether an expenditure of campaign funds has a sufficient political, legislative, or governmental purpose under Article 4 of the Act. Provisions may include specific items previously addressed through the advice or opinion process, and/or generally applicable guidelines.

**(5) Campaign Ads and Media.** (Regulation 18421.5.) Update existing regulation requiring advertising disclosure for online content paid for by a committee and adopt a new regulation interpreting when a communication made in the style of a media report qualifies as an advertisement under the Act.

**(6) Disclose Act.** (Regulations 18421.5, 18435.5, 18450.1, and 18450.11.) Various regulatory additions and amendments to interpret and clarify provisions of the Disclose Act. Topics identified to date to address include disclosures on advertisements in multiple languages, disclosures on electronic slate mailers, disclosures on various forms of social media, and paid spokesperson disclosure.

**(7) Behested Payment Reporting.** (Regulations 18204 and 18215.3.) Regulatory additions and amendments to improve the efficiency and transparency of behested payment reporting, including providing for reporting of good faith estimates of payments in certain circumstances, and clarifying rules for disclosure of payments made in response to third party fundraising solicitations.

**(8) Lobbyist Recordkeeping.** (Regulation 18612.) Update and enhance recordkeeping requirements for lobbyists and lobbying entities.

**Schedule**

<b>Commission Meeting Date</b>	<b>Pre-notice</b>	<b>Adoption</b>
January 21 <sup>st</sup>	CARS	Streamline and warning letter program
February 18 <sup>th</sup>		Local office contribution limits
March 18 <sup>th</sup>	Permissible campaign expenditures	CARS
April 15 <sup>th</sup>	Campaign ads and media	
May 20 <sup>th</sup>	Disclose Act	Permissible campaign expenditures
June 17 <sup>th</sup>		Campaign ads and media
July 15 <sup>th</sup>	Behested payment reporting	Disclose Act
August 19 <sup>th</sup>	Lobbyist recordkeeping	
September 16 <sup>th</sup>		Behested payment reporting
October 21 <sup>st</sup>		Lobbyist recordkeeping
November 18 <sup>th</sup>		
December 16 <sup>th</sup>		