Third Quarter Update

Ethics - Gifts, Honorarium, Travel and Use of Campaign Funds

Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning gifts, honorarium, travel, and use of campaign funds. To receive updates for all regulations before the Commission, please sign up for our <u>mailing list here</u>.

None.

Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter concerning questions about gifts, honorarium, travel, and use of campaign funds. To receive the monthly report with all advice letters issued, please sign up for our <u>mailing list here</u>.

not used for a political purpose.

None.

Commission Opinions

None.

Enforcement Matters

The following are summaries of significant enforcement actions approved by the Commission in the past quarter concerning gifts, honorarium, travel, and use of campaign funds. To receive a monthly report of all enforcement actions, please sign up for our <u>mailing list here</u>.

None.

Legislation

• AB 37 (Bonta) – Use of campaign funds for security systems and personal security

Coauthor: Senator Wiener

Status: Vetoed by governor

Short Summary: AB 37 would repeal existing law that authorizes use of campaign funds for electronic security systems after verification of threats to physical safety, and would instead authorize broader use of campaign funds for both electronic security systems and personal security without verification.

Detailed Summary:

Expansion to personal security expenses: Existing law allows campaign funds to be used for home or office electronic security systems under certain conditions. AB 37 would expand permitted campaign fund use to also include payments for the reasonable costs of providing personal security.

Expansion to family and staff: Existing law allows campaign funds to be used only for electronic security systems at the home or office of the candidate or elected officer. AB 37 would allow campaign funds to be used additionally for home or office electronic security systems and personal security expenses for the immediate family or staff of the candidate or elected officer.

Repeal of verification requirement: Existing law allows campaign funds to be used for home or office security systems only if the candidate or elected officer has received threats to their physical safety and the threats have been reported to and verified by law enforcement. AB 37 would repeal these verification requirements.

Retains similar threshold standard: Existing law allows campaign funds to be used for security systems if the threats arise from the candidate's or elected officer's activities, duties, or status as a candidate or elected officer. AB 37 would adopt a nearly identical standard to allow campaign funds to be used for security expenses if the threat or potential threat to safety arises from the candidate's or elected officer's activities, duties, or status as a candidate or elected officer.

Repeal of \$5,000 limit: Existing law allows up to \$5,000 to be used for electronic security systems. AB 37 repeals that limit.

Return or reimbursement requirement: Existing law requires the candidate or elected officer to reimburse the campaign fund account for the costs of the security system upon sale of the property where the security equipment is installed, based on the fair market value of the security equipment at the time the property is sold. AB 37 instead requires either return of, or reimbursement for, the security equipment within one year of when the official is no longer in office or the candidate is no longer a candidate for the office for which the security equipment was purchased, or upon sale of the property on which the security equipment is located, whichever occurs sooner. Return or reimbursement would be required for all security equipment purchased with campaign funds.

Delayed reimbursement for continued threat: AB 37 provides an alternate reimbursement or return deadline if there is a continued threat verified by law enforcement, with return or reimbursement due within one year of the threat ceasing, or upon sale of the property, whichever occurs sooner.

Retains special reporting requirement: Existing law requires candidates or elected officers who use campaign funds for electronic security systems to report this expenditure to the Commission and information including when the threat was reported to law enforcement, the

contact information of the law enforcement agency, and a description of the threat. AB 37 alters this special reporting requirement to require reporting to the Commission only of the expenditure, and additionally requires the candidate or elected official to report reimbursement for security equipment to the Commission.

FPPC Cost: Minor and absorbable

FPPC Position: None