# First Quarter Update 2025

Campaign Reporting and Advertising Disclosure

## Regulations adopted by the Commission.

The following are regulatory changes approved by the Commission during the past quarter concerning campaign reporting or advertising disclosure. 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 campaign reporting or advertising disclosure. To receive the monthly report with all advice letters issued, please sign up for our <u>mailing list here</u>.

#### Campaign

#### Amber Maltbie A-23-175(a)

Although Regulation 18521.5(d) does not directly apply to candidate-controlled ballot measure committees in jurisdictions with non-default contribution limits, expenditures made by such committees that are consistent with Regulation 18521.5(d) do not violate the Act. However, the permissibility of expenditures inconsistent with Regulation 18521.5(d) must be analyzed on a case-by-case basis.

Section 84308

#### **Susanne Meyer Brown**

I-25-004

A governmental decision amending a city's Residential Tenant Protection Program Ordinance could qualify as an entitlement for use proceeding depending on various factors, including whether the decision targets a small number of affected individuals. In general, however, broad amendments of the Ordinance affecting many and diverse interests, including annual reviews and changes to the rent increase cap and the potential exemption of single-family homes from certain provisions of the Ordinance, do not qualify as entitlement for use proceedings for purposes of Section 84308.

#### **Scott E. Porter A-25-009**

Section 84308 restrictions and requirements do not apply to officials who received contributions of *exactly* \$500. Section 84308 potentially applies only to contributions *greater than* \$500.

Rebecca Moon

I-25-008

Council approval of payments already made by the City Manager as a consent item, where the City Manager has approved the payments under authority delegated under the City Charter or through obligations previously authorized by the City Council, and there is no process by which the City Council could reverse any of these payments, is an action that meets the definition of a "ministerial" and would not be subject to Section 84308.

# **Commission Opinions**

None.

#### **Enforcement Matters**

The following are summaries of significant enforcement actions approved by the Commission in the past quarter involving violations of the Act's campaign reporting and advertising disclosure provisions. To receive a monthly report of all enforcement actions, please sign up for our <u>mailing list</u> here.

Campaign Bank Account

In the Matter of Paul Courtney and Committee to Elect Paul Anthony Courtney for Mayor in 2020; FPPC No. 23/014. Staff: Alex Rose, Senior Commission Counsel and Roone Petersen, Special Investigator. Paul Anthony Courtney was a successful candidate for Mayor of Barstow in the November 3, 2020 General Election. Paul Anthony Courtney for Mayor in 2020 was Courtney's candidate-controlled committee. Gabriela Humphrey served as the Committee's treasurer. The Committee and Courtney failed to properly use campaign bank account for two semi-annual and two pre-election campaign statements, in violation of Government Code Section 85201 (4 counts). The Committee and Courtney improperly received cash contribution in the amount of \$800 from Paul Anthony Courtney, in violation of Government Code Section 84300 (1 count). The Committee and Courtney failed to timely report \$932 in expenditures on a semiannual campaign statement for the reporting period ending on December 31, 2019, in violation of Government Code Section 84211. The Committee and Courtney failed to timely file one semiannual and two pre-election campaign statements for the reporting periods ending on June 30, 2020, September 19, 2020, and October 17, 2020, in violation of Government Code Sections 84200 (1 count) and 84200.5 (2 counts). Chief Discretion was used in this matter to include counts 1 through 4 in tier one. Fine: \$1,681 (Tier One).

Campaign Late Filer / Reporter

In the Matter of California Society for Respiratory Care Political Action Committee and Dave Wenhold; FPPC No. 25/023. Staff: Chance Felkins, Commission Counsel. The respondents were represented by Ashlee Titus of Bell McAndrews & Hiltachk, LLP. California Society for Respiratory Care Political Action Committee is a state general purpose committee.

Dave Wenhold serves as the Committee's treasurer. The Committee and Wenhold failed to timely file 11 semi-annual campaign statements, in violation of Government Code Section 84200 (11 counts). Counts 2-4, and 8-11 are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. **Fine: \$1,653 (Tier One).** 

In the Matter of Christopher Apodaca; FPPC No. 24/753. Staff: Christopher B. Burton, Assistant Chief of Enforcement and Vanessa Greer, Political Reform Consultant. Christopher Apodaca was a successful candidate for ABC Unified School District in the November 3, 2015 General Election. Apodaca failed to timely file a Candidate and Officeholder Short Form campaign statement for 2023, in violation of Government Code Section 84206 (1 count). Chief Discretion was used in this matter to include count 1 in Tier One. Fine: \$300 (Tier One).

In the Matter of AIDS Healthcare Foundation, Yes on 21 - Renters and Homeowners United to Keep Families in Their Homes, Sponsored by AIDS Healthcare Foundation, and Beverly Grossman Palmer; FPPC Nos. 20/338, 20/759, 20/760, & 20/818. Staff: Jenna Rinehart, Senior Commission Counsel, Paul Rasey, Special Investigator, and Bob Perna, Program Specialist. The AIDS Healthcare Foundation ("AHF") is represented by Bradley W. Hertz of Law Offices of Bradley W. Hertz and the Yes on 21 Committee is represented by Beverly Grossman Palmer of Strumwasser & Woocher LLP. AHF, qualified as a lobbyist employer in 2019 and as a state major donor committee in 2020. The Yes on 21 Committee is a primarily formed state ballot measure committee for Proposition 21 on the November 3, 2020 General Election ballot sponsored by AHF. Palmer serves as the Yes on 21 Committee's treasurer. AHF, as a lobbyist employer, failed to timely disclose, on its lobbyist employer reports, other payments to influence, in violation of Government Code Sections 86116 and 86117 (4 counts). Next, AHF, as a major donor committee, failed to timely disclose, on a major donor campaign statement, non-monetary contributions made along with the payee information and source of funds used, in violation of Government Code Sections 84211 and 84222 (1 count). Additionally, AHF failed to timely disclose non-monetary contributions made and failed to timely file 24-Hour Reports, in violation of Government Code Sections 84211 and 84203 (2 counts). The Yes on 21 Committee and Palmer failed to timely file 10-day reports, in violation of Government Code Section 85309 (3 counts), and failed to timely file 24-Hour Reports, in violation of Government Code Sections 84203 and 84203.3 (3 counts). Fine: \$40,500.

In the Matter of South Cord Management LLC and Elliot Lewis; FPPC No. 20/1038. Staff Chance Felkins, Commission Counsel. The respondents in this matter were represented by Joseph A. Guardarrama of Kaufman Legal Group. South Cord management is a Major Donor Committee. Elliot Lewis serves as the responsible officer. The Committee failed to include the responsible officer on eighteen 24-Hour Reports, in violation of California Code of Regulation, Title 2, Section 18402.2 (18 counts). The Committee failed to timely file one Major Donor Campaign Statement, in violation of Government Code Section 84200, subdivision (b), (1 count). The Committee failed to timely file six 24-Hour Reports, in violation of Government Code Section 84203 (2 counts) and 82036, 82036.5, and 84204 (4 counts). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as \$0 penalty. Chief Discretion was used to include Major Donor Late Filer counts 1, and 3 through 6 in tier one, and Major Donor Late Filer count 1 in tier two. Fine: \$3,900 (Tiers One & Two).

In the Matter of Paul Cook for Supervisor 2020 and Paul Cook; FPPC No. 21/102. Staff: Chance Felkins, Commission Counsel and Sonia Mangat, Program Specialist. This matter arose from an audit performed by the Audits & Assistance Division of the Fair Political Practices Commission. Paul Cook was a successful candidate for San Bernardino County Supervisor in the March 3, 2020 Primary Election. Paul Cook for Supervisor 2020 is Paul Cook's candidate-controlled committee. The Committee and Cook failed to timely report on two semi-annual campaign statements, in violation of Government Code Section 84211 (2 counts), and two pre-election campaign statements, in violation of Government Code Section 84211 (2 counts). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as \$0 penalty. Fine: \$2,037 (Tiers One and Two).

In the Matter of Diego Garcia for Richmond City Council 2018, Diego Garcia, and Annabella Leal; FPPC No. 22/568. Staff: Laura Columbel, Commission Counsel and Roone Peterson, Special Investigator. Diego Garcia was an unsuccessful candidate for Richmond City Council in the November 6, 2018 General Election. Diego Garcia for Richmond City Council 2018 was Garcia's candidate-controlled committee. Annabella Leal served as the Committee's treasurer. The Committee, Garcia, and Leal failed to timely file eight semi-annual statements, in violation of Government Code Section 84200 (8 counts). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. Fine: \$1,572 (Tier One).

#### In the Matter of Motecuzoma Sanchez and Sanchez for Mayor 2020; FPPC No. 21/314.

Staff: Laura Columbel, Commission Counsel and Alethea Perez, Special Investigator. Sanchez was an unsuccessful candidate for the Mayor of Stockton in the March 3, 2020 Primary Election. Sanchez for Mayor 2020 was Sanchez's candidate-controlled committee. The Committee and Sanchez failed to timely file four semi-annual statements, in violation of Government Code Section 84200 (4 counts); and failed to timely file three 24-Hour Reports, in violation of Government Code Section 84203 (3 counts). In addition, Sanchez failed to timely report income on the Candidate Statement of Economic Interests, in violation of Government Code Section 87201 (1 count). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. **Fine: \$1,093 (Tier One).** 

In the Matter of Andres Ramos for College Board 2022 and Andres Ramos; FPPC No. 24/481. Staff: James M. Lindsay, Chief of Enforcement and Vanessa Greer, Political Reform Consultant. Andres Ramos was a successful candidate for the Compton Community College District in the November 8, 2022 General Election. Andres Ramos for College Board 2022 is Ramos' candidate-controlled committee and serves as the Committee's treasurer. The Committee and Ramos failed to timely file three semi-annual campaign statements, in violation of Government Code Section 84200 (3 counts). Fine: \$600 (Tier One).

In the Matter of Mony Nop for Mayor 2020, Mony Nop, and Steve Kau; FPPC No. 20/798. Staff: Jonathan Rivera, Commission Counsel. Mony Nop was an unsuccessful candidate for Livermore Mayor in the November 2020 General Election. Mony Nop for Mayor 2020 was the candidate's candidate-controlled committee. Steve Kau served as the Committee's treasurer. The Committee, Nop, and Kau failed to timely file a 24-Hour Report in violation of Government Code Section 84203. Chief Discretion was used in this matter to include the count in Tier 2.

Fine: \$1,100 (Tier Two).

Advertisements

In the Matter of Committee to Elect Miguel Madrid City Council 2020, Miguel Madrid, Jr., and Sandra Males-Madrid; FPPC No. 21/146. Staff: Vanessa Jimmy, Commission Counsel and Jay Gehres, Special Investigator. Miguel Madrid was an unsuccessful candidate for City Council in the November 3, 2020 General Election. Committee to Elect Miguel Madrid City Council 2020 was Miguel Madrid's candidate-controlled committee. Sandra Males-Madrid served as the Committee's treasurer. The Committee, Madrid, and Males-Madrid failed to include the proper advertisement disclosures on a mailer, in violation of Government Code Section 84504.2 (1 count); and failed to timely file two 24-Hour Reports, in violation of Government Code Section 84203 (2 counts), one Statement of Organization, in violation of Government Code Section 84103 (1 count), one Campaign Statement Short Form Supplement, in violation of Government Code Section 84206 (1 count), and one semi-annual campaign statement, in violation of Government Code Section 84200 (1 count). Chief Discretion was used in this matter to include advertisement disclosure violation count 1 in Tier One and to exclude campaign statement/report late filer violations counts 2 and 3 from receiving a penalty. Campaign statement/report late filer violations counts 4 and 5 are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. Fine: \$612 (Tier One).

In the Matter of Save Sonoma Jobs- No on Measure B, Bryce Skolfield, and David Wabel; FPPC No. 21/161. Staff: Laura Columbel, Commission Counsel and Kristin Hamilton, Special Investigator. Save Sonoma Jobs-No on Measure B is a primarily formed committee. Bryce Skolfield served as the Committee's treasurer. David Wabel served as the Committee's principal officer. The Committee, Skolfield, and Wabel failed to timely file a Statement of Organization, in violation of Government Code Section 84101 (1 count), twelve 24-Hour Reports, in violation of Government Code 84203 (12 counts), and seven semi-annual statements, in violation of Government Code Section 84200 (7 counts). The Committee, Skolfield, and Wabel failed to report employment and occupation information for contributions received on two pre-election statements, in violation of Government Code Section 84211(f) (2 counts). The Committee, Skolfield, and Wabel failed to include proper advertisement disclosures on mass mailings, large print ads, and the Committee's website, in violation of Government Code Sections 84305 (2 counts), 84504.2 subdivision (b) (4 counts), and 84504.3 subdivision (c) (1 count). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. Chief Discretion was used in this matter to have counts 24 and 26-29 be eligible for a \$0 penalty. Fine: \$3,742 (Tier One).

In the Matter of Stop All Sprawl- A Committee in Support of Measure A and Oppose Measure B, Briana Baleskie, and Peter Anderson; FPPC 20/234. Staff: Cinthya Bernabé, Commission Counsel and Kristin Hamilton, Special Investigator. Stop All Sprawl- A Committee in Support of Measure A and Oppose Measure B is a primarily formed committee for the calendar year of 2020. Briana Baleskie served as the Committee's treasurer. Peter Anderson served as the Committee's principal officer. The Committee, Baleskie, and Anderson failed to timely file an amended Statement of Organization, in violation of Government Code Section 84200 (1 count), one pre-election campaign statement, in violation of Government Code Section

84200.5 (1 count), two 24-Hour Reports, in violation of Government Code Section 84203 (2 counts), two 24-Hour Reports, in violation of Government Code Section 84203 (2 counts), and one semi-annual campaign statement, in violation of Government Code Section 84200 (1 count). The Committee, Baleskie, and Anderson failed to timely disclose on two pre-election campaign statements, in violation of Government Code Section 84211 (2 count). The Committee, Baleskie, and Anderson failed to include proper advertisement disclosures on yard signs, in violation of Government Code Section 84504.2 (1 count). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. Fine: \$2,452 (Tier One).

In the Matter of Glendale Coalition for Better Government, Seda Khachaturian, and Frank Gallo; FPPC No. 22/835. Staff: Marissa Corona, Senior Commission Counsel and Kaitlin Osborn, Special Investigator. Glendale Coalition for Better Government is a general purpose committee. Seda Khachaturian served as the Committee's treasurer. Frank Gallo served as the Committee's principal officer. The Committee, Khachaturian, and Gallo failed to timely file three semi-annual campaign statements, in violation of Government Code Section 84200 (3 counts), failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts), failed to timely file two 24-Hour Reports, in violation of Government Code Section 84204 (2 counts), and failed to include the proper advertisement disclosure on a yard sign, in violation of Government Code Section 84506.5 (1 count). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. Chief Discretion was used in this matter to have counts 3 through 7 be eligible for a \$0 penalty. Fine: \$641 (Tier One).

#### Recordkeeping

In the Matter of Women of Long Beach, Gary Crummitt, and Nadia Tushnet; FPPC No. 20/1029. Staff: Marissa Corona, Senior Commission Counsel and Kaitlin Osborn, Special Investigator. Women of Long Beach is a general purpose committee. Gary Crummitt served as the Committee's treasurer. Nadia Tushnet served as the Committee's principal officer. The Committee, Crummitt, and Tushnet failed to timely file two semi-annual campaign statements, in violation of Government Code Section 84200 (2 counts), failed to timely file three pre-election campaign statements, in violation of Government Code Section 84200.5 (3 counts), failed to timely file one 24-Hour Report, in violation of Government Code Section 84204 (1 count), and failed to timely file two verification of 24-Hour Reports, in violation of Government Code Section 84213 (2 counts). The Committee, Crummitt, and Tushnet also failed to timely report subvendor payments, in violation of Government Code Section 84211 (1 count), and failed to keep adequate records for the 2020 calendar year, in violation of Government Code Section 84104 (1 count). Certain violations are eligible for a Warning Letter and are included in the streamline stipulation as a \$0 penalty. Chief Discretion was used in this matter to have counts 5 through 8 be eligible for a \$0 penalty. Fine: \$1,307 (Tier One).

In the Matter of We the Parents MB, Fred Taylor and Andrea Laraneta; FPPC No. 23/171. Staff: Vanessa Jimmy, Commission Counsel and Ann Flaherty, Special Investigator. We the Parents MB was a primarily formed ballot measure committee. Andrea Laraneta served as the Committee's treasurer and Fred Taylor served as the principal officer. The Committee, Taylor, and Laraneta failed to include the proper advertisement disclosures in mailers, signs, emails, and

an online newsletter, in violation of Government Code Sections 84502, 84504.2, and 84504.3 (3 counts), failed to maintain adequate records, in violation of Government Code Section 84104 and Regulation 18401 (1 count), accepted 16 cash contributions over \$100 and paid a cash expenditure over \$100, in violation of Government Code Section 84300 (2 counts), failed to timely file a Statement of Organization within 10 days of committee qualification, in violation of Government Code Section 84101 (1 count), failed to timely file two pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts), and failed to timely file one semi-annual campaign statement, in violation of Government Code Section 84200 (1 count). Chief Discretion was used in this matter to include advertisement disclosure violation counts 1 and 2 in Tier One, to include recordkeeping violation count 1 in Tier One, to reduce the base penalty for cash contribution/expenditure violation counts 1 and 2, and to exclude campaign statement/report late filer violations counts 2-4 from receiving a penalty. Fine: \$2,615 (Tier One).

#### Committee Naming Requirements

In the Matter of Committee to Support the Quality Teachers, Staff & Schools Measure 2020, Yes on I, Carol Briggs, and John Echeto; FPPC No. 21/1095. Staff: Jonathan Rivera, Commission Counsel. Committee to Support the Quality Teachers, Staff & Schools Measure 2020, Yes on I was a primarily formed ballot measure committee in support of a school bond measure that appeared on the Los Angeles County ballot for the March 3, 2020 Primary Election. John Echeto was the Committee's treasurer. The Committee, Briggs, and Echeto failed to comply with the Act's committee naming requirements on six campaign statements, in violation of Government Code Section 84107 (6 counts). Chief Discretion was used in this matter to include count 3 in tier 2 and exclude counts 4 through 6 from receiving a streamline penalty. Fine: \$2,400 (Tier Two).

#### Laundered Campaign Contributions

In the Matter of Ryan Ogulnick; AC 2525 Main, LLC; RHW Holdings, LLC; Beverly Grossman Palmer; and the PAC known as "Californians for Ethical Patient Care, Yes on Tinajero for Mayor and Sarmiento and Reyna for City Council; No on Bacerra for City Council, Santa Ana 2018, Sponsored by 19th Green OC, LLC,"; FPPC No. 18/1194. Staff: Neal Bucknell, Senior Commission Counsel and George Aradi, Special Investigator. Palmer and the PAC are represented by Amber Maltbie of Nossaman LLP. Ogulnick and the LLC respondents are represented by Gary Winuk of Kaufman Legal Group. Ryan Ogulnick is an Orange County developer and part-owner of the LLC respondents, which are both development companies. Beverly Grossman Palmer is a campaign attorney and partner with the law firm of Strumwasser & Woocher, LLP. Palmer served as the PAC's treasurer. In this matter, at the request/direction of Ogulnick, the LLC respondents made three contributions to the PAC (totaling \$320,000) in the name of another company—in violation of Government Code Section 84301 (3 counts). Also, Ogulnick, the LLC respondents, and the PAC caused misleading and inaccurate reporting on a 24-Hour Report regarding the true sources of contributions to the PAC (totaling \$170,000), in violation of Government Code Section 84203 (1 count). With respect to a semi-annual statement that was filed for the period ending December 31, 2018, Ogulnick, Palmer, the PAC, and both LLC respondents failed to comply with various campaign reporting

requirements, in violation of Government Code Sections 84211, subdivisions (f), (k); and 84303 (1 count). Palmer and the PAC failed to file required 24-Hour Reports with respect to the PAC's advertisements—in violation of Government Code Section 84204 (3 counts). Additionally, Ogulnick, the PAC, and the LLC respondents provided misleading and inaccurate top contributor disclosures for PAC advertisements (during the last week leading up to the election), in violation of Government Code Sections 84503, 84504.1 and 84504.3 (1 count). Fine: \$87,000.

#### Cash and In-Kind Contributions and/or Expenditures

In the Matter of Sherilyn Long for City Council 2022, Sherilyn Long, and Robert Rego; FPPC No. 23/012. Staff: Marissa Corona, Senior Commission Counsel and Special Investigator, Kaitlin Osborn. Sherilyn Long was an unsuccessful candidate for Yucaipa City Council in the November 8, 2022 General Election. Sherilyn Long for City Council was Long's candidate-controlled committee. Robert Rego served as the Committee treasurer from October 6, 2022 through October 25, 2022. The Committee and Long failed to timely file a 24-Hour Report, in violation of Government Code Section 84203 (1 count) and failed to accurately report all contributions and expenditures on one preelection campaign statement, in violation of Government Code Section 84211 (1 count). The Committee, Rego and Long failed to accurately report all contributions and expenditures on one preelection campaign statement, in violation of Government Code Section 84211 (1 count) and improperly accepted cash contributions, in violation of Government Code Section 84300 (4 counts). Chief Discretion was used in this matter to include counts 4 and 5 in Tier One and resolve counts 6 and 7 with a Warning Letter (these counts are included in the streamline stipulation as a \$0 penalty). Fine: \$602 (Tier One).

# Legislation

#### AB 359 (Ramos) – Extension of Local Contracting Authority

**Short Summary**: AB 359 would delete the sunset provision in the statute that authorizes the FPPC to contract with local government agencies, upon mutual agreement, to administer, implement, and enforce the agency's local campaign finance or government ethics laws.

#### **Detailed Summary:**

Existing law: Existing law authorizes the FPPC, upon mutual agreement with the governing body of a local government, to assume primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance or government ethics law passed by the local government agency. Existing law includes a sunset provision that repeals this section on January 1, 2026, unless other legislation extends or repeals the sunset provision, and required the FPPC to submit a report to the Legislature on January 1, 2025, on the performance of any agreements entered under this section, which was timely submitted by the FPPC.

*Current contracts*: Pursuant to the authority in this section, the FPPC has one current contract with the City of San Bernardino.

Extend the authority indefinitely: AB 359 would delete the sunset provision, thereby extending the operation of the section indefinitely. The bill would also delete the expired reporting provision.

Clarify authority: Pursuant to the general authority granted to administer, implement, and enforce these local laws, the FPPC has interpreted the section to include authority to audit. For clarity, AB 359 would add explicit authority for the FPPC to conduct audits with regard to the local campaign finance or government ethics laws.

#### AB 775 (Fong) – Behested Payment Reporting

**Short Summary**: AB 775 would require behested payment reports submitted by elected state and local officers and members of the Public Utilities Commission to be electronically filed directly with the FPPC. As an alternative to electronic filing with the FPPC, the bill would permit local elected officers to file directly with their local filing officer under the condition that the reports are posted publicly on the local agency's website. The bill would also alter the reporting deadline, create a new threshold for when a subsequent report is required to be filed for additional behested payments from the same donor, and codify two existing regulations.

#### **Detailed Summary:**

Existing law:

- Definition of behested payment: Generally, a "behested payment" is a payment requested or solicited by an elected official that is paid by one individual or organization to another individual or organization for a legislative, governmental, or charitable purpose.
- Reporting threshold for behested payments: An elected officer or member of the Public Utilities Commission (PUC) is required to submit a behested payment report when a single source (payor) makes a behested payment or payments at the behest of the elected officer or PUC member totaling \$5,000 or more in the aggregate in a calendar year.
- Reporting process and deadline: Elected officers and PUC members must file behested payment reports with their respective agencies within 30 days of reaching the reporting threshold. At the state level, the agency is then required to forward a copy of the report to the FPPC within 30 days. At the local level, the agency is required to forward a copy of the report to the local filing officer within 30 days.
- Subsequent reports: If an elected officer or PUC member submits a behested payment report for a payor, and that same payor later makes another behested payment in any amount in the same calendar year, the elected officer or PUC member must submit a subsequent behested payment report for that payor.

Reporting process, electronic filing: AB 775 would require behested payment reports filed by elected state or local officers or PUC members to be filed directly with the FPPC using the FPPC's electronic filing system for behested payment reports.

Reporting process, alternate option for local elected officers: As an alternative to electronic filing with the FPPC, AB 775 would permit local elected officers to file behested payment reports directly with their local filing officer if all behested payment reports for officers of that agency are posted publicly on the local agency website. Local electronic filing would also be authorized, and the bill would clarify that an electronically filed report is an original report.

Deadline for initial behested payment reports: AB 775 would alter the deadline for filing behested payment reports. Behested payments that meet the threshold of \$5,000 or more in the aggregate from a single source in a calendar year would be required to be reported within 30 days following the end of the calendar quarter in which that threshold was met.

Subsequent reports: AB 775 would require reporting of subsequent payments made after an initial behested payment report for a particular donor only after reaching an additional \$1,000 from the same donor in the same calendar year. These subsequent reports would also be due within 30 days after the end of the calendar quarter.

Codification of two regulations: AB 775 would codify two existing regulations, which specify additional information that must be reported on a behested payment report and permit a good faith estimate of the behested payment amount to be reported.

#### AB 808 (Addis) - Cal-Access Replacement System Clean-Up Bill

**Short Summary**: AB 808 makes conforming amendments to sections in the PRA that become operative after the certification of the Cal-Access Replacement System by the Secretary of State.

#### **Detailed Summary:**

*Background*: Cal-Access is the statewide campaign finance and lobbying reporting platform, created and administered by the Secretary of State. The Cal-Access Replacement System, known as CARS, is currently in development and will be a modernized, data-driven filing and search system. Several sections of the PRA have been amended by prior legislation with delayed operative dates, set to take effect after CARS is certified by SOS.

Eliminates filing by fax: AB 808 would eliminate references to filing by fax in the PRA.

Deletes reference to "forms": AB 808 would delete the reference to "forms" in the definition of "campaign statement."

Clarifies when signature verification is needed: AB 808 would clarify for campaign finance reporting, verification is needed for semiannual and pre-election statements. This would clarify that, once CARS is certified, this verification is not needed for the 24-hour/10-day independent

expenditure reports, consistent with current law.

AB 953 (Pacheco and Alanis) – Preventing Foreign Interference in California Elections Short Summary: AB 953 would expand the existing prohibition on foreign governments and foreign principals making contributions, expenditures, and independent expenditures to apply additionally to foreign nationals.

#### **Detailed Summary:**

Existing federal law prohibits a foreign <u>national</u> from making a contribution, expenditure, or independent expenditure in connection with a federal, state, or local <u>candidate</u> election.

Existing state law further prohibits a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with a state or local <u>ballot measure</u>. In California, "foreign principal" is defined for these purposes to include an individual who is "outside the United States" and is not a U.S. citizen. Because the definition of "foreign principal" in state law is centered on the location of the individual (outside the United States), state law would permit a foreign national to enter the country and make a contribution, expenditure, or independent expenditure in connection with a ballot measure, even though that person would be prohibited from making the contribution or expenditure if they were located outside of the United States.

Extension of the prohibition: AB 953 would prohibit a foreign national from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure.

"Foreign national" defined: AB 953 would define "foreign national" to mean a person who is not a citizen of the United States and who is not a lawfully admitted permanent resident. This is the same definition used in federal law.

Exemption for DACA: AB 953 would exempt from the definition of "foreign national" a person who has been granted deferred action, and whose deferred action has not expired, under the federal Deferred Action for Childhood Arrivals (DACA) program, as described in guidelines issued by the United States Department of Homeland Security.

### SB 280 (Cervantes) – Contributions in State and Local Offices and Office Buildings

**Short Summary**: SB 280 would expand the existing prohibition on delivering or receiving contributions in state offices and office buildings to additionally apply to local government offices and office buildings and legislative district offices.

#### **Detailed Summary:**

Existing law: Existing law prohibits a person from receiving, personally delivering, or attempting to deliver a contribution in the State Capitol, any state office building, or in any office for which the state pays the majority of the rent other than a legislative district office.

Expanding the prohibition: SB 280 would apply the above prohibition to local government office buildings, provide that the prohibition applies to any office for which the state or a local government pays any rent, and strike the exemption for legislative district offices.

*Definition:* "State or local government office building" would be defined in the bill to mean any state-owned or local government-owned building in which more than 50 percent of the total floor area is used as office space for government employees.

#### AB 884 (Essayli) – Prohibition on Contributions from Investor-Owned Utilities.

**Short Summary**: AB 884 would prohibit an investor-owned utility from making a contribution to a state candidate and would prohibit a state candidate from accepting a contribution from an investor-owned utility.

#### **Detailed Summary:**

Existing law: The PRA limits the amount of contributions that a state candidate may accept from a single contributor.

Contribution prohibition: AB 884 would prohibit an investor-owned utility from making a contribution to a candidate for elective state office and would prohibit a candidate for elective state office from accepting a contribution from an investor-owned utility.

## AB 950 (Solache) - Campaign Advertisement Disclaimers; Larger Printed Ads

**Short Summary**: AB 950 would alter the requirements for disclaimers on larger printed campaign advertisements.

#### **Detailed Summary:**

Existing law: Existing law requires that print advertisements paid for by a committee, other than a political party committee or a candidate controlled committee, include specified disclosures that state, among other things, the payor of the advertisement and the ad committee's top funders. Existing law, for larger printed advertisements such as yard signs and billboards, requires that each line of the disclosure meet a minimum size requirement of no less than 5 percent of the height of the advertisement.

Size requirement: AB 950 would eliminate the minimum size requirement and would instead impose a maximum size requirement by prohibiting the disclosure from exceeding 5 percent of the total copy area of the advertisement for larger printed advertisements.

Website address: AB 950 would allow larger printed advertisements to satisfy the disclosure requirements by including a reference to an internet website where all of the information required to be disclosed is provided, instead of listing the information on the face of the advertisement.

#### AB 1511 (Assembly Committee on Elections) – Transfer of Candidate Funds

**Short Summary**: AB 1511 would revise the conditions under which a candidate who, before the primary election, raises campaign funds for the general election may transfer those general election funds to another candidate committee.

#### **Detailed Summary:**

Existing law: Existing law permits a state, county, or city candidate to raise contributions for a general or special general election before the primary or special primary election for the same office if those contributions are set aside and used for the general or special general election. Existing law requires the candidate to refund those general or special general election funds to the contributors if the candidate is defeated in the primary or special primary election or otherwise withdraws from the general or special general election.

Existing law: Existing law, as added by SB 948 (2024), provides that the above refund requirement does not apply to a candidate who does not file a declaration of candidacy to qualify for a primary or special primary election, and the candidate is not required to refund those contributions. Existing law permits these candidates to instead transfer those funds to a committee established for the same or a different office, subject to the attribution rules.

Expansion of transfer authority: AB 1511 would revise the above provision to instead permit a candidate to transfer general or special general election funds if (1) the candidate's name has not been listed on the ballot at a primary or special primary election, and (2) the candidate has not qualified to have write-in votes cast on their behalf counted by elections officials for nomination or election to an elective office at a primary or special primary election."

*Voter information guide*: AB 1511 would also change "ballot pamphlet" to "voter information guide" throughout the PRA.

#### SB 42 (Umberg and Allen) - Public Campaign Financing

Principal Coauthors: Senators Becker, Blakespear, and Stern, and Assemblymember Lee

**Coauthor:** Senator McNerney

**Short Summary**: SB 42 would generally permit the use of public money for the purpose of seeking elective office under certain conditions and restrictions. The bill would also make an unrelated change in the PRA to increase the maximum penalty for violations of the foreign contributions prohibition. The bill would be subject to voter approval at the November 2026 election.

#### **Detailed Summary:**

Existing law, public campaign financing: Existing law prohibits a public officer from expending, and a candidate from accepting, public money for the purpose of seeking elective office.

Legislative and legal history: In 2016, an exception was added to allow public funds to be used for campaigns under specific conditions. The 2016 exception was challenged and was declared void and unenforceable by a Superior Court decision and affirmed by the Court of Appeals in 2019 as an improper legislative amendment of a voter initiative.

*Eliminates the prohibition:* SB 42 would strike the general prohibition on using public funds for the purpose of seeking elective office.

*Earmarked funds:* SB 42 would prohibit the use of public funds for the purpose of seeking elective office if the funds are earmarked by any state or local entity for education, transportation, or public safety.

Conditions for receiving public funds: SB 42 would require candidates to abide by expenditure limits and meet "strict criteria," set by statute, ordinance, or charter, to qualify for public funds. The bill requires that the criteria require candidates to demonstrate broad-based support in their district.

*Prohibited use*: SB 42 would prohibit public funds from being used to pay legal defense fees or fines, repay a personal loan to their campaign, or use of any source of funds to repay a personal loan to the campaign after the campaign ends.

Expenditure limits: SB 42 would authorize a statute, ordinance, or charter to increase the expenditure limits for each qualified, voluntarily participating candidate, subject to a specific restriction.

Prohibition on party, challenger, or incumbent preference: SB 42 would prohibit public funding statutes, charters, ordinances, and resolutions from discriminating based on party or according to whether a candidate is a challenger or an incumbent.

*Enforcement*: SB 42 would provide that the FPPC is not responsible for the administration or enforcement of a local system of public funding of candidates.

Existing law, foreign contributions: Existing law prohibits a foreign government or foreign principal from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot measure or the election of a candidate to state or local office. Existing law provides that a person who violates this prohibition shall be guilty of a misdemeanor and fined an amount equal to the amount contributed or expended.

*Increasing the penalty:* SB 42 would provide that a violation of the foreign contributions prohibition is subject to a fine of, at minimum, the amount contributed or expended, or up to three times the amount contributed or expended.

*Voter approval:* The bill would be submitted to the voters for approval at the November 3, 2026, statewide general election.

#### **SB 321** (Cervantes) – Late Signature Curing Expenditure Reports

**Short Summary**: SB 321 would require a committee to report within 24 hours an expenditure relating to certain ballot signature curing activities.

#### **Detailed Summary:**

Existing law: Existing law in the Elections Code provides for specific procedures that must be followed if a voter's signature on their ballot identification envelope does not match the signature on file or if the identification envelope has not been signed. These procedures include sending a notice to the voter by first-class mail within a specific time period before the certification of the election.

Existing law: Existing law in the PRA requires reporting within 24 hours of "late independent expenditures," which are independent expenditures of \$1,000 or more in the aggregate made within 90 days before the election.

*New 24-hour reports*: SB 321 would require a committee that makes a "late signature curing expenditure" to report the expenditure within 24 hours.

"Late signature curing expenditure" defined: SB 321 defines "late signature curing expenditure" to mean an expenditure made by a committee related to ballot curing activities described in Section 3019 of the Elections Code that occurs after the date of the election and before the certification of the election. "Late signature curing expenditure" includes any expenditure made for the purpose of contacting a person regarding a signature verification statement or an unsigned verification envelope statement.

*Filing details*: SB 321 mirrors the <u>provisions for filing late independent expenditure reports</u> regarding the manner and contents of filing these reports, and where to file them.

# SB 458 (Niello and Umberg) – Ballot Measure Titles, Summaries, and Financial Impact Estimates

Coauthor: Senator Ochoa Bogh

**Short Summary**: SB 458 would require the Legislative Analyst, instead of the Attorney General, to prepare the official summary of measures that will appear on the ballot, contingent on passage of similar proposed changes in the California Constitution.

#### **Detailed Summary:**

Existing law: The PRA includes requirements relating to the content of the state ballot pamphlet, including summaries and analyses of measures. The Legislative Analyst is required to prepare summaries of the general meaning and effect of "yes" and "no" votes on each state measure, and an impartial analysis of the measure, including a description of the measure and a fiscal analysis. The Attorney General is responsible for preparing the official summary for each measure.

Responsibility for the official summary: SB 458, as it amends the PRA, would require the Legislative Analyst, instead of the Attorney General to prepare the official summary of each measure.

Other changes in the Elections Code: The bill makes several similar changes in the Elections Code to require the Legislative Analyst, instead of the Attorney General, to prepare ballot titles and summaries for initiative and referendum measures.

Contingent on passage of a Constitutional amendment: The California Constitution imposes certain duties on the Attorney General relating to initiative and referendum petitions and measures. Another bill, SCA 3, would amend the California Constitution to impose these duties instead on the Legislative Analyst. The changes made in SB 458 would only take effect if SCA 3 also passes.

# SB 644 (Blakespear) – Contribution Limits for Candidates for Judicial Council, School Districts, and Community College Districts

**Short Summary**: SB 644 would impose contribution limits on candidates for judicial council, school district, and community college district office.

#### **Detailed Summary:**

Existing law: Existing law generally prohibits a person from making to a candidate for elective state, county, or city office, and prohibits such a candidate from receiving, a contribution of more than \$5,900 per election (current limit). This amount is adjusted by the Fair Political Practices Commission in January of every odd-numbered year to reflect changes in the Consumer Price Index.

*Prior legislation*: AB 571 (2019), effective January 1, 2021, applied a default campaign contribution limit to city and county candidates where the city or county had not already enacted a contribution limit.

Contribution limits for additional offices: SB 644 would impose the PRA's contribution limits on candidates for judicial council, school district, and community college district office.

*Local limits*: SB 644 would exempt those candidates from the contribution limits provided in the PRA if either:

A different limit is imposed by the city or county pursuant to 85702.5, or

A more restrictive limit is set by the judicial council, school district, or community college district pursuant to new authority added by this bill. The bill provides that the FPPC is not responsible for the administration or enforcement of these local limits.

Delayed operative date: SB 644 would become operative on January 1, 2027. FPPC: In an uncodified bill section, SB 644 would require the FPPC to issue guidance for the implementation of the bill.

Other: The bill would make other conforming changes in the Education Code.

# SB 760 (Allen) – Behested Payments Reporting Exemption for Public Appeals for Payment Short Summary: SB 760 would create an exemption to the behested payment reporting requirements for certain public appeals for payment.

#### **Detailed Summary:**

Existing law: Existing law requires elected officers and members of the Public Utilities Commission to submit behested payment reports when behested payments from a single donor reach \$5,000 or more in the aggregate in a calendar year. Generally, a "behested payment" is a payment requested or solicited by an elected official that is paid by one individual or organization to another individual or organization for a legislative, governmental, or charitable purpose.

Exemption to reporting: SB 760 would provide that no behested payment report is required if the officer or member makes a public appeal for payment by:

- (A) Television.
- (B) Radio.
- (C) Billboard.
- (D) A public message on an online platform.
- (E) The distribution of 200 or more identical pieces of printed material.
- (F) The distribution of a single email to 200 or more recipients.
- (G) A speech to a group of 20 or more individuals.

*Limit to exemption*: SB 760 provides that the reporting exemption above does not apply if either of the following apply:

- (A) It is reasonably foreseeable that the payment will have a <u>material financial effect</u>, distinguishable from its effect on the public generally, on the behesting official or member, or a member of their immediate family.
- (B) The behesting officer or member is <u>informed that a specific payment was made</u> as a result of the officer or member's public appeal.