Third Quarter Update 2025

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 mailing list here.

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>.

Mass Mailings at Public Expense

In the Matter of City of Hanford; FPPC No. 22/564. Staff: Alex Rose, Senior Commission Counsel and Alethea Perez, Special Investigator. The respondent was represented by Ty Mizote of Griswold LaSalle. The City of Hanford sent prohibited campaign-related mass mailings at public expense, in violation of Government Code Section 89001 and Regulation 18901.1 (1 count); failed to include the proper advertising disclosure on mailers, in violation of Government Code Sections 84502 and 84504.2 (1 count); failed to timely file an independent expendite committee campaign statement for the period ending June 30, 2022, in violation of Government

Code Section 84200, subdivision (b) (1 count); and failed to timely file one 24-Hour Report, in violation of Government Code Section 84204 (1 count). Fine: \$18,000.

Legislation

AB 359 (Ramos) – Extension of Local Contracting Authority

Status: Passed in the Senate on 7/17/25 (35-0); passed in the Assembly on 8/25/25 (76-0); enrolled and presented to the Governor on 9/2/25

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.

Repeals redundant section: Existing law authorizes the FPPC, upon mutual agreement with the County of San Bernardino, to assume primary responsibility for the impartial, effective administration, implementation, and enforcement of the county's local campaign finance reform ordinance. This authority is similar to the general authority to contract with local government agencies discussed above. AB 359 would repeal that section.

SB 827 (Gonzalez) – Ethics Training for Local Agency Officials

Status: Passed in the Assembly on 9/8/25 (64-7); passed in the Senate on 9/9/25 (30-10); enrolled and presented to the Governor on 9/17/25

Short Summary: SB 827 would expand the local agency ethics training requirements to an additional category of individuals and would shorten the deadline for completing the training.

Detailed Summary:

Existing law: Existing law requires local agency officials to complete training on general ethics principles and ethics laws, including ethics requirements in the PRA. A bill effective this year imposed a statutory requirement that the FPPC, in consultation with the AG, create, maintain, and make available to local agency officials an ethics training course that satisfies the training requirements.

Expansion to additional individuals: SB 827 would expand those ethics training requirements additionally to "[a] department head or other similar administrative officer of a local agency."

Training deadline: Existing law requires that the ethics training must be completed within 1 year from the first day of service with the local agency. SB 827 would instead require local agency officials who commence service with a local agency on or after January 1, 2026, to receive the training no later than six months from the first day of service with the local agency.

Local agency duty: Existing law requires a local agency that is subject to the ethics training requirements to maintain certain records of the training. SB 827 would require the local agency, if the local agency has an internet website, to publish those records on its internet website.

Other changes: The bill makes additional changes in the Government Code unrelated to the FPPC.

AB 789 (Bonta) – Use of Campaign Funds for Security Expenses

Status: Passed in the Senate on 9/12/25 (31-4); passed in the Assembly on 9/13/25 (65-6); enrolled and presented to the Governor on 9/24/25

Short Summary: AB 789 would permit elected officers and candidates to use campaign funds for security expenses subject to no limit until January 1, 2029, after which each elected officer or candidate would be subject to a cap of \$10,000 per calendar year. The bill would also clarify which family members cannot be paid with campaign funds for these purposes.

Detailed Summary:

Existing law: Existing law authorizes a candidate or elected officer to use campaign funds for the reasonable costs of installing and monitoring a home or office electronic security system or for

another tangible item related to security, and for the reasonable costs of providing personal security to a candidate, elected officer, or the immediate family or staff of a candidate or elected officer. Existing law imposes a lifetime cap of \$10,000 for these expenditures per elected officer or candidate. Existing law prohibits payments for these purposes to a relative, within the third degree of consanguinity, of a candidate or elected officer.

Eliminates cap: AB 789 eliminates the \$10,000 lifetime cap and instead provides that an elected officer or candidate may use campaign funds for security expenses subject to no limit until January 1, 2029, after which each elected officer or candidate would be subject to a cap of \$10,000 per calendar year for security expenses.

Clarification regarding prohibited expenditures for family members: AB 789 would clarify that campaign funds for these purposes cannot be used to pay the candidate's or elected officer's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any such person.