



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission (the Commission), under the authority vested in it under the Political Reform Act (the Act)¹ by Section 83112 of the Government Code, proposes to adopt, amend, or repeal regulations in Title 2, Division 6 of the California Code of Regulations. The Commission will consider the proposed regulations at a public hearing on or after **November 19, 2026**, at the offices of the Fair Political Practices Commission, 1102 Q Street, Suite 3050, Sacramento, California, commencing at approximately **10:00 a.m.** Written comments should be received at the Commission offices no later than **5:00 p.m.** on **November 17, 2026**.

BACKGROUND/OVERVIEW:

In 2025, the California Legislature enacted AB 1029, which requires public officials to report an “investment” in a “digital financial asset” on Statements of Economic Interests (SEIs). A “digital financial asset” is defined in the Finance Code as “a digital representation of value that is used as a medium of exchange, unit of account, or store of value, and that is not legal tender,” whether or not the value is expressed in a specific currency. (Finance Code Section 3102(g)(1).) Legal tender means “a medium of exchange or unit of value,” which includes coin or paper money issued by the United States or another government. (Fin Code Section 3102(l).)

AB 1029 repeals and replaces Sections 82034, 87206, 87302, and 87350 of the Act, effective January 1, 2027. The replacement sections are substantially similar to the existing provisions and add language regarding digital financial assets. The changes will add “digital financial asset” to the definition of “investment” in Section 82034 and include reporting requirements for digital financial assets as investments on SEIs for all filers: Section 87200 filers, agency-designated conflict-of-interest code filers, and multiagency filers as described in Section 87206, 87302, and 87350.

REGULATORY ACTION: Amend 2 Cal. Code Regs. Sections 18237, 18421.2, 18705, and 18730.

Staff proposes amendments to Regulations 18237, 18421.2, 18705, and 18730 to align the Commission’s regulations with statutory changes made by AB 1029, effective January 1, 2027. The proposed amendments include, but are not limited to, language clarifying that when reporting a “digital financial asset” as an “investment,” persons shall report the name of the

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through 18998 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

“digital financial asset” as commonly known to the public and replacing the “cryptocurrency” terminology currently used in the Commission’s regulations to align with the “digital financial asset” terminology added to the Act through the statutory changes made by AB 1029. The Commission will specifically consider the following proposals made by Commission Staff:

Amend 2 Ca. Code Reg Section 18237

Amend Regulation 18237 to rename the title to more accurately describe the exception to the definition of “investment” and remove “cryptocurrency holdings” from the exception to the definition of “investment” found in Section 82034. Make other non-substantive grammatical changes for clarity and readability.

Amend 2 Ca. Code Reg Section 18421.2

Amend Regulation 18421.2 to remove “cryptocurrency” terminology and replace it with “digital financial asset” terminology in the title and body of the regulation to align with the statutory changes made by AB 1029. Make other non-substantive grammatical changes for clarity and readability.

Amend 2 Ca. Code Reg Section 18705

Amend Regulation 18705 to add language clarifying that when a public official has an investment in a “digital financial asset,” prior to participating in a governmental decision the official is legally required to participate in, the public official must disclose the name of the “digital financial asset” as it is commonly known to the public.

Amend 2 Ca. Code Reg Section 18730

Amend Regulation 18730 to require public officials to report interests in any “digital financial asset” on their SEIs and clarify that public officials must report the name of the “digital financial asset” as it is commonly known to the public. Make other non-substantive grammatical changes for clarity.

SCOPE: The Commission may adopt the language noticed herein, or it may choose new language to implement its decisions concerning the issues identified above or any related issues.

FISCAL IMPACT STATEMENT:

Fiscal Impact on Local Government.	None.
Fiscal Impact on State Government.	None.
Fiscal Impact on Federal Funding of State Programs.	None.

AUTHORITY: Section 83112 provides that the Fair Political Practices Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the Act.

REFERENCE: Section 82019 and 87200-87210, Government Code.

CONTACT: Any inquiries should be made to Margaret Roeckl-Navazio, Fair Political Practices Commission, 1102 Q St., Suite 3050, Sacramento, CA 95811; email: mroeckl-navazio@fppc.ca.gov; telephone 279-237-5943. The proposed regulatory language can be accessed at <http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html>.