

## **Recent Changes to the Political Reform Act**

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Below are summaries of the recent legislative and regulatory changes to the Political Reform Act (the “Act”). All the legislative provisions take effect on January 1, 2026, except AB 1029 and SB 42, which were written to become operative at later dates or as noted in the bill summaries below, and AB 808, which will take effect when the Secretary of State’s new Cal-Access Replacement System (“CARS”) goes live. All regulatory changes were approved by the Commission in 2025. To view the full text of the bills, visit: <http://leginfo.legislature.ca.gov/>. To view the full text of the FPPC regulations, visit: <http://www.fppc.ca.gov/the-law/fppc-regulations.html>.

### **Legislative Changes**

**Extension of Local Contracting Authority:** Removes an existing sunset provision, thereby extending the FPPC’s local contracting authority indefinitely. The FPPC, upon mutual agreement with the governing body of a local government, may 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. This bill is operative on January 1, 2026. (AB 359 (Ramos) – Chapter 257, Statutes of 2025.)

**Use of Campaign Funds for Security Expenses:** Permits elected officers and candidates to use campaign funds for security purposes, 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. This bill also clarifies which family members are ineligible to receive payments from campaign funds for security purposes, including the candidate’s or elected official’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. This bill is operative on January 1, 2026. (AB 789 (Bonta) – Chapter 621, Statutes of 2025.)

**Cal-Access Replacement System Clean-Up Bill:** Amends sections of the Act pertaining to the new statewide campaign finance and lobbying reporting platform, Cal-Access Replacement System (“CARS”), created and administered by the Secretary of State. Existing law requires a candidate or officeholder who does not have a controlled committee and does not anticipate receiving contributions or making expenditures of \$2,000 or more to file a short form declaring that the candidate or officeholder anticipates receiving and spending under that threshold. This short form will be eliminated and the Act will instead require that the candidate report this information on the Statement of Intention, required to be submitted before an individual becomes a candidate. The bill eliminates filing statements by fax and removes references to the term “forms”, replaces the term “statement” with “report” for campaign filings, and replaces “statement of organization” with “registration” in the Act. This bill clarifies that verification will not be required for the 24-hour/10-day independent expenditure reports upon the certification of CARS. The bill also repeals a provision in the Act that limits the amount of personal loans a candidate can make to their campaign to be consistent with a 2022 Supreme Court

decision that found limits on the repayment of candidate personal loans to be unconstitutional. Lastly, the bill eliminates the annual requirement that the FPPC publish an updated physical booklet of the Act, thereby enabling the FPPC to provide the materials exclusively electronically. This bill will take effect upon certification of the Secretary of State's new Cal-Access Replacement System ("CARS"). (AB 808 (Addis) Chapter 278, Statutes of 2025.)

**Preventing Foreign Interference in CA Elections:** Existing federal law prohibits a foreign national from making a contribution, expenditure, or independent expenditure in connection with a federal, state, or local candidate election. 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 ballot measure. The bill prohibits a foreign national from making a contribution, expenditure, or independent expenditure in connection with a state or local ballot, and defines "foreign national" to mean a person who is not a U.S. Citizen and not a lawfully admitted permanent resident. The bill also exempts a person who has been granted deferred action and whose deferred action has not expired, under the federal Deferred Action for Childhood Arrivals (DACA), from the definition of "foreign national." This bill is operative on January 1, 2026. (AB 953 (Pacheco and Alanis) – Chapter 170, Statutes of 2025.)

**Disclosure of Digital Financial Assets (Cryptocurrency):** Revises the Act's definition of "investment" to include a direct or indirect interest in a "digital financial asset," as defined in the Financial Code. As an investment under the Act, digital financial assets would be subject to disclosure on the Statement of Economic Interest in the same manner as other types of investments and could give rise to a conflict of interest if it were reasonably foreseeable that a government decision would have a material financial effect on the digital financial asset. This bill has a delayed operative date of January 1, 2027. (AB 1029 (Valencia) – Chapter 85, Statutes of 2025.)

**Disclosure of Prospective Employment:** This bill requires filers of the Statement of Economic Interests listed in Section 87200 to disclose any arrangement for prospective employment on their statements. An "arrangement of prospective employment" is defined in the bill to mean "an agreement pursuant to which a prospective employer's offer of employment has been accepted by the prospective employee, including through verbal or written acceptance by the prospective employee." The filers required to disclose prospective employment must disclose (1) the date that the filer accepted the prospective employer's offer of employment, (2) the business position, (3) a general description of the business activity of the prospective employer, and (4) the name and street address of the prospective employer. This bill is operative January 1, 2026. (AB 1286 (Boerner) – Chapter 186, Statutes of 2025.)

**Transfer of Candidate Funds and Voter Information Guide:** 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 and special general elections, and requires the candidate to refund those general or special general election funds to the contributors if the candidate was defeated in the primary or special primary election or otherwise withdraws from the general or special general election. In 2024, SB 948 provided 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 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 attribution rules. This bill revises the above provision to instead permit a candidate to transfer general or special general election funds if the following criteria are met: (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. This bill is operative on January 1, 2026. The bill also replaces the term "ballot pamphlet" with references to a "voter information guide" in several sections of the Act. (AB 1511 (Assembly Committee on Elections) – Chapter 249, Statutes of 2025.)

**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. This bill permits the use of public money for the purpose of seeking elective office under certain conditions and restrictions, such as if the public funds are earmarked by any state or local entity for education, transportation, or public safety, they cannot be expended or accepted for the purpose of seeking elected office. Public funds cannot be used to pay legal defense fees, fines, or to repay a personal loan to the campaign. If public funds have been accepted by a candidate, a candidate cannot use any source of funds to repay a personal loan to the campaign after the campaign ends. This bill would require candidates to demonstrate broad-based support in their district, abide by expenditure limits, and meet "strict criteria" set by statute, ordinance, or charter to qualify for public funds. This bill authorizes a statute, ordinance, or charter to increase the expenditure limits for each qualified, voluntarily participating candidate, subject to a specific restriction, and would also 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. This bill provides that the FPPC is not responsible for the administration or enforcement of a local system of public funding of candidates, unless the commission enters into a written agreement with the local agency to do so, and also provides that any amendments to this section must be approved by the voters, except that the following provisions may be amended by the Legislature with a 2/3 vote of each house:

- The provision defining several terms, including, among others, "expenditure limits" and "strict criteria."
- The provision authorizing the Legislature or a local government to increase the expenditure limits for participating candidates.
- The provision that provides that the FPPC is not responsible for the administration or enforcement of a system of public funding of candidates established by a local government agency.

This bill would also 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.

This bill is contingent on voter approval from the statewide general election held on November 3, 2026. (SB 42 (Umber, Allen, and Cervantes) Chapter 245, Statutes of 2025.)

**Behested Payments Reporting Exemption for Public Appeals for Payment:** This bill provides that no behested payment report is required if elected officers or members of the Public Utilities Commission make a public appeal for payment by way of:

- Television
- Radio
- Billboard
- A public message on an online platform;
- A public speech, unless the speech is given at an event that the officer or member knows is being held for the purpose of raising funds for the recipient organization, and any of the following apply:
  - the officer or member consents in advance to be a speaker
  - the officer or member consents to be featured in a solicitation
  - the officer or member publicly solicits contributions to the recipient organization

This bill also provides that the reporting exemption above does not apply if either of the following apply:

- The payee organization is not a governmental agency and the elected officer or member of the Public Utilities Commission knows that they, or a member of their immediate family, campaign staff, or officeholder staff, holds a position, including any of the following, with that payee organization:
  - Any position with decision-making capacity within the organization, such as a board member or executive officer position
  - Salaried employment at the organization
  - Status as a founding member of the organization
  - A position on an honorary or advisory board of the organization
- The behesting officer or member knows, within two years of the payment, that a specific payment was made in response to the officer or member's public appeal.

If an officer or member does not know at the time that a payment was made in response to their public appeal, the 30-day reporting deadline commences on the date that the officer or member first learns that the payment was made in response to that public appeal. This bill is operative on January 1, 2026. (SB 760 (Allen) – Chapter 551, Statutes of 2025.)

**Ethics Training for Local Agency Officials:** Existing law requires local agency officials to complete training on general ethics principles and ethics laws, including ethics requirements in the Act. This bill expands those ethics training requirements to “[a] department head or other similar administrative officer of a local agency.” This bill also shortens the deadline for ethics training completion from one year to six months from the first day of service with the local agency. Lastly, this bill requires that a local agency with an internet website publish records of its ethics training on that website. This bill is operative on January 1, 2026. (SB 827 (Gonzalez) – Chapter 611, Statutes of 2025.)

## **PRA Bill Notifications, Form 700 E-Filers, Contributions in State and Local**

**Buildings:** Existing law requires that the Act may be amended by the Legislature if at least 8 days before the passage in each house, or at least 12 days before the passage in each house if the previous form of the bill did not amend the Act, the bill in its final form has been delivered to the FPPC for distribution to persons who have requested that the FPPC send bill updates. This bill eliminates the manual notification requirement, linking the 8- or 12-day period described above to when the bill was printed, distributed to Members of the Legislature, and published on the internet, rather than when the bill was delivered to the Commission for manual distribution. This bill also corrects an inadvertent omission, adding the category of “public officials who manage public investments” to the list of 87200 filers that must file their Statement of Economic Interests electronically with the FPPC. This bill also expands on the existing law set forth in SB 280 that prohibits a person from receiving, personally delivering, or attempting to deliver a contribution in the State Capitol, any state building, or in any office for which the state pays the majority of the rent, other than a legislative district office, to now include local government office buildings and removes the exemption for legislative district offices. This bill is operative on January 1, 2026. (SB 852 (Committee on Elections and Constitutional Amendments) – Chapter 331, Statutes of 2025.)

## **Regulatory Changes**

### ***Campaign Changes***

**Regulation 18401 – Required Recordkeeping for Chapters 4 & 5:** Amendments to Regulation 18401 require for contributions made electronically, that a committee keep the Address Verification Service (“AVS”) confirmation of the contributing cardholder’s address as part of the original source documentation that includes the cardholder’s name, address, and last four digits of the card number, or transaction number. The amendments also codify the record-keeping requirements in line with the contract vendor requirement of Regulation 18421.3.

**Regulation 18404 – Termination of Candidate and Section 82013 Committee Filing Requirements:** Amendments to Regulation 18404 clarify that a recipient committee has filing obligations until the committee terminates its status. Additionally, the amendments specify that candidates must close all open committees in order to terminate their filing requirements with the Secretary of State. Committee termination conditions and procedures in subdivisions (b) and (c) were deleted and moved to Regulation 18404.1. Nonsubstantive changes were also made to align with legislation that passed regarding the Secretary of State’s new campaign filing system project (CARS).

**Regulation 18404.1 – Termination of Section 82013(a) Committees, 24-Month Mandatory Terminations, and Accepting Refunds After Termination:** Regulation 18404.1 was repealed and a new version was adopted that consolidates the termination requirements for recipient committees into one regulation and makes the following changes: (1) removes references to FPPC forms, (2) combines and references the current provisions



regarding the termination of candidate-controlled committees for elective state office and for elective city or county office subject to state contribution limits, (3) explains that the Commission delegates the authority to grant the extension of time to terminate to the Commission's Executive Director or their designee, (4) clarifies language regarding the process to terminate with the Secretary of State's Office, (5) includes the provisions for terminated committees to accept certain refunds without the need to reopen the committee, subject to reporting requirements and provides that the acceptance of refunds without reopening provisions apply to all recipient committees terminated under this regulation, (6) removes the reopening provisions to a new proposed Regulation 18404.3, (7) explains that the termination provisions in Regulation 18404.1 do not apply to certain recipient committees that have their own, specific termination provisions and (8) requires committees to resolve the return or reimbursement for a security expense or item prior to termination, except where the threat is ongoing.

**Regulation 18404.3 – Reopening a Terminated Section 82013(a) Committee:** Adoption of Regulation 18404.3 addresses the reopening requirements and procedures for committees that may elect to terminate and those that must terminate within the 24-month timeframe. The regulation adds new language that a committee not subject to the 24-month termination requirements in Regulation 18404.1 may reopen by filing with the Secretary of State's office, so long as the filing is made by the terminated controlling candidate or principal officer. The regulation adds a list of "acceptable purposes" for reopening after termination, such as to accept the return or reimbursement of a security expense where there has been an ongoing threat, and to return public money received pursuant to Section 85300. The regulation also establishes the delegation of authority of the Executive Director to consider a reopening request for those committees terminated under the 24-month mandatory requirements. Lastly, the regulation requires that the requests and responses be posted to the Commission's website and allows the full Commission to hear the matter at the Chair's discretion.

**Regulation 18421.3 – Reporting of Contributions and Expenditures Collected by Contract Vendors or Collecting Agents:** Amendments to Regulation 18421.3 prohibit candidates and committees from contracting with payment processors that do not utilize Address Verification Service ("AVS") to verify and provide the committee with this and other required information, along with the corresponding contributions and identify contributions made from foreign IP addresses, and if one is identified, verify that the contributor is not a prohibited source before accepting and transferring the contribution. The payment processor must also be one that automatically rejects any contribution of \$100 or more from a single source made with a prepaid debit, prepaid credit, or gift card.

**Regulation 18430.1 – Prepaid Cards, Prohibitions and Limitations on Contributions and Expenditures:** Adoption of Regulation 18430.1 prohibits a candidate or committee from purchasing or making an expenditure of campaign funds of \$100 or more for a prepaid debit, prepaid credit, or gift card. Campaign funds can be used to purchase a gift card of \$100 or more for an individual employee, committee worker, or employee of the elected officer's agency, so long as the individual does not receive gifts with a total value of \$250 or more in a single year. A candidate or committee may not accept contributions totaling \$100 or more from any single source consisting of, or made with, a prepaid debit, prepaid credit, or gift card. A candidate or committee may establish a U.S. based prepaid expense account with a management system platform that includes prepaid expense cards for committee staff and

volunteers if funds placed into the system originate from a campaign account, remaining funds are returned to the originating account, and the platform provides itemized records of all expenses of specific cardholders.

**Regulation 18545 – Contribution Limit and Voluntary Expenditure Ceiling Amounts:** Amendments to Regulation 18545 update contribution limits, voluntary expenditure ceiling amounts, and state officeholder contribution limits to reflect the required cost of living adjusted limits for the period of January 1, 2025, through December 31, 2026.

## ***Levine Act (Section 84308) Changes***

**Regulation 18438 – Application of Government Code Section 84308:** Amendments to Regulation 18438 clarify that future statutory amendments to Section 84308 do not apply to conduct that occurred before the effective date of the statutory amendments.

**Regulation 18438.2 – Proceedings Under Government Code Section 84308:** Amendments to Regulation 18438.2 update statutory references and remove or amend provisions codified or changed by statute, namely the regulation’s definition of “pending,” as well as language pertaining to “competitively bid contracts,” “labor agreements,” and “personal employment contracts.” Amendments also clarify that the term “proceeding involving a license, permit, or other entitlement for use” includes situations where an action is initiated by an agency but implicates or targets a party, or limited number of parties.

**Regulation 18438.3 – Agents Under Government Code Section 84308:** Repeal of Regulation 18438.3 results from the definition of “agent” being codified in statute as previously defined in Regulation 18438.3, and therefore, deeming the regulation no longer necessary.

**Regulation 18438.4 – Participants Under Government Code Section 84308:** Amendments to Regulation 18438.4 add a new subdivision (e) clarifying that where the “participant” is a business or nonprofit, the relevant “source of income” materiality standards in Regulation 18702.3 apply.

**Regulation 18438.5 – Aggregated Contributions Under Government Code Section 84308:** Amendments to Regulation 18438.5 reflect the recent statutory change of the Section 84308 contribution threshold from \$250 to \$500 and remove references to “agent” in order to harmonize language with recent statutory changes that provide that contributions from agents are no longer aggregated with those of parties.

**Regulation 18438.6 – Solicitation, Direction, and Receipt of Contributions Under Government Code Section 84308:** Amendments to Regulation 18438.6 revise paragraph (1) of subdivision (a) to clarify that the regulation also applies to campaign committees for elections to state or county central committees.

**Regulation 18438.7 – Prohibitions and Disqualification Under Government Code Section 84308:** Amendments to Regulation 18438.7 clarify the standard for determining when an officer “knew or should have known” about a contribution due to increased relevancy since the disclosure by parties is no longer required upon initiation of the

proceeding. Additionally, amendments reflect the recent statutory change of the Section 84308 contribution threshold from \$250 to \$500. Lastly, amendments remove subdivisions (c) and (d), which established the criteria for returning a disqualifying contribution, and are now included in either Section 84308 or Regulation 18438.8.

**Regulation 18438.8 – Disclosure Under Government Code Section 84308:**

Amendments to Regulation 18438.8 require officers who return a contribution pursuant to Section 84308(d)(1) to disclose confirmation of that return at a public meeting within 60 days of the return, or if no public meeting is held within that time, as a written disclosure in the agency's official records within the same timeframe. Amendments also clarify when a party to a proceeding must disclose aggregated contribution information. Additionally, amendments reflect the statutory change of the Section 84038 contribution threshold from \$250 to \$500.

**Regulation 18705 – Legally Required Participation:** Amendments to Regulation 18705 remove and update references to the previous Section 84308 contribution threshold of \$250 to the updated contribution threshold of \$500.

## ***Enforcement Changes***

**Regulation 18360.1 – Eligibility Requirements and Considerations for Campaign Violations – Streamline (Tiers One and Two), Warning Letters and the Political Reform Education Program (PREP):** Amendments to Regulation 18360.1 reflect the recently enacted statutory changes to Section 84308, which raised the Section 84308 contribution threshold from \$250 to \$500 and updated the Enforcement penalty criteria to reflect this change.

## ***Statement of Economic Interest & Conflict of Interest Code Changes***

**Regulation 18115.2 – Duties of the Filing Officers and Filing Officials: Electronic Format Statement of Economic Interests:** Amendments to Regulation 18115.2 clarify the duties of filing officers, reflect recently enacted statutory changes to Section 87500(a) of the Act, and update cross-references throughout the Regulation. Amendments remove the requirement for filing officials to forward electronically submitted Statements of Economic Interests to the FPPC since this requirement was superseded by the statutory changes requiring certain filers to file directly with the FPPC if the FPPC is the filing officer.

**Regulation 18313.5 – Online Posting:** Amendments to Regulation 18313.5 update the Commission's online posting requirements for SEIs to include all 87200 filers and require the redaction of an official's email address before posting.

**Regulation 18313.6 — Online Posting: Definition of Family Member:** Amendments to Regulation 18313.6 remove redundant language that is now codified in statute with Section 87500.3 and update a cross-reference to the term "family member" for the purposes of



redaction.

**Regulation 18351 — Conflict of Interest Code of the Fair Political Practices**

**Commission:** Amendments to Regulation 18351 update the Commission's Conflict of Interest Code to reflect the changes in the Commission's organizational structure. The changes further clarify four existing designated positions and add one new designated position to the Audits and Assistance Division. The amendments also add electronic filing language.

**Regulation 18700 – Basic Rule and Guide to Conflict of Interest Regulations:**

Amendments to Regulation 18700 were made to reflect the biennial cost of living adjustments to the gift limit from \$590 to \$630 for the period of January 1, 2025, through December 31, 2026.

**Regulation 18720 — Annual Statements of Economic Interests; 2025 Filing Date**

**Extension:** Adoption of Regulation 18720 extends the deadline for the annual Statement of Economic Interests filing for any public official whose primary residence, primary work location, or filing office is located within Los Angeles County to June 2, 2025.

**Regulation 18730 — Provisions of Conflict of Interest Codes:** Amendments to Regulation 18730 clarify a provision within an agency's COIC to include the FPPC electronic filing system as a place of filing Statements of Economic Interests as required under Section 87500, and adjust the gift limit from \$590 to \$630 in response to the biennial cost of living adjustments for the period of January 1, 2025, through December 31, 2026.

**Regulation 18724 — Filing of Statement of Economic Interests by Temporary or Part-Time Court Commissioners, Pro Tem and Retired Judges:** Amendments to Regulation 18724 clarify that retired judges who file their Statement of Economic Interest with the FPPC must file "using the Commission's electronic filing system."

**Regulation 18753 — Statement of Economic Interests; Where to File:** Repeal of Regulation 18753 results from the newly enacted Section 87500, which supersedes the regulation and provides the filing locations for public officials to file their SEIs, including county and city treasurers to file directly with the FPPC using the FPPC's electronic filing system.

**Regulation 18754 — Statement of Economic Interests (Members of Newly Created Boards or Commissions); When and Where to File:** Amendments to Regulation 18754 indicate that members of governing boards or commissions of newly created agencies file electronically with the FPPC if the FPPC is the filing officer for the agency.

**Regulation 18756 — Statement of Economic Interests: Certification of Electronic Filing System:** Amendments to Regulation 18756 remove the requirement that a local filing system must allow data transfer from the agency to the FPPC's filing system because all filers who must file with the FPPC are required to file using the FPPC's electronic filing system. The amendments also add email addresses to local required redactions to SEIs posted online to mirror the state redaction rules and add a cross-reference to Section 87500.3(d)(2) that contains rules for requesting a redaction of a family member's information.

**Regulation 18940.2 – Gift Limit Amount:** Amendments to Regulation 18940.2 were made to reflect the cost of living adjustments to the gift limit from \$590 to \$630 for the period of January 1, 2025, through December 31, 2026.