



FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Remke and Commissioners Casher, Eskovitz, Wasserman and Wynne

From: Erin V. Peth, Executive Director
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Subject: Legislative Update

Date: February 4, 2015

The Legislature began the 2015-2016 Legislative session on December 1, 2014. This report includes a summary of the bills currently pending before the Legislature that would impact the Political Reform Act (the “Act”).

Political Reform Act Bills Pending in the Legislature

SB 21 (Hill)

Introduced: December 1, 2014

Existing Law

The Act prohibits public officials from receiving gifts in excess of \$440 in value from a single source in a calendar year, with exceptions. One exception to this gift limit is for payments made to public officials for specified types of travel that are reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy.

Proposed Law

This bill would require a nonprofit organization that makes travel payments for an elected state officer or local elected officeholder to disclose the names of donors responsible for funding the payments. The bill would also require a person who receives a gift of a travel payment from any source to report the travel destination on his or her Statement of Economic Interests.

Status: In Senate Elections Committee

AB 10 (Gatto)

Introduced: December 1, 2014

Existing Law

The Act prohibits a public official at any level of state or local government from making, participating in making, or in any way attempting to use his or her official position to influence a governmental decision in which the public official knows or has reason to know that he or she has a financial interest. A public official has a financial interest in a governmental decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on a business entity in which the public official has a direct or indirect investment worth \$2,000 or more, real property in which the public official has a direct or indirect interest worth \$2,000 or more, and sources of income aggregating \$500 or more in value within 12 months prior to the time when the decision is made. The Act requires certain public officials to file a Statement of Economic Interests disclosing investments, real property interests, and income within specified periods of assuming or leaving office, and annually while holding the office. The Act requires the disclosures to include information indicating, within a specified value range, the fair market value of investments or interests in real property and the aggregate value of income received from a source.

Proposed Law

This bill would increase the thresholds at which a public official has a disqualifying financial interest in sources of income from \$500 to \$1,000, investments in business entities from \$2,000 to \$5,000, and in interests in real property from \$2,000 to \$10,000. The bill would also make conforming adjustments to the thresholds at which income, investments, and interests in real property must be disclosed on a public official's Statement of Economic Interests. The bill would revise the dollar amounts associated with the value ranges for reporting the value of economic interests. Additionally, this bill would require certain public officials to disclose information on the official's Statement of Economic Interests relating to governmental decisions for which the public official had a disqualifying financial interest.

Status: In Assembly Elections Committee