



FAIR POLITICAL PRACTICES COMMISSION

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To: Chair Ravel and Commissioners Eskovitz, Garrett, Montgomery, and Rotunda

From: Tara Stock, Legislative Coordinator

Subject: Legislative Report

Date: September 12, 2011

September 9, 2011 was the last day for bills to be passed by the Legislature, and October 9, 2011 is the deadline for the Governor to sign or veto bills. Since the June 9, 2011, Commission hearing, SB 415 (Wright) and AB 1413 (Assembly Elections Committee) were amended and no longer affect the Political Reform Act; therefore, they have been removed from the report.

Legislation Approved by the Legislature and Signed by the Governor – Effective January 1, 2012

SB 593 (Gaines), Chapter 152, Statutes of 2011

Tahoe Regional Planning Agency

This bill requires each California member of the bi-state (California and Nevada) entity, the Tahoe Regional Planning Agency, who represents the state in matters officially coming before the agency, to comply with the Act and file statements of economic interests with the Commission.

Commission Position: Support

SB 801 (Kehoe), Chapter 252, Statutes of 2011

Statements of Economic Interests – Appointees to State Boards and Commissions

This bill requires State boards and commissions to forward *copies* of SEIs filed by appointees to the Commission, unless the board's or commission's conflict-of-interest code designates the Commission as the filing officer, in which case the Commission will continue to receive the *originals*. In addition, this bill eliminates the requirement for specified officers and candidates to file copies with the Secretary of State and eliminates the requirement for the Commission to forward copies to specified local elections officials.

Commission Position: Support

AB 182 (Davis), Chapter 96, Statutes of 2011

Statements of Economic Interests – Electronic Filing

This bill authorizes the ongoing Statements of Economic Interests (SEI) electronic filing pilot program to continue through December 31, 2012. Under the current program, the Counties of Los Angeles, Merced, Orange, Santa Clara, Stanislaus, and Ventura and the City of Long Beach may permit the electronic filing of SEIs required to be filed by public officials designated in each of the participating agency's conflict-of-interest code.

Commission Position: Support

Legislation Approved by the Legislature, Awaiting Governor's Signature

SB 334 (DeSaulnier)

Ballot Pamphlet

This bill would require the Secretary of State to include in the statewide ballot pamphlet a list of the five highest contributors of \$50,000 or more to each primarily formed committee supporting or opposing each state measure, as well as the total amount of their contributions, as of 110 days before an election, or a later date in the case of a special election if the Secretary of State determines the 110-day provision is infeasible.

Commission Position: None

SB 398 (Hernandez)

Placements Agents

This bill would amend the definition of "placement agent" to mean a person directly or indirectly hired, engaged, or retained by, or serving for the benefit of or on behalf of, an external manager *or an investment fund managed by an external manager* and who acts or has acted for compensation as a finder, solicitor, marketer, consultant, broker, or other intermediary in connection with the offer or sale to a board or investment vehicle either the investment management services of the external manager or an ownership interest in an investment fund managed by the external manager. The bill would also amend the definition of "external manager" to mean a person who is seeking to be, or is, retained by a board *or an investment vehicle* to manage a portfolio of securities or other assets for compensation, or a person who manages an investment fund, as defined, and who offers or sells, or has offered or sold, an ownership interest in the investment fund to a board or an investment vehicle.

Commission Position: Support

SB 439 (Negrete McLeod)

Gift Limits for CalPERS and CalSTRS

Proposed Law

This bill would prohibit any board member and any designated employee of the Public Employees' Retirement System (CalPERS) or the State Teachers' Retirement System (CalSTRS) from accepting gifts totaling more than \$50 in a calendar year from persons who have secured a contract with, or submitted a contract proposal to, CalPERS or CalSTRS within the previous five years. The bill also disqualifies any vendor or contactor that makes gifts in violation of the \$50 gift limit on two separate occasions in a 5-year period from bidding on, and being awarded, any contract for a period of two years from the date of the second penalty assessment made by the Commission.

Commission Position: Neutral

AB 65 (Gatto)

Ballot Pamphlet

This bill would, except as specified, require that if a fiscal analysis prepared by the Legislative Analyst determines that a measure would provide an increase in revenues to fund new or existing programs, that language be added at the end of the "yes" and "no" summary statements in the ballot pamphlet advising that the revenue generated by the measure will be forever dedicated to the purposes specified in the measure unless the measure is changed by a future measure approved by the voters.

Commission Position: None on this version. (At the February 10, 2011, hearing, a "support" position was adopted for a previous bill version.)

AB 873 (Furutani)

Post-Employment Restrictions – CalPERS and CalSTRS

This bill would expand on the current post-governmental activities by prohibiting: 1) members of the Board of Public Employees' Retirement System (CalPERS) or the State Teachers' Retirement System

(CalSTRS) and specified officers and employees from assisting a business entity within *two years* after leaving office to aid, advise, consult with, or assist a business entity in obtaining an award, or in negotiating, a contract or contract amendment with CalPERS or CalSTRS; 2) members of the Board of CalPERS or CalSTRS and specified officers and employees of CalPERS and CalSTRS for a period of *four years* after leaving office from representing another person before CalPERS or CalSTRS for the purpose of influencing administrative or legislative action or influencing an action involving a permit, license, grant, or contract, or the sale or purchase of goods or property; and, 3) members of the Board of CalPERS or CalSTRS and specified officers and employees for a period of *ten years* after leaving office from accepting compensation for providing services as a placement agent.

Commission Position: Neutral

AB 1021 (Gordon)

Ballot Pamphlet

This bill would require that, if a fiscal analysis by the Legislative Analyst determines that a measure would establish a new or expanded program costing more than \$1,000,000 in any year without providing new revenues or eliminating existing programs to offset those costs, specified language be included in the ballot pamphlet advising that the proposed measure does not include sufficient funding to pay the cost of the measure.

Commission Position: None

Two-Year Bills

The following bills did not pass the Legislature by the 2011 deadline, but may be considered in 2012.

SB 18 (Blakeslee) – Gifts from Lobbying Entities

SB 19 (Blakeslee) – Campaign Telephone Calls

SB 46 (Correa) – Disclosure of Government Compensation

SB 50 (Correa/Blakeslee) – Gifts from Lobbying Entities

SB 265 (La Malfa) – Committees (“spot” bill)

SB 488 (Correa) – Slate Mailers

AB 41 (Hill) – High Speed Rail Authority Members

AB 71 (Huber) – Lobbying Interests

AB 447 (Huffman and Fletcher) – Comprehensive PRA Reform

AB 785 (Mendoza) – Conflicts of Interest

AB 860 (Jones and Mansoor) – Corporation and Union Influence Reduction Act

AB 1148 (Brownley) – Advertisement Disclosure

AB 1146 (Norby) – Cash Contributions and Expenditures

AB 1241 (Norby) – Government Code Section 84308 – Definition of Officer