



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811
(916) 322-5660 • Fax (916) 322-0886

To: Chair Germond, Commissioners Cardenas, Hatch, and Hayward
From: Phillip Ung, Director, Legislative and External Affairs
Subject: Legislation Development – December Report
Date: December 14, 2018

Introduction

At the November 15, 2018 Commission meeting, the Commission authorized staff to develop sponsored legislation for the 2019-2020 Legislative Session. Additionally, the Commission authorized staff to communicate with the Legislature, the Secretary of State, and other relevant stakeholders on numerous other issues affecting the Political Reform Act. Specifically, the Commission:

Authorized the Executive Director to direct the Director of Legislation, General Counsel, or other staff:

1. To communicate with Legislature and relevant stakeholders to draft and sponsor five bills as described:
 - a. A non-substantive, omnibus cleanup bill.
 - b. A bill containing minor and clarifying amendments that may not be considered non-substantive.
 - c. A bill codifying parts of Commission regulations into the Act.
 - d. A bill containing substantive amendments to the Act as followed:
 - i. Require bank accounts for all committees.
 - ii. Require principal officer signatures on Statement of Organization.
 - iii. Codify candidate controlled ballot measure committee regulations.
 - iv. Require treasurer attestation on knowledge of liability form.
 - e. A bill to address the use of funds for litigation related to harassment and discrimination.
2. To communicate with the Legislature and relevant stakeholders regarding additional amendments to campaign disclosure requirements.
3. To communicate with the Secretary of State and the Legislature about potential legislation on the following issues:
 - a. Annual registration fee and penalty under Section 84101.5.
 - b. Disclosure of campaign bank account numbers.
 - c. Secretary of State late fines and Commission penalties.

The Commission directed the Director of Legislation to report to the Law & Policy Committee, in writing, on the status of the Commission directives, and present draft bills to the Law & Policy Committee at its next scheduled meeting. Staff was directed to report to the Commission, in

writing, on the same issues after the Law & Policy Committee has completed its review. The Law & Policy Committee met on Friday, December 14 and recommended the Commission take the actions:

1. Recommend the Commission approve the Legislative Counsel draft as presented for the following bills:
 - a. Omnibus Non-substantive
 - b. Regulation codification
 - c. Separate Bank Accounts for Recipient Committee
 - d. Treasurer Acknowledgement
 - e. Use of Funds; harassment and discrimination
2. Recommend the Commission approve the Legislative Counsel draft with amendments for the following bills.
 - a. Principal Officer signature: to change “person” to “individual,”
 - b. Candidate controlled ballot measure committee: strike “elective state office” in subdivision (a) so it will read “A candidate may control a committee...”
 - c. Minor and clarifying legislation: amendments to address incorrect phrasing in 84200.5;
3. Recommend the Commission adopt a sponsorship position on each bill;
4. Recommend the Commission authorize staff to combine bill proposals into consolidated bills staff believes would work best; and
5. Recommend the Commission authorize staff to retain an author(s) for introduction of bills.

This memorandum and other attached memorandums provide the status of the Commission’s directives and draft legislation.

Summary

Staff worked in partnership with the Legislature to submit eight requests to the Office of Legislative Counsel to develop into official bill drafts. Staff broke up the “substantive amendment” bill into four separate parts for efficiency purposes. If approved by the Commission, staff can request that Legislative Counsel consolidate policy ideas.

Staff had constructive conversations with relevant stakeholders about potential amendments to campaign disclosure requirements including additional cleanup of AB 249 DISCLOSE Act. The early conversations are encouraging and additional engagement will be required.

After a productive meeting with the Secretary of State’s staff, the agency will be pursuing legislation on the three issues highlighted by the Commission.

Potential Authors

Staff discussed potential authorship with several legislative offices. All of the offices expressed interest in authoring FPPC sponsored bills. There are a number of factors that may affect the pool of potential authors, including assignments of committee and leadership posts, a legislator’s preference for a heavy or light workload, and other policy priorities.

Staff believes the Commission's Omnibus Non-substantive bill is an excellent candidate for a committee bill. Committee bills are generally omnibus bills consisting of clarifying and non-controversial changes to the statute. Committee bills are authored by a specific committee rather than an individual legislator. Staff has communicated with the respective Assembly and Senate committees with jurisdiction over the Act. The committees are awaiting final appointment of members before they can discuss committee bills.

Attachments

Attached are individual staff memorandums for each draft bill describing the proposals in detail. The memos include proposed staff amendments to the bill drafts and the potential fiscal impact.