



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Miadich, Commissioners Baker, Gómez, Wilson, and Wood
From: Lindsey Nakano, Sr. Legislative Counsel
Subject: **Legislative Update – October 2022**
Date: October 10, 2022

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1. General Update

- Eleven FPPC-related bills, including three Commission-sponsored bills, were passed by the Legislature and signed by the Governor this year. All of the bills were supported by the Commission:
 - [AB 775](#) (Berman) – Recurring contributions – (Sponsored)
 - [AB 1798](#) (Bryan) – Campaign disclosure: advertisements – (Sponsored)
 - [AB 2172](#) (Cervantes) – Paper filings with SOS – (Sponsored)
 - [AB 1783](#) (Levine) – Lobbying: administrative actions (Supported)
 - [AB 2158](#) (Mike Fong) – Local educational agency ethics trainings – (Supported)
 - [AB 2528](#) (Bigelow) – Cal-Access: local filers – (Supported)
 - [SB 459](#) (Allen) – Lobbying transparency – (Supported)
 - [SB 746](#) (Skinner) – Business entity ads and search results – (Supported)
 - [SB 794](#) (Glazer) – Excessive contributions – (Supported)
 - [SB 1360](#) (Umberg and Allen) – Ad disclosures (PRA portion) – (Supported)
 - [SB 1439](#) (Glazer) – Contributions to local government agency officers: disqualification – (Supported)

- Each of these bills will become operative on January 1, 2023, except for AB 2158 (Fong), AB 2528 (Bigelow), SB 459 (Allen), SB 746 (Skinner) which were written to become operative at later dates as noted in the bill summaries below.

- Legislative concepts for 2023 will be presented at the November Commission meeting for the Commission’s consideration.

2. FPPC Priority Legislation

Status and Summaries

- [AB 775 \(Berman\)](#) – Recurring contributions.
Coauthor: Assemblymember Cunningham
Status: Approved by the Governor and chaptered on 9/30/22.

Summary:

AB 775 requires a candidate or committee to obtain affirmative consent from a person making a recurring contribution at the time of the initial contribution. The bill requires improperly solicited contributions to be returned within 14 days, as provided. The bill requires a candidate or committee that accepts a recurring contribution to provide a receipt for each contribution, provide information necessary to cancel the recurring contribution, and immediately cancel a recurring contribution upon request.

FPPC Cost: Minor and absorbable

FPPC Position: Support (Sponsor)

- [AB 1798 \(Bryan\)](#) – Campaign disclosure: advertisements.
Status: Approved by the Governor and chaptered on 9/22/22.

Summary:

AB 1798 makes a minor change to an advertisement disclaimer law to allow certain committees to include the full required disclaimer on the ad itself, instead of requiring that the ad include only a hyperlink to the full disclaimer.

FPPC Cost: Minor and absorbable

FPPC Position: Support (Sponsor)

- [AB 2172 \(Cervantes\)](#) – Paper filings with SOS.
Status: Approved by the Governor and chaptered on 9/15/22.

Summary:

AB 2172 allows a person to file the paper copy of their report or statement with the SOS instead by email with a digital signature. For a person that opts to file by paper, the bill eliminates the requirement that the person must submit two duplicate paper copies to the SOS, and instead requires only one paper copy.

FPPC Cost: \$124,825 (first year) and \$117,825 (ongoing annually)

- 1 Political Reform Consultant (Legal)

FPPC Position: Support (Sponsor)

3. Other Commission-Related Bills

Status and Summaries

- [**AB 1783 \(Levine\)**](#) – Lobbying: administrative actions.
Status: Approved by the Governor and chaptered on 9/22/22.

Summary:

AB 1783 expands the definition of “administrative action” to additionally include any decision or approval pursuant to Section 1215.2 of the Insurance Code or Section 1399.65 of the Health and Safety Code, which govern the review and approval of the following:

- Proposed mergers, consolidations, and acquisitions of health care service plans that are subject to the approval of the Director of the Department of Managed Health Care, as specified.
- Purchases, exchanges, mergers, and acquisitions of domestic insurers that are subject to the approval of the Insurance Commissioner, as specified.

FPPC Cost: Minor and absorbable

FPPC Position: Support

- [**AB 2158 \(Mike Fong\)**](#) – Local agency ethics trainings: school districts, county offices of education, and charter schools.
Status: Approved by the Governor and chaptered on 9/13/22.

Summary:

AB 2158 adds school districts, county offices of education, and charter schools to the definition of “local agency” for purposes of the state’s local agency ethics training requirements, and would impose the ethics training requirements on a member of the governing board of a school district, a county board of education, or the governing body of a charter school, regardless of whether the member receives any type of compensation for expenses incurred in the performance of official duties. The bill imposes these training requirements on the governing board and governing body members starting January 1, 2025.

FPPC Cost: \$125,556 (first year); \$118,556 (ongoing annually)

- 1 Information Technology Associate

FPPC Position: Support

- **AB 2528 (Bigelow)** – Cal-Access: local candidates and elected officers.
Status: Approved by the Governor and chaptered on 9/23/22.

Summary:

AB 2528 requires an elected local government officer or candidate for elective local government office who has campaign contributions of \$15,000 or more and who is not currently required to file with SOS to file with SOS through their online filing and disclosure system, in addition to filing with whoever the statement or document is currently filed with under the PRA, such as the elected officer's local filing officer.

The bill requires SOS, by the January 1st after SOS certifies the new online filing system, to submit a report to the Legislature that specifies the changes to the online filing system needed to accommodate the local filings described in the bill. The bill requires SOS to consult with the FPPC and the Department of Technology in preparing this report.

The bill requires local candidates and officers to begin filing online with SOS on the January 1st following the date that SOS certifies that the necessary changes to the online filing system have been made.

FPPC Cost: Minor and absorbable

FPPC Position: Support

- **SB 459 (Allen)** – Lobbying transparency.
Coauthors: Senators Cortese, Glazer, and Newman; Assembly Member Mullin
Status: Approved by the Governor and chaptered on 9/30/22.

Summary: SB 459 requires lobbyists, lobbying firms, and lobbyist employers to include information in their quarterly periodic reports that identifies each bill or administrative action subject to lobbying activity, the respective position advocated for, and each bill or administrative action for which issue lobbying advertisements, as defined, were issued.

The bill requires a lobbyist employer to file a new 24-hour report if it retains a lobbying firm to influence legislative action during the 60-day period before the Legislature is scheduled to adjourn in a calendar year, and would require, during that same period, a supplemental 24-hour report to be filed within 24 hours of engaging in direct communication with specified officials for the purpose of influencing legislative action.

The bill imposes new requirements relating to issue lobbying advertisement and requires a lobbyist employer to file specified reports within 72-hours of incurring costs \$5,000 or more for issue lobbying advertisements within a calendar quarter.

The bill becomes operative one year after SOS certifies the new online filing and disclosure system.

FPPC Cost: 425,168 (first year); \$404,168 (ongoing annually), plus additional potential litigation costs (\$120,00-\$200,000)

- 2 Political Reform Consultants and 1 Commission Counsel

FPPC Position: Support

- **[SB 746 \(Skinner\)](#)** – Business entity communications for political purposes.
Status: Approved by the Governor and chaptered on 9/30/22.

Summary:

SB 746 requires a business entity to submit a report to SOS following any calendar year in which the business entity uses its products or services to alter online search results in order to emphasize or de-emphasize materials containing express advocacy or to target online advertisements without full and adequate consideration and for political purposes. The bill specifies the contents of the report and requires business entities subject to these requirements to maintain detailed accounts and records necessary to prepare the report. The bill specifies certain exceptions. The bill becomes operative on January 1, 2024.

FPPC Cost: FPPC Cost: \$295,253 (first year); \$281,253 (ongoing annually)

- 1 Commission Counsel (Enforcement) and 1 Political Reform Consultant (Legal)

FPPF Position: Support

- **[SB 794 \(Glazer\)](#)** – Excessive contributions.
Status: Approved by the Governor and chaptered on 9/29/22.

Summary:

SB 794 authorizes a committee that receives a contribution with actual knowledge that the contribution is over the applicable contribution limit in the PRA to accept the contribution and return or attribute the portion in excess within 72 hours of receipt or before the date of the election, whichever is sooner. The bill prohibits a committee from using the excessive contribution prior to returning or attributing it and caps the amount of a contribution that may be accepted pursuant to this bill at twice the applicable limit. The bill requires a committee that receives an excessive contribution to provide certain information to the contributor.

The bill also codifies an existing regulation allowing return of contributions within 14 days if the committee does not have actual knowledge that the contribution exceeds the applicable contribution limit.

FPPC Cost: \$ 283,661(first year); \$ 269,661 (ongoing annually)

- 1 Staff Services Management Auditor
- 1 Commission Counsel (Enforcement)

FPPF Position: Support

- **SB 1360 (Umberg and Allen)** – Advertisement disclosures.
Principal Coauthors: Senator Stern and Assembly Members Cervantes, Mullin, Muratsuchi, and Santiago
Coauthors: Senator Becker and Assembly Member Gabriel
Status: Approved by the Governor and chaptered on 9/30/22.

Summary:

SB 1360 makes changes to the disclosure requirements for political advertisements, including changes to the required form, content, and presentation of the disclosures depending on the medium in which the advertisement appears, including:

- Formatting changes to the disclosures required on a campaign advertisement disseminated as a video.
- Changes to the disclosures required on an electronic media advertisement that is a graphic or an image.
- Permitting, for electronic media advertisements and video advertisements disseminated over the internet, the shortening of a committee’s name, as specified.
- Prohibiting any text or images, other than text or images required by law, from being included in a campaign advertisement’s disclosure area.

This bill also makes changes in the Elections Code relating to initiative, referendum, and recall petitions.

FPPC Cost: \$170,428 (first year); \$163,428 (ongoing annually)

- 1 Commission Counsel (Enforcement)

FPPC Position: Support for provisions of the bill amending the PRA, and no position on provisions amending the Elections Code

- **SB 1439 (Glazer)** – Contributions to local government agency officers: disqualification.
Coauthor: Senators Gonzalez, Portantino, and Wilk
Status: Approved by the Governor and chaptered on 9/29/22.

Summary:

Existing law under the Act prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party, participant, or a party or participant's agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 3 months following the date a final decision is rendered in the proceeding, if the officer knows or has reasons to know that the participant has financial interest, as defined. The Act also prohibits a party, participant, or participant's agent from making a contribution of more than \$250 to an officer of the agency during the proceeding and 3 months following the date of the final decision. The Act exempts certain entities from these requirements, including local government agencies whose members are directly elected by the voters.

SB 1439 removes that exception for local government agencies, thereby subjecting them to the prohibition described above.

The bill additionally:

- Extends the prohibition on contributions from 3 to 12 months following the date a final decision is rendered in the proceeding.
- Allows an officer to cure a violation for an improper contribution accepted after the proceeding by returning the contribution within 14 days, if the acceptance was not knowing and willful.

FPPC Cost: \$465,681 (first year); \$444,681 (ongoing annually)

- 2 Commission Counsels (Legal and Enforcement), and 1 Political Reform Consultant (Enforcement)

FPPC Position: Support

Dead Bills

- [AB 975](#) (Luz Rivas) – Statements of economic interests and reimbursement for gifts.
- [AB 1693](#) (Seyarto) – Contribution limits: recall elections: elected state officers.
- [AB 1819](#) (Lee) – Contribution prohibition: foreign-influenced business entities.
- [AB 2544](#) (Mayes) – PRA spot bill.
- [SB 921](#) (Newman) – Digital Advertisement Transparency and Accountability Act.
- [SB 1352](#) (Allen) – Campaign reporting: third pre-election statement.
- [SB 1362](#) (Melendez) – Citizens Redistricting Commission.
- [SB 1483](#) (Glazer) – Political Reform Education Program (PREP).