



To: Chair Miadich and Commissioners Baker, Ortiz, Wilson, and Wood
From: Lindsey Nakano, Sr. Legislative Counsel
Subject: **Legislative Update – March 2024**
Date: March 4, 2024

Subject: Legislative Update – March 2024 1
1. General Update 1
2. Upcoming Legislative Deadlines 1
3. Committee Membership 2
4. FPPC Priority Bills 3
5. Other Commission-Related Bills 9

1. General Update

- As of the date of this report, there are 19 active FPPC-related bills.
- Staff is continuing to reach out to and work with potential authors, other members, interested parties, and stakeholders, and to seek bipartisan support on Commission legislation.

2. Upcoming Legislative Deadlines

- Mar. 21 - Spring Recess begins upon adjournment
- Apr. 1 - Legislature Reconvenes from Spring Recess
- Apr. 26 - Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
- May 3 - Last day for policy committees to hear and report to the floor non-fiscal bills introduced in their house
- May 10 - Last day for policy committees to meet prior to May 28
- May 17 - Last day for fiscal committees to hear and report to the floor bills introduced in their house
 - Last day for fiscal committees to meet prior to May 28
- May 20-24 - Floor Session only. No committees, other than conference or Rules committees, may meet for any purpose
- May 24 - Last day for each house to pass bills introduced in that house
- May 28 - Committee meetings may resume
- June 15 - Budget Bill must be passed by midnight
- June 27 - Last day for a legislative measure to qualify for the Nov. 5 General Election ballot

- July 3 - Last day for policy committees to meet and report bills
 - Summer Recess begins upon adjournment provided Budget Bill has been passed
- Aug. 5 - Legislature Reconvenes from Summer Recess
- Aug. 16 - Last day for fiscal committees to meet and report bills
- Aug. 19-31 - Floor Session only. No committees, other than conference and Rules committees, may meet for any purpose
- Aug. 23 - Last day to amend on the floor
- Aug. 31 - Last day for each house to pass bills
 - Final Recess begins upon adjournment
- Sept. 30 - Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1
- Nov. 5 - General Election
- Dec. 2 - 12 Noon convening of the 2025-26 Regular Session for one-day organizational session

3. Committee Membership

Changes to committee membership are highlighted.

[Senate Committee on Elections and Constitutional Amendments](#)

- Senator Catherine Blakespear, Chair
- Senator Janet Nguyen, Vice Chair
- Senator Benjamin Allen
- Senator Caroline Menjivar
- Senator Josh Newman
- Senator Anthony J. Portantino
- Senator Thomas J. Umberg

[Senate Budget Subcommittee No. 4 on State Administration and General Government](#)

- Senator Steve Padilla, Chair
- Senator Lola Smallwood-Cuevas
- Senator Roger W. Niello

[Assembly Committee on Elections](#)

- Assemblymember Gail Pellerin, Chair
- Assemblymember Tom Lackey, Vice Chair
- Assemblymember Steve Bennett
- Assemblymember Marc Berman
- Assemblymember Sabrina Cervantes
- Assemblymember Bill Essayli
- Assemblymember Evan Low

- Assemblymember Akilah Weber, M.D.

[Assembly Budget Subcommittee No. 5 on State Administration](#)

- Assemblymember Sharon Quirk-Silva, Chair
- Assemblymember Joe Patterson
- Assemblymember Christopher M. Ward
- Assemblymember Jesse Gabriel (Dem. Alternative)
- Assemblymember Vince Fong (Rep. Alternative)

4. FPPC Priority Bills

Updates (as of 3/4/24)

- **Passed in the Assembly:** AB 1170 (Valencia), a 2-year bill relating to e-filing of SEIs, passed in the Assembly.
- **New Introductions:** 5 Commission-initiated bills were introduced; see below.

Status and Summaries

- **[AB 1170 \(Valencia\) – Electronic Filing of SEIs \(Form 700s\)](#)**

Status: Passed in the Assembly Elections Committee on 1/10/24 (7-0); passed in the Assembly Appropriations Committee on 1/18/24 (15-0); passed in the Assembly on 1/29/24 (77-0)

Short Summary: AB 1170 would (1) require officials whose filing officer is the Commission to file their SEIs (Form 700s) using the Commission's electronic filing system, (2) require redaction of certain information from SEIs posted online by the Commission, and (3) allow for electronic retention of certain paper reports and statements.

Detailed Summary:

Electronic filing of SEIs: Existing law provides that the Commission is the filing officer for statewide elected officers and candidates and other specified public officials. Generally, these public officials file their SEIs with their agency or another person or entity, who retain a copy of the statement and then forward the original statement to the Commission. AB 1170 would instead require public officials for whom the Commission is the filing officer to file their SEIs directly with the Commission using the Commission's electronic filing system.

Redaction of certain information: Existing law requires the Commission to redact private information, including signatures, from the data made available

on the internet about SEIs filed through the Commission’s online filing system. The bill would provide that the information required to be redacted additionally includes the personal residential address and telephone number of the filer, and the street name and building number of the filer’s business address and any real property interests.

Electronic retention of reports and statements: Existing law requires filing officers to retain certain reports and statements filed by paper for 2 years in paper format before converting those filings to electronic or other specified formats. The bill would authorize filing officers to retain reports and statements filed by paper in electronic or other specified formats immediately upon receiving those reports or statements.

- **[AB 2001 \(Gallagher\) – Minor Changes to PRA and Cleanup](#)**

Status: Referred to the Assembly Elections Committee on 2/12/24

Short Summary: AB 2001 would (1) add new clarifying provisions to the section requiring local government agencies to post paper filings on its website, (2) make conforming amendments to a section that was inadvertently left out of a prior bill, relating to advertisement disclosures, (3) correct a cross-reference that was inadvertently cited incorrectly in a prior bill, (4) delete the definition of a term that is not used in the Act, and (5) make other nonsubstantive corrections.

Detailed Summary:

Clarifying section on online posting of filings by local agencies: Existing law requires a local government agency to post on its website all of the campaign reports and statements filed with that agency in paper form within 72 hours of the filing deadline. The FPCC’s advice staff received questions from local agencies about what their duties were with regard to certain scenarios not specifically addressed in the law. The bill would clarify local government agency duties by (1) requiring late filings to be posted within 72 hours of receipt, (2) providing that local agencies need not post filings erroneously filed with that agency, and (3) apply the online posting requirements to filings received by email or fax.

Conforming changes to advertisement disclosure section: In existing law, there are two versions of Section 84504.2 in the Government Code- one version is operative now, and the second version supersedes the existing version upon certification of the Cal-Access Replacement System by the Secretary of State. SB 1360 (2022) inadvertently amended only the latter version of Section 84504.2. The intent was to amend both versions. The bill

would make the same amendments to the currently operative version of 84504.2.

Cross-reference correction: In 2017, the Legislature passed a bill that reorganized various provisions and also changed a citation that was cross-referenced in the bill language. The incorrect citation resulted in a broadened definition of “campaign expenditures” for purposes of determining what counts against the voluntary expenditure limit. The legislative history suggests that this was an inadvertent error. The bill would correct that citation.

Other nonsubstantive corrections: The term “statewide election” is not used in the Political Reform Act, but is defined in Section 82052.5. The proposal would delete the definition as cleanup. The bill would also make other nonsubstantive corrections.

- **[AB 2631 \(Mike Fong\) – Local Ethics Training Program](#)**

Status: Introduced on 2/14/24

Short Summary: AB 2631 would require the FPPC to create, maintain, and make available a local agency ethics training course that satisfies certain requirements.

Detailed Summary:

Existing law: Existing law, passed in 2005, requires local agency officials to receive at least two hours of ethics training every two years, which includes training on the Political Reform Act. After passage of the bill adding this requirement, the FPPC voluntarily created a free online local ethics training course that would satisfy these training requirements.

Establishes a permanent program: The bill would codify a requirement that the FPPC, in consultation with the Attorney General, create, maintain, and make available to local agency officials an ethics training course that satisfies these training requirements, thereby making this a permanent program.

- **[AB 3008 \(Ramos and Garcia\) – Compensation from Tribal Governments](#)**

Status: Introduced on 2/16/24

Short Summary: AB 3008 would expand the government salary exception to the definition of “income” to include salary and reimbursement for expenses or per diem, and social security, disability, or other similar benefit payments received from a tribal government agency.

Detailed Summary:

Existing law in the PRA: Existing law exempts salary and reimbursement for expenses or per diem, and social security, disability, or other similar benefit payments received from a *state, local, or federal* government agency from the definition of “income” for purposes of the PRA’s conflict of interest provisions.

Existing law in Section 1090: For purposes of Section 1090, relating to conflicts of interest in government contracts, an interest may generally be deemed a remote interest or a noninterest if it is “salary, per diem, or reimbursement for expenses from a government entity.” The remote interest and noninterest provisions do not include language limiting its application to state, local or federal governments, unlike the income exception in the PRA. The FPPC’s Legal Division has interpreted Section 1090’s remote and non-interest exception to apply to tribal government workers.

Expands government salary exception: The bill would expand the government salary exception to the definition of “income,” for purposes of the PRA’s conflict of interest provisions, to include salary and reimbursement for expenses or per diem, and social security, disability, or other similar benefit payments received from a tribal government agency.

Note: The bill, as introduced, may be broader than the proposal contemplated by the Commission at its November 2023 meeting, which would have specifically excluded from the definition of “income” salary and other benefit payments from a tribal government to a tribal government employee.

- **SB 1027 (Menjivar) – Redaction of Bank Account Information on Statements of Organization**

Status: Referred to the Senate Elections Committee and the Senate Judiciary Committee on 2/14/24

Short Summary: SB 1027 would require the Secretary of State to redact the bank account number and the names of persons authorized to obtain bank account records from a committee’s Statement of Organization before providing the statement to the public. The bill would also authorize a committee to omit that same information from the copy of the statement filed with the local filing officer.

Detailed Summary:

Existing law: Existing law provides that a person or group of persons that receives \$2,000 or more in contributions in a calendar year is a “committee” under the Act. These types of committees, referred to as recipient committees,

must file a Statement of Organization with the SOS and a copy of the statement with the local filing officer, if any, within 10 days of qualifying as a recipient committee. The Statement of Organization includes, among other things, disclosure of the committee's bank account number and the names of persons authorized to obtain committee bank account records.

Fraud risk: Committees and committee representatives have expressed concern that public disclosure of the committee bank account number and the names of the listed persons makes the committee vulnerable to financial fraud.

Redaction of bank account information: The bill would require the Secretary of State to redact the bank account number and, subject to a delayed operative date, the names of persons authorized to obtain bank account records from a committee's Statement of Organization before providing the statement to the public. The bill would also authorize a committee to omit that same information from the copy of the Statement of Organization filed with the local filing officer.

Delayed operative date: Due to limitations within the existing Cal-Access campaign reporting system, additional fields cannot be redacted on Cal-Access. Because of this limitation, redaction of the names of persons authorized to obtain bank account records would take effect only after the Cal-Access Replacement System is operational.

- **[SB 1404 \(Glazer\) – Lobbying Audits and Lobbyist Fee](#)**

Status: Referred to the Senate Elections Committee on 2/29/24

Short Summary: SB 1404 would transfer the duty to conduct audits of lobbying entities from FTB to the FPPC. The bill would additionally impose an additional fee on lobbyists in an amount set by the FPPC to offset the cost of the PRA's lobbying audit program.

Detailed Summary:

Existing law on lobbying audits: Existing law requires the Franchise Tax Board to conduct audits of 25% of lobbying firms and 25% of lobbyist employers every two years. Existing law requires the FPPC to conduct mandatory audits of candidates for specified offices and authorizes the FPPC to conduct discretionary audits of any reports or statements required under the PRA.

Transfer of audit duty: The bill would transfer the lobbying audit duty to the FPPC, commencing with the entities selected for audit in February of 2025.

Excluding entities with no activity: The bill would exclude lobbying firms and lobbyist employers from the audit selection pool if they have less than \$1 in payments or contributions.

Additional lobbyist registration fee: Existing law imposes a \$50 per year fee for each lobbyist reported on the registration statement of a lobbyist employer or lobbying firm. The bill would impose an additional annual fee, in an amount established by the FPPC to offset the costs associated with the lobbying audit program. The fee would be deposited in a new fund and moneys in the fund would be continuously appropriated to the FPPC to conduct the lobbying audit program.

Additional FPPC duties: The bill would require the FPPC to:

1. Post audits conducted by the FPPC on the FPPC website for at least 10 years from the conclusion of the audit.
2. Annually report to the Legislature on the number and type of audits completed by the FPPC.
3. Adopt regulations or policies to ensure the operational independence of audit personnel from enforcement operations under the PRA.

- Other Commission Proposals:
 - AB 868 (Wilson) – Create a public record of digital campaign ads (2-year bill)
 - Separate placement agent requirements from lobbying requirements
 - Commission study on best practices for digital political advertisements
 - Add additional authority for filing officers to waive the late filing fee
 - Other minor changes and cleanup proposals

5. Other Commission-Related Bills

Updates (as of 3/4/24)

- **New Introductions:** 13 other Commission-related bills were introduced, including 7 spot bills; see below.
- **Set for Hearing:** SB 1156 (Hurtado), relating to financial disclosures for groundwater sustainability agencies, was set for hearing in the Senate Natural Resources Committee on 4/9/24.

Status and Summaries

- **[AB 2041 \(Bonta\) - Use of Campaign Funds for Security Expenses](#)**

Status: Referred to the Assembly Elections Committee on 2/12/24

Short Summary: AB 2041 would authorize a candidate or elected officer to use campaign funds for home or office security electronic security systems for, and for the reasonable costs of providing personal security to, the candidate, elected officer, or their immediate family or staff.

Detailed Summary:

Expansion to personal security expenses: Existing law allows campaign funds to be used for home or office electronic security systems under certain conditions. The bill would expand permitted campaign fund use to also include payments for the reasonable costs of providing personal security. The bill would specifically provide that the bill does not authorize campaign funds to be spent on firearms for these purposes.

Expansion to family and staff: Existing law allows campaign funds to be used only for electronic security systems at the home or office of the candidate or elected officer. The bill would allow campaign funds to be used additionally for home or office electronic security systems and personal security expenses for the immediate family or staff of the candidate or elected officer.

Repeal of verification requirement: Existing law allows campaign funds to be used for home or office security systems only if (1) the candidate or elected officer has received threats to their physical safety, (2) the threats arise from their activities, duties or status as a candidate or elected officer, and (3) the threats have been reported to and verified by law enforcement. The bill would repeal the verification requirements described in (1) and (3).

Repeal of \$5,000 limit: Existing law allows up to \$5,000 to be used for electronic security systems. The bill repeals that limit.

Return or reimbursement requirement: Existing law requires the candidate or elected officer to reimburse the campaign fund account for the costs of the security system upon sale of the property where the security equipment is installed, based on the fair market value of the security equipment at the time the property is sold. The bill instead requires either return of, or reimbursement for, the security system equipment and any other items within one year of the of when the official is no longer in office or the candidate is no longer a candidate for the office for which the security equipment was purchased, or, if applicable, upon sale of the property on which the security equipment is located, whichever occurs sooner. Return or reimbursement would be required for all security equipment and any other tangible items purchased with campaign funds.

Retains special reporting requirement: Existing law requires candidates or elected officers who use campaign funds for electronic security systems to report this expenditure to the Commission and information including when the threat was reported to law enforcement, the contact information of the law enforcement agency, and a description of the threat. The bill alters this special reporting requirement to require reporting to the Commission only of the expenditure, and additionally requires the candidate or elected official to report reimbursement for security equipment to the Commission.

- **AB 2803 (Valencia) – Use of Campaign Funds for Legal Defense: Criminal Convictions**

Status: Introduced on 2/15/24

Short Summary: AB 2803 would prohibit expenditure of campaign funds for attorney’s fees, other legal defense costs, or any fine, penalty, judgment, or settlement relating to a conviction for a felony or an offense that involves moral turpitude, dishonesty, or fraud.

Detailed Summary:

Existing law; use of campaign funds for legal costs: Expenditure of campaign funds for attorney’s fees and other legal costs is permitted under certain conditions.

Existing law; contributions held in trust: Existing law provides that all contributions deposited into the campaign account shall be deemed to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office.

Existing law; political, legislative, or governmental purpose: Existing law requires expenditures that confer a substantial personal benefit to be directly related to a political, legislative, or governmental purpose. Legal fees and costs are directly related to a political, legislative, or governmental purpose if the litigation (1) is directly related to activities of a committee that are consistent with its primary objectives or (2) arises directly out of a committee's activities or out of a candidate's or elected officer's activities, duties, or status as a candidate or elected officer.

Prohibition on use of campaign funds associated with certain criminal convictions: The bill would further restrict campaign funds from being used to pay, or pay reimbursement for, a fine, penalty, judgment, or settlement relating to, or attorney's fees and other costs in connection with, criminal litigation if the litigation results in a conviction of the candidate or elected officer for a felony or an offense that involves moral turpitude, dishonesty, or fraud.

- **[SB 1151 \(Hurtado\) - Registration and reporting requirements for foreign agents](#)**

Status: Referred to the Senate Elections Committee on 2/21/24

Short Summary: SB 1151 would make the agent of a foreign principal subject to the same registration and reporting requirements as lobbyists and lobbying firms under the PRA, and certain additional requirements.

Detailed Summary:

Existing law: Existing law under the PRA's lobbying provisions requires an individual or entity that receives compensation for the purpose of influencing legislative or administrative action to register with, and submit periodic reports to, the Secretary of State. The PRA's lobbying disclosure provisions generally require lobbyists, lobbying firms, and lobbyist employers to provide basic identifying information, such as their name, telephone number, business address, and more detailed information, such as a description of the "business activity" in which the lobbyist or their employer is engaged.

Registration and reporting requirements: The bill would require an individual who engages in certain specified activities related to influencing legislative or administrative action at the order, request, or under the direction or control of a foreign principal to register as an agent of a foreign principal and to file periodic reports with the Secretary of State. Registration and reporting would be in the same manner, with the same frequency, and with the same content as for lobbyists and lobbying firms.

Additional requirement: The bill would additionally require a foreign agent to disclose on their registration statement any compensation received, contracted, or otherwise promised to the agent by each foreign principal.

Training and fee: The bill would also subject foreign agents to the same ethics training requirements and the same annual fee as lobbyists.

Commissioner restriction: The bill would prohibit a foreign agent from being a Commissioner with the FPPC.

- **[SB 1155 \(Hurtado\) - Postgovernment employment restriction for former heads of state administrative agencies](#)**

Status: Referred to the Senate Elections Committee

Short Summary: SB 1155 would, for a period of one year after leaving office, prohibit the head of a state administrative agency from lobbying the Legislature or a state administrative agency for compensation.

Detailed Summary:

Existing law; one-year ban: Existing law prohibits certain officials, for one year after leaving state service, from representing any other person by appearing before or communicating with, for compensation, their former agency in an attempt to influence agency decisions that involve the making of general rules (such as regulations or legislation), or to influence certain proceedings involving a permit, license, contract, or transaction involving the sale or purchase of property or goods.

Existing law; permanent ban: Existing law prohibits former state officials from working on proceedings that they participated in while working for the state.

New one-year ban on lobbying activity: The bill would prohibit the head of an agency, defined to mean an elected state officer or an appointed official, from engaging in any activity, for compensation, for the purposes of influencing legislative or administrative action by the Legislature or any state administrative agency that would require the individual to register as a lobbyist under the PRA.

- **[SB 1156 \(Hurtado\) - Financial disclosures for groundwater sustainability agencies](#)**

Status: Referred to the Senate Natural Resources Committee and the Senate Elections Committee; set for hearing in the Senate Natural Resources Committee on 4/9/24

Short Summary: The bill would amend the Water Code to create separate financial disclosure reporting requirements for members of the executive team, the board of directors, and other groundwater management decision makers of groundwater sustainability agencies.

Detailed Summary:

Existing law; local government agencies: The PRA defines “local government agency” to mean a county, city or district of any kind including school district, or any other local or regional political subdivision, or any department, division, bureau, office, board, commission or other agency of the foregoing.

Existing law; financial disclosure: Existing law requires every local government agency to adopt and promulgate a Conflict of Interest Code pursuant to the PRA. Individuals designated in a Conflict of Interest Code must submit annual Statements of Economic Interests (SEI). Additionally, all officials listed in Section 82000 must submit SEIs.

Separate disclosure requirements: The bill would require members of the executive team, the board of directors, and other groundwater management decision makers of groundwater sustainability agencies to annually disclose any economic or financial interests as required for other public officials under the PRA that may reasonably be considered to affect their decision-making related to groundwater management. The bill would specify certain minimum required disclosures.

Administered and enforced by the FPPC: These disclosure statements would be submitted to the FPPC and the FPPC would be required to establish guidelines for submission and review of these statements. The FPPC would be authorized to enforce these provisions and violations would be subject to penalties under the PRA.

Note: Staff have determined that groundwater sustainability agencies are “local government agencies” under the Political Reform Act and are subject to the existing Conflict of Interest Code and SEI filing requirements. Staff have suggested amendments to simply clarify that groundwater sustainability agencies are local government agencies for purposes of the PRA.

- **[SB 1170 \(Menjivar\) - Use of campaign funds for mental health expenses](#)**

Status: Referred to the Senate Elections Committee

Short Summary: SB 1170 would authorize expenditure of campaign funds for mental healthcare expenses for non-incumbent candidates under limited circumstances.

Detailed Summary:

Existing law: Existing law prohibits expenditure of campaign funds for health-related expenses for a candidate, elected officer, or any individual or individuals with authority to approve the expenditure of campaign funds held by a committee, or members of their households.

Authorizing campaign funds use for mental healthcare expenses: The bill would authorize campaign funds to be used to pay or reimburse a non-incumbent candidate for reasonable and necessary mental healthcare expenses to address mental health issues that have arisen during the campaign or have been adversely impacted by campaign activities if the candidate does not have health insurance or has been denied coverage for these mental healthcare expenses by their health insurance.

Limited time period: Expenditures for mental healthcare expenses would be permitted from the date upon which a candidate committee is established to the date that the election results are certified.

Reporting: The bill would require these expenditures to be reported on campaign statements and would require the disclosures to note the underlying campaign-related circumstances or events that gave rise to the need for mental health expenses.

Mental healthcare expenses defined: Under the bill, “mental healthcare expenses” refers to expenses for services including therapy, psychological, or psychiatric counseling services, provided in a group or private setting, either virtually or in person, by a professional licensed by the California Board of Behavioral Sciences, or an associate accruing the house for such a license, to address mental health issues.

- **[SB 1476 \(Blakespear\) - State Bar of California](#)**

Status: Referred to the Senate Elections Committee and the Senate Judiciary Committee

Short Summary: SB 1476 would clarify that the State Bar of California is required to adopt a Conflict of Interest Code and its designated employees are required to submit Statements of Economic Interests.

Detailed Summary:

Existing law: Existing law in the Business and Professions Code provides that state law that restricts or prescribes a mode of procedure for the exercise of powers of state public bodies or state agencies is not applicable to the State Bar, unless the Legislature expressly so declares.

Existing law; PRA: Existing law in the PRA references the State Bar of California in four sections, including one section that provides for who the code reviewing body is for the State Bar. Existing law in the PRA implies, but does not explicitly state, that the State Bar of California must adopt a conflict of interest code and that its designated employees must submit Statements of Economic Interests (SEI).

Existing law; public official: Existing law in the PRA excludes a member of the Board of Governors and designated employees of the State Bar of California from the definition of “public official,” thus excluding these individuals from the prohibition on participating in government decisions in which the public official has a financial interest and related provisions.

Clarifies which provisions apply to the State Bar: The bill would explicitly require the State Bar of California to maintain Conflict of Interest Codes for its board of trustees and designated employees that meet the requirements for Conflict of Interest Codes in the PRA. The bill would authorize the Commission to enforce these provisions.

Additional clarification needed: Additional clarification is needed regarding whether the intent is to subject State Bar officials to all of the conflicts provisions in the PRA, or only the Conflict of Interest Code and SEI provisions.

- **PRA and 1090 Spot Bills:**

- [AB 2611](#) (Wallis)
- [AB 3124](#) (Low)
- [AB 2911](#) (McKinnor)
- [SB 1100](#) (Portantino)
- [SB 1111](#) (Min)
- [SB 1422](#) (Allen)