

**Meeting Minutes**  
**(Unapproved and Subject to Change)**  
**Fair Political Practices Commission**  
**Law and Policy Committee Meeting<sup>i</sup>**  
**March 15, 2021 10:00 a.m.**

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The Law and Policy Committee was called to order at 10:00 a.m.

**1. Public Comment for items not on the agenda.**

**2. Approval of February 3, 2021 minutes.**

**MOTION:** To approve February 3, 2021 Committee minutes. Moved by Commissioner Cardenas, seconded by Chair Miadich. The motion was approved 2-0.

**3. Discussion of Proposed Adoption of Regulations 18952, 18953, and 18954, Permissible Campaign Expenditures.** Staff: Erika M. Boyd, Senior Commission Counsel and Karen Harrison, Senior Commission Counsel. Staff proposes to adopt regulations further defining political, legislative and governmental purposes. The proposed changes are presented for discussion of the Law and Policy Committee.

Erika Boyd, Senior Commission Counsel, stated Staff are looking at regulations to further define political, legislative, and governmental purpose and, more specifically, looking for guidance on what is permissible to use campaign funds on.

Commissioner Cardenas asked procedurally what will happen after today. Ms. Boyd stated that it is slated for pre-notice at the Commission meeting on Thursday, and afterwards, depending on how the Commission feels, they will continue their outreach and have the Commission review their final drafts.

Commissioner Cardenas asked about the timeline for outreach to affected stakeholders. Ms. Boyd stated that outreach would be immediate and stated those subscribed to the mailing list would be notified quickly, but they would also do some personal outreach to affected stakeholders.

Chair Miadich asked about the Downing advice letter being analyzed under the directly related standard rather than the reasonably related standard. Karen Harrison, Senior Commission Counsel, stated that the letter dealt with a celebration of life event and there was a previous letter where there was a memorial service that was found not to be related to political purpose but rather personal benefit because the family wanted to use campaign funds to pay for the funeral services.

Chair Miadich asked why there were different outcomes for a schoolboard member who was able to attend a Summer Harvard program and a candidate could not use the funds for a master's program and why the outcomes were different. Ms. Boyd stated that the Harvard program was a three-week program that dealt directly with the person's duty as an elected office holder. While the master's program was a temporal timeframe, 1 to 3 years, and would benefit him personally as opposed to him carrying out his duties as an elected official. They focused on looking at the long-term outcomes to determine their decision.

Chair Miadich asked about how campaign funds for childcare expenses squares with the proposed regulations political purpose's language. Ms. Boyd stated they can add specific language to the regulations that anything already permitted by statute would not be subjected to further interpretations by these regulations.

Ms. Harrison followed up on her answer about the Downing letter. She stated that the event was a personal gift to the attendees, and that the personal gift needs to be directly related to a political, or legislative, or governmental purpose.

Chair Miadich asked if it also implicates behested payments because legislative and governmental purposes are part of the behested payment analysis as well? Ms. Harrison states that that is correct.

Chair Miadich pointed out how the definitions for the terms are sweeping in scope. Ms. Harrison stated that the way the regulations are drafted, they are limited to the campaign use provision and to particular parts of the Act, but they will color how we interpret legislative and governmental for the Act going forward.

Chair Miadich asked if they currently have a uniformed set of definitions that we apply across the three areas. Ms. Harrison stated that political purposes are defined in the Act in the definition of expenditure, but legislative and governmental have not been defined in the Act or by regulation.

Chair Miadich asked if behested payments and gifts will ever be defined differently. Ms. Harrison stated that if there were distinctions between them that can be noted in regulations. The start of defining the legislative purpose is limited to this body of law currently to prevent broader implications.

Chair Miadich asked if Staff would want to place the terms in the general definitions portion of the regulation to clarify their broader applications than just the context they are presented. Ms. Boyd stated that they would be happy to take a look.

- 4. Legislative Update.** Staff: Lindsey Nakano, Legislative Counsel. The Committee will receive an update on the progress of PRA related legislation and future legislation approved by the Commission.

Lindsey Nakano, Legislative Counsel, discussed several Commission legislative proposal updates. AB236 was amended with the Commission's preferred language and approach on LLC disclosure. Previously the bill amended the definition of multipurpose organization to include LLC. Now, both AB236 by Assemblymember Berman and SB686 Senator Glazer contain the Commission's LLC proposal which would require LLC's that qualify as a committee or committee sponsor to file a statement of members with the Secretary of State. Staff are unsure how the two bills will be reconciled. AB1367 by Assemblymember Low was amended last week and now includes two Commission proposals: the proposal to extend the one bank account rule and the proposal that would increase penalties for use of egregious personal use of campaign funds. AB378 removes gendered language from certain areas of government code. Staff is working with the Assembly Elections Committee on a committee bill that would include the commission proposal that would transfer the duty to collect the penalty for failure to pay the annual committee fee to the Secretary of State's office.

#### **5. Discussion of items for April 2021 Committee meeting.**

Committee members and staff will discuss proposed agenda items for the April 2021 committee meeting.

**MOTION:** To adjourn the meeting. Moved by Chair Miadich, seconded by Commissioner Cardenas. The motion was approved 2-0.

The meeting concluded at 10:29 a.m.

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