



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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# Second Quarter Update

Campaign Reporting and Advertising Disclosure

## Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning campaign reporting or advertising disclosure. To receive updates for all regulations before the Commission, please sign up for our [mailing list here](#).

### Adoption

[Regulation 18422.5](#) – Display of Lists of Top Contributors to Committees Primarily Formed for State Ballot Measures or Candidates

### Amendment

[Regulation 18402.1](#) – Principal Officers

[Regulation 18406](#) – Short Form for Candidates or Officeholders Who Receive and Spend Less than \$2,000 in a Calendar Year

[Regulation 18410](#) – Statement of Organization

[Regulation 18465](#) – Disclosure of Lobbying Entity Identification Numbers

[Regulation 18601](#) – Withdrawal of Lobbyist Certification or Lobbying Firm Registration

[Regulation 18611](#) – Lobbyist Reporting

[Regulation 18613](#) – Reporting by Lobbying Firms

[Regulation 18616](#) – Reports by Lobbyist Employers and Persons Spending \$5,000 or More to Influence Legislative or Administrative Action

[Regulation 18616.4](#) – Reports by Lobbying Coalitions Which Are Lobbyist Employers; Reports by Member of Lobbying Coalitions

### Repeal

[Regulation 18422.5](#) – Top Contributor Disclosure by Committee Primarily Formed for State Ballot Measures or Candidates

[Regulation 18465.1](#) – Verification on Online Filers

## Advice Letters

The following are advice letters issued by the Commission's Legal Division during the past quarter concerning questions about campaign reporting or advertising disclosure. To receive the monthly report with all advice letters issued, please sign up for our [mailing list here](#).

None

## Commission Opinions

In re CSAC-CSBA Opinion – [O-21-002](#)

## Enforcement Matters

The following are summaries of significant enforcement actions approved by the Commission in the past quarter involving violations of the Act's campaign reporting and advertising disclosure provisions. To receive a monthly report of all enforcement actions, please sign up for our [mailing list here](#).

### Campaign Bank Account

**[In the Matter San Franciscans for a Livable City, Led by Native Son Tom A. Hsieh, Opposing 13 Candidates for SFDCCC, Proudly Supported by SF Association of Realtors and its Small Business Owner Members and Tom Hsieh; FPPC No. 16/16795](#)**. Staff: Bridgette Castillo, Senior Commission Counsel and Paul Rasey, Special Investigator. The respondents were represented by Matthew Alvarez of The Sutton Law Firm. Tom Hsieh was a successful candidate for San Francisco Democratic County Central Committee in the June 7, 2016 Primary Election. San Franciscans for a Livable City, Led by Native Son Tom A. Hsieh, Opposing 13 candidates for SFDCCC, Proudly Supported by SF Association of Realtors and its Small Business Owner Members was a local primarily formed committee controlled by Hsieh, and Tom Hsieh for San Francisco Democratic County Central Committee 2016 was Hsieh's candidate-controlled committee. The Committee and Hsieh failed to use one designated campaign bank account for both committees, in violation of Government Code Section 85201 (1 count). **Fine: \$3,500.**

### Campaign Late Filer

**[In the Matter of College of the Canyons Foundation; FPPC No. 19/475](#)**. Staff: Ruth Yang, Senior Commission Counsel and Lance Hachigian, Special Investigator. The respondent was represented by Lacey Keys. College of the Canyons Foundation is a non-profit auxiliary organization formed to generate philanthropic support for College of the Canyons. The Foundation engaged in campaign activities as a major donor committee and failed to timely file three 24-Hour Reports, in violation of Government Code Section 84203 (1 count) and failed to timely file a major donor campaign statement, in violation of Government Code Section 84200, subdivision (b) (1 count). **Fine: \$5,500.**

### Campaign Late Filer/Reporter

**[In the Matter of R. Pacheco for Baldwin Park City Council 2015, Ricardo Pacheco, and Gilbert Pacheco; FPPC No. 18/124](#)**. Staff: Jenna C. Rinehart, Commission Counsel. Ricardo Pacheco was a successful candidate for member of the Baldwin Park City Council in the November 3, 2015 General Election. R. Pacheco for Baldwin Park City Council 2015 was Pacheco's candidate-controlled committee. Gilbert Pacheco was the Committee's treasurer. The Committee, Pacheco, and Pacheco failed to timely file two preelection campaign statements and six semi-annual campaign statements, in violation of Government Code Sections 84200.5 and 84200 (2 counts) and failed to timely file three 24-hour reports, in violation of Government Code Section 84203 (1 count). **Fine: \$6,500.**

### Recordkeeping

**[In the Matter of Elect Joaquin Arturo Revelo Judge 2016, Seat Number 34, Joaquin A. Revelo, and David L. Kelly; FPPC No. 18/818](#)**. Staff: Jenna C. Rinehart, Commission Counsel. This matter arose from an audit performed by the Franchise Tax Board's Political Reform Audit Program. Joaquin A. Revelo was an unsuccessful candidate for Kern County Superior Court Judge in the June 7, 2016 Primary Election. Elect Joaquin Arturo Revelo Judge 2016, Seat Number 34, was Revelo's candidate-controlled committee. David L. Kelly was the Committee's treasurer. The Committee, Revelo, and Kelly failed to maintain adequate campaign records for contributions and expenditures, in violation of Government Code Section 84104 (1 count). **Fine: \$2,000.**

# Legislation

## ***Commission-Sponsored Bills***

### **AB 236 (Berman) – Campaign disclosure: limited liability companies.**

Status: Heard in the Assembly Appropriations Committee on 4/28/21 (Passed 12-4); Amended on 5/20/21

Coauthors: Assembly Members Kalra and Bennett

Summary: AB 236 would require an LLC, if it qualifies as a committee or committee sponsor, to file a statement of members with the Secretary of State. The bill would require the statement of members to include certain information about the LLC, including a list of all persons who have a membership interest in the LLC of at least 10% or who made a cumulative capital contribution of at least \$10,000 to the LLC after it qualified as a committee or sponsor of a committee, or within the 2 calendar quarters before it qualified.

FPPC Position: Sponsor (previous version)

Cost Estimate: FPPC – 1 Special Investigator: \$126,000 (first year); \$119,000 (ongoing);  
SOS – One-time cost of \$561,000; \$121,000 (ongoing)

### **SB 686 (Glazer) – Campaign disclosure: limited liability companies.**

Status: Heard in the Senate Appropriations Committee on 5/20/21 (Passed 5-2); Passed in the Senate on 6/2/21 (32-6)

Summary: SB 686 would require an LLC, if it qualifies as a committee or committee sponsor, to file a statement of members with the Secretary of State. The bill would require the statement of members to include certain information about the LLC, including a list of all persons who have a membership interest in the LLC of at least 10% or who made a cumulative capital contribution of at least \$1,000 to the LLC after it qualified as a committee or sponsor of a committee, or within the 2 calendar years before it qualified. The bill would also codify Regulation 18421.10 on reporting contributions from LLCs, and the portion of Regulation 18402.2 relating to disclosure of an LLC's responsible officer on committee statements and reports.

FPPC Position: Sponsor

Cost Estimate: FPPC – 1 Special Investigator: \$126,000 (first year); \$119,000 (ongoing);  
SOS – One-time cost of \$561,000; \$121,000 (ongoing)

### **AB 1367 (Low) – Campaign funds: egregious personal use of campaign funds.**

Status: Passed in the Assembly on 5/27/21 (78-0); Referred to Senate Rules Committee for assignment (5/28/21)

Summary: AB 1367 would increase penalties for egregious personal use of campaign funds to three times the amount of the unlawful expenditure.

FPPC Position: Sponsor

Cost Estimate: Minor and absorbable

### ***Other Commission Related Bills***

#### **AB 40 (Lorena Gonzalez) – Slate mailer disclosures.**

Status: Heard in the Assembly Appropriations Committee on 4/28/21 (Passed 12-0)

Summary: AB 40 would require slate mailers, if the slate mailer organization appears to be affiliated with or represent any organization, group, or class of individuals, as defined, to include additional disclosures, including the number of members the slate mailer organization or committee represents from that organization, group, or class, based on specified criteria, and to include the total amount paid by each candidate and ballot measure to appear on the slate mailer. The bill would additionally delete a requirement relating to the maximum font size of an asterisk required when a candidate or ballot measure has paid to appear on the slate mailer.

Cost Estimate: Minor and absorbable

#### **AB 319 (Valladares) – Campaign contributions: foreign contribution prohibitions.**

Status: Referred to the Assembly Committee on Elections (5/19/21)

Summary: AB 319 would prohibit a foreign government or principal from making contributions, expenditures, or independent expenditures in connection with the election of a candidate to state or local office, and would prohibit a person or a committee from soliciting or accepting those contributions. Existing law currently prohibits these foreign contributions and expenditures if they are made in connection with state or local ballot measures.

FPPC Position: Support

Cost Estimate: Minor and absorbable

#### **SB 752 (Allen) – Campaign advertisements.**

Status: Heard in the Senate Appropriations Committee on 5/20/21 (Passed 5-2)

Summary: SB 752 would make several 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. The bill would revise the minimum contribution thresholds for the “top contributor” advertisement disclosure. The bill would also make changes in the Elections Code relating to initiative, referendum, and recall petitions.

Cost Estimate: FPPC – Enforcement: 1 new position (Attorney)