



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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First 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](#).

None.

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](#).

Campaign

Matthew C. Alvarez

[I-21-163](#)

Where the Commission is constitutionally prohibited from declaring Section 85501 unenforceable or unconstitutional, it is unable to advise whether Mayor may open up and control a committee that will raise and spend money on independent expenditures to support other candidates in the upcoming 2022 elections after a trial court found Section 85501 unconstitutional on its face. However, as the Commission has previously advised, if a candidate-controlled committee elects to make independent expenditures in light of that trial court decision, they should be made from the account established to support the candidate's own election to public office. Whether doing so would violate a local ordinance applicable to the mayor is outside the purview of the Act.

Linda Parks

[A-22-007](#)

The Act permits the use of campaign funds for a legal action to obtain the identity of persons responsible for sending an anonymous lewd item, and messages related to a recall election proceeding, to an elected officer. So long as the legal action does not seek monetary damages that may result in a personal benefit to the officer, the expenditure is directly related to a political and governmental purpose, because the legal action arises directly out of the activities, duties and status of the elected officer and recall candidate.

Amber Maltbie

[I-22-013](#)

The fair market value of an in-kind campaign contribution of a single campaign-related software license, where the license is purchased from a seller by a third party as a package of licenses at a bulk rate, is the price the candidate would pay to purchase the license individually from the seller.

Mass Mailing

Jim Irizarry

[A-22-010](#)

Communications regarding an election, that include the County’s Chief Elections Officer’s name in the letterhead, are not prohibited mass mailings provided the items are not delivered to recipients at their residences, places of employment, or businesses. A communication will meet the definition of a mass mailing if more than 200 are delivered by any means to recipients at their residence, place of employment or business, or post office box. However, the communication would be permitted under the “letterhead” exception, except during the 60 days prior to the election where the chief elections officer will appear on the ballot.

Commission Opinions

FPPC Opinion No. [O-22-001](#)

The Commission adopted an opinion concluding that a committee that creates and sells non-fungible token (“NFT”) trading cards must report as a contribution the entire amount received for each NFT it sells.

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](#).

Default Matters

[In the Matter of Friends of Joe Aguirre for Delano City Council 2014 and Joe Aguirre; FPPC No. 17/193.](#) Staff: Theresa Gilbertson, Senior Commission Counsel and Ann Flaherty, Special Investigator. The respondents were represented by Brandon Martin. Joe Aguirre was a successful candidate for Delano City Council in the November 8, 2014 General Election. Friends of Joe Aguirre for Delano City Council 2014 was Aguirre’s candidate-controlled committee. The Committee and Aguirre failed to timely file four pre-election campaign statements, in violation of Government Code Sections 84200.5 and 84200.8 (4 counts) and failed to timely file eight semi-annual campaign statements, in violation of Government Code Section 84200 (4 counts). **Fine: \$36,000.**

[Californians in Support of Mike Antonovich State Senate 2016 and Shelley Levine; FPPC Nos. 17/1397 and 18/821.](#) Staff: Theresa Gilbertson, Senior Commission Counsel. This matter arose from an audit performed by the Franchise Tax Board’s Political Reform Audit Program. Californians in Support of Mike Antonovich State Senate 2016 was a primarily formed committee that supported the candidacy of Michael Antonovich for State Senate District 25 during the 2016 Primary and General Elections. Shelley Levine was the Committee’s treasurer. The Committee and Levine failed to timely amend the Committee’s statement of organization to include the name of its sponsor, in violation of Government Code Section 84103 (1 count), failed to timely file four pre-election campaign statements, in violation of Government Code Section 84200.5 (2 counts), failed to timely file two 24-hour reports, in violation of Government Code

Section 84203 (1 count), and failed to adequately maintain campaign records, in violation of Government Code Section 84101 (1 count). **Fine: \$21,000.**

Advertisements and Campaign Late Filer

In the Matter of Committee for a Strong Siskiyou Economy, No on Measure H Sponsored by Crystal Geysers Water Company, Kelly Lawler, Jill Harris, and Crystal Geysers Water Company; FPPC No. 17/123. Staff: Theresa Gilbertson, Senior Commission Counsel and Ann Flaherty, Special Investigator. The Committee and Kelly Lawler were represented by Steve Churchwell of Buchalter Law Firm. Jill Harris and Crystal Geysers Water Company were represented by Jim Sutton and Nicholas Sanders of the Sutton Law Firm. Committee for a Strong Siskiyou Economy, No on Measure H Sponsored by Crystal Geysers Water Company was a primarily formed ballot measure committee that was active in Siskiyou County during the November 8, 2016 General Election. Kelly Lawler served as the Committee's treasurer and Jill Harris served as the principal officer. The Committee and Harris failed to include an accurate disclosure statement on mass mailings and advertisements, in violation of Government Code Sections 84106, 84504, subdivision (c), and 84305 (1 count). The Committee and Lawler failed to accurately disclose activity on two preelection campaign statements, in violation of Government Code Section 84211 (2 counts) and failed to timely file four 24-hour reports, in violation of Government Code Section 84203 (1 count). As a major donor, Crystal Geysers Water Company failed to timely file a major donor campaign statement, in violation of Government Code Section 84200 (1 count) and failed to timely file a 24-hour report, in violation of Government Code Section 84203 (1 count). **Fine: \$48,000.**

Cash Contributions

In the Matter of Hanford Now and Dan Chin, FPPC No. 16/711. Staff: Theresa Gilbertson, Senior Commission Counsel and Ann Flaherty, Special Investigator. Hanford Now is a local general purpose committee. Dan Chin is the Committee's treasurer and principal officer. In 2016 and 2017, the Committee and Chin accepted prohibited cash contributions of \$100 or more, in violation of Government Code Section 84300. **Fine: \$3,500.**

Legislation

SB 921 (Newman) – State Digital Advertisement Archive.

Status: Introduced on 2/3/22; referred to the Senate Elections Committee on 2/16/22

Summary:

SB 921 would require a committee that pays for a digital advertisement, as defined, to submit a copy of the ad and other specified information to the Fair Political Practices Commission no later than the date that the campaign report is due for the attendant expenditure, or within 24 hours in the 90 days before an election.

The bill would require the Commission to make that information available in a publicly accessible online format and to maintain the information for no less than 12 years from the date the information was submitted.

The bill would require the information to be available to the public in a user-friendly format that includes search capabilities, including filtering by various parameters, and the ability to download raw data.

[AB 1798](#) (Bryan) – Campaign disclosure: advertisements.

Status: Introduced on 2/7/22; referred to the Assembly Elections Committee on 2/18/22

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.

[AB 2528](#) (Bigelow) – Cal-Access: additional filings.

Status: Introduced on 2/17/22

Summary:

AB 2528 requires an elected officer's statement, report, or document filed pursuant to the Act that is not currently filed with the Secretary of State to be filed with the SOS through their online filing and disclosure system, in addition to being filed with whoever the statement, report, or document is currently filed with under the PRA, such as the elected officer's local filing officer or the Commission.

[SB 1352](#) (Allen) – Reporting contributions.

Status: Introduced on 2/18/22

Summary:

SB 1352 would require a candidate for elective state office and a committee primarily formed to support or oppose such a candidate, as specified, to file a report disclosing the receipt of a contribution of \$1,000 or more at any time prior to 90 days before an election, and to do so within 72 hours of receipt.

[SB 1360](#) (Umberg and Allen) – Advertisement disclosures.

Status: Introduced on 2/18/22

Principal Coauthors: Senator Stern and Assembly Members Cervantes, Mullin, Muratsuchi, and Santiago

Coauthors: Senator Becker and Assembly Member Gabriel

Summary:

SB 1360 would require certain political advertisements to identify the top contributors to the campaign committee paying for the advertisement without regard to any minimum contribution threshold. This bill would make additional 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.

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