



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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Second Quarter Update

Ethics – Gifts, Honorarium, Travel and Use of Campaign Funds

Regulations adopted by the Commission

The following are regulatory changes approved by the Commission during the past quarter concerning gifts, honorarium, travel, and use of campaign funds. To receive updates for all regulations before the Commission, please sign up for our [mailing list here](#).

Adopt

[18932.3](#). Definition of “Predominant Activity.” Effective 08/01/2024.

Repeal

[18932.3](#). Definition of “Predominant Activity.” Effective 08/01/2024.

Advice Letters

The following are advice letters issued by the Commission’s Legal Division during the past quarter concerning questions about gifts, honorarium, travel, and use of campaign funds. To receive the monthly report with all advice letters issued, please sign up for our [mailing list here](#).

Victor Wang

[I-24-034](#)

Payments for actual transportation and related lodging and subsistence for each official to travel to China from a foreign government, are reportable gifts that are not subject to the gift limits pursuant to Section 89506(a)(2). As reportable gifts, these payments may also require disqualification from governmental decisions affecting the source of the gifts.

Daniel Adomian

[I-24-052](#)

A one-day pass offered to alumni of an organization to attend a ticketed conference does not generally meet the definition of a gift to the extent that the events and materials provided are related to the performance of the official’s “official duties” under the informational materials exception. Any meals provided, events attended, or material provided that are not related to the official’s duties will be a reportable gift subject to the Act’s gift limitations and disqualification rules.

Jeffrey Nibert

[I-24-053](#)

Under the Act, donations to pay for medical services for a public official’s pet are considered gifts, and the public official will generally be subject to the Act’s reporting requirements, annual limits, and conflict provisions relating to gifts and sources of gifts. However, several exceptions to the general gift provisions may be applicable to certain donations, particularly those coming from friends and other individuals with whom the public official has pre-existing relationships. If the official is uncertain regarding whether an exception applies to a specific donation, the official should seek additional advice.

Paola Maldonado

[I-24-065](#)

The “Acts of Human Compassion” exception may apply to an official using an online fundraiser to raise funds for her husband’s cancer treatments the family otherwise could not afford. Consequently, the donations the official’s spouse receives do not qualify as “gifts” to the official under the Act and are not subject to the \$50 reporting requirement, \$590 annual limit, or conflict of interest provisions pertaining to sources of gifts, to the extent that the source of the donation: (1) has a prior relationship with the official, or the payment is made without regard to the official’s status under circumstances where it would be common to receive community outreach; and (2) is not specifically excluded in Regulation 18942(D)(i)-(iii).

Commission Opinions

None.

Enforcement Matters

The following are summaries of significant enforcement actions approved by the Commission in the past quarter concerning gifts, honorarium, travel, and use of campaign funds. To receive a monthly report of all enforcement actions, please sign up for our [mailing list here](#).

None.

Legislation

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

Status: Passed in the Assembly (70-0)

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.

FPPC Position: Support (Sponsor)

FPPC Costs: \$234,000 in the first year and \$227,000 annually thereafter for one position in IT and education software

AB 2041 (Bonta) - Use of Campaign Funds for Security Expenses

Status: Passed in the Assembly (72-0); set for hearing in the Senate Elections Committee on 6/4/24

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), and would also authorize use of funds for threats arising from staff's position as staff of the candidate or elected officer.

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 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.

Reporting and recordkeeping: 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 would instead require

candidates and elected officers to report expenditures and any reimbursement under these provisions on the candidate or elected officer's campaign statements. The bill would also require the candidate or elected officer to maintain certain detailed records.

FPPC Position: Support

FPPC Costs: Minor and absorbable

AB 2573 (M. Fong and Lee) – Gifts: Services of a Fellow

Status: Passed in the Senate (74-0)

Coauthors: Assemblymembers Kalra, Low, Muratsuchi, and S. Nguyen

Short Summary: AB 2573 would clarify that the services of a policy fellow provided by a 501(c)(3) nonprofit organization are not a "gift" to a state elective or appointive officer for purposes of the gift limit.

Detailed Summary:

Existing law and advice: Existing law defines "gift" to mean, in relevant part, "any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received [...]." The FPPC has provided advice that the services of a fellow to a state agency or the Legislative branch are not gifts under the Act, since these services do not confer a personal benefit to any public official.

Clarification in the law: The bill would provide that the services of a policy fellow provided by a 501(c)(3) nonprofit organization for purposes of assisting with official state agency business are not a "gift" to a state elective or appointive officer for purposes of the gift limit.

FPPC Position: No position

FPPC Costs: Minor and absorbable

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

Status: Passed in the Assembly (71-0); referred to the Senate Elections Committee

Principal Coauthor: Senator Umberg

Coauthor: Assemblymember Chen

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.

FPPC Position: No position

FPPC Costs: Minor and absorbable

AB 3239 (Carrillo) – Use of Campaign Funds: Emotional Support Animal Airline Travel

Status: Passed in the Assembly (56-0)

Short Summary: AB 3239 would authorize campaign funds to be used pay or reimburse airline travel expenses related to an emotional support animal under certain circumstances.

Detailed Summary:

Existing law: Under existing law, an expenditure of campaign funds that confers a substantial personal benefit must be directly related to a political, legislative, or governmental purpose of the committee. Existing law prohibits campaign funds from being used to pay or reimburse travel expenses except when these expenditures are directly related to a political, legislative, or governmental purpose.

Exception for emotional support animal airline travel costs: The bill would allow campaign funds to be used to pay or reimburse airline travel expenses related to an emotional support animal belonging to and traveling with an individual whose airline travel may be paid for or reimbursed by campaign funds.

Definition of emotional support animal: The bill would cross-reference the definition of “emotional support animal” elsewhere in state law, which defines the term to mean “an animal

that provides emotional, cognitive, or other similar support to an individual with a disability, and that does not need to be trained or certified.”

Reporting: The bill would require these costs to be reported on campaign statements the same as other travel costs, and would provide that the payments or reimbursement are considered for the same purpose as the candidate’s or elected officer’s travel.

FPPC Position: No position

FPPC Costs: Minor and absorbable

SB 1155 (Hurtado) - Postgovernment Employment Restriction for Former Heads of State Administrative Agencies

Status: Passed in the Senate (39-0); referred to the Assembly Elections Committee

Short Summary: SB 1155 would, for a period of one year after leaving office, prohibit an elected state officer or appointed official 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 who receives a salary based on their appointment, from engaging in any activity, for compensation, for the purpose 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.

FPPC Position: No position

FPPC Costs: Minor and absorbable

SB 1170 (Menjivar) - Use of Campaign Funds for Mental Health Expenses

Status: Passed in the Senate (39-0); set for hearing in the Assembly Elections Committee on 6/12/24

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 hours for such a license, to address mental health issues.

FPPC Position: No position

FPPC Costs: TBD, pending amendments