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**SENATE COMMITTEE ON  
ELECTIONS AND CONSTITUTIONAL AMENDMENTS**  
Senator Steven Glazer, Chair  
2023 - 2024 Regular

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**Bill No:** SB 888 **Hearing Date:** 4/18/23  
**Author:** Committee on Elections and Constitutional Amendments  
**Version:** 4/17/23  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Scott Matsumoto

**Subject:** Political Reform Act of 1974

**DIGEST**

This bill contains various changes to the Political Reform Act of 1974 (PRA).

**ANALYSIS**

Existing law:

- 1) Creates the Fair Political Practices Commission (FPPC), and makes it responsible for the impartial, effective administration and implementation of the Political Reform Act (PRA).
- 2) Defines “statewide election,” for purposes of the PRA, as an election for statewide elective office.
- 3) Defines “committee” to mean any person or combination of persons who directly or indirectly does any of the following:
  - a) Receives contributions totaling \$2,000 or more in a calendar year.
  - b) Makes independent expenditures totaling \$1,000 or more in a calendar year.
  - c) Makes contributions totaling \$10,000 or more in a calendar year to or at the behest of candidates or committees.
- 4) Requires a committee to file a statement of organization with the Secretary of State (SOS), and file a copy of the statement of organization with the local filing officer, if any, as specified. Provides that the data made available on the internet shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed pursuant PRA.
- 5) Requires certain political advertisements to make specified disclosures and specifies the required form, content, and presentation of the disclosures depending on the medium in which the advertisement appears, as specified.

- 6) Provides a public officer or candidate may expend or accept public moneys for the purpose of seeking elective office if the state or a local governmental entity establishes a dedicated fund for this purpose by statute, ordinance, resolution, or charter, and both of the following are true:
  - a) Public moneys held in the fund are available to all qualified, voluntarily participating candidates for the same office without regard to incumbency or political party preference.
  - b) The state or local governmental entity has established criteria for determining a candidate's qualification by statute, ordinance, resolution, or charter.
- 7) Provides that no member of the FPPC, during the member's tenure, shall hold any other public office, serve as an officer of any political party or partisan organization, participate in or contribute to an election campaign, or employ or be employed as a lobbyist. Prohibits a commissioner from seeking election to any other public office during the commissioner's term of appointment.

This bill:

- 1) Deletes the definition of "statewide election" from the PRA.
- 2) Permits a committee to redact a bank account number included on the copy of the statement of organization filed with the local filing officer pursuant to subdivision (a). A local filing officer shall not require a committee to disclose a bank account number on the copy of the statement of organization filed with the local filing officer as a condition of accepting that filing.
- 3) Requires the SOS to redact the bank account number on a statement of organization filed with the SOS before making the statement available to the public in any form.
- 4) Requires the SOS or the local filing officer, as applicable, before making the report or statement available to the public in any form, to redact the street name and building number on a report or statement filed before making it available to the public in any form.
- 5) Clarifies the required form and content of disclosures on print advertisements, as specified.
- 6) Removes the provision that provides a public officer or candidate may expend or accept public moneys for the purpose of seeking elective office if the state or a local governmental entity establishes a dedicated fund for this purpose by statute, ordinance, resolution, or charter now invalid because of a recent a Supreme Court decision and affirmed by the Court of Appeals in 2019.
- 7) Clarifies that if a member of the FPPC declares a candidacy for elective office, then the commissioner shall resign from the FPPC. Prohibits the chair of the FPPC from filing to be a candidate for any elective office until at least one year after their service as Chair expires.

8) Makes technical, non-substantive changes.

### **BACKGROUND**

Political Reform Act of 1974. In 1974, California voters passed Proposition 9, an initiative commonly known as the PRA. Proposition 9 created the FPPC and codified significant restrictions and prohibitions on candidates, officeholders, and lobbyists. The Legislature is permitted to amend the PRA, but the amendments must further the purposes of the PRA and requires a two-thirds vote of both houses of the Legislature.

Definition of “Statewide Election.” The definition of “statewide election” appears in the PRA. However, since the definition’s inclusion into the PRA, the term is no longer used in the provisions of the PRA.

Bank Account Numbers. When a committee files a statement of organization form (Form 410), one of the required fields is a bank account number. The original Form 410 is submitted to the SOS and a copy is submitted to a local filing officer. When making these forms available online for the public, the SOS redacts the bank account number and other information as specified by existing law.

For forms submitted to a local government agency that requires online or electronic filings, the local filing officer redacts the bank account number before making the forms available for the general public. However, for a hard copy of the Form 410, the account numbers on the form are not redacted when requested by a member of the public.

Street Numbers and Street Names. Similar to bank account numbers, online filing for a person’s street number and street name are redacted. However, the information on the hard copy may not be redacted. In light of recent incidents of political violence and the rise of threats against candidates and public officials, this bill would ensure that street number and street name are submitted to the filing officer, but not publically disclosed.

Public Money Ban. In 2016, the Legislature passed and Governor Brown signed SB 1107 (Allen) Chapter 837, Statutes of 2016. SB 1107 provided, within the PRA, an exception to the existing ban on use of public moneys for the purpose of seeking public office and a requirement that an officeholder who is convicted of specified crimes to forfeit any remaining campaign funds to the general fund. However, this provision was declared void and unenforceable by a Superior Court decision and affirmed by the Court of Appeals in 2019. As a result, this bill reverts the statute back to the pre-2016 language.

Various Clean-Up Provisions. The Legislature passed and Governor Newsom signed SB 1360 (Umberg), Chapter 887, Statutes of 2022, which changed the text and formatting of required disclosures on petitions and electronic media and video campaign advertisements, as specified. SB 1360 also required disclosures on electronic media advertisements about top contributors funding the advertisement. Within the bill’s provisions there were changes made to the future operative version. However, the provisions currently in effect were not changed. This bill would make both the current and future provisions consistent.

Additionally, in SB 1360, there was an inadvertent cross-reference and this bill corrects that cross-reference.

SB 867 (Cooley), Chapter 749, Statutes of 2017, made various provisions to the PRA that are located within the definition of the term “contribution” such that other terms and substantive reporting requirements are relocated to their own sections of the PRA. One of the bill’s provisions broadened the definition of “campaign expenditure” for the types of expenditures count for purposes of the voluntary expenditure ceiling. This bill reverts the definition of “campaign expenditures” to pre-AB 867 language.

Finally, in 2014, the Legislature passed and Governor Brown signed AB 800 (Gordon), Chapter 9, Statutes of 2014. AB 800 deleted provisions that prohibited audits or investigations of candidates, controlled committees, and primarily formed committees until after the last date for filing certain reports or statements. That code section is still referenced in statute and this bill add language that the cross-reference applies as it read prior to its repeal.

Clarifying Ambiguities Relating to “Seek Election” and “Term of Appointment.” The PRA provides various prohibitions on FPPC commissioners. Commissioners are unable to hold any other public office, serve as an officer of any political party or partisan organization, participate in or contribute to an election campaign, or employ or be employed as a lobbyist. The PRA also prohibits commissioners from seeking election to any other public office during the commissioner’s term of appointment.

This bill aims to clear up some ambiguous phrases like “seek election” and “term of appointment” in the PRA by providing that if a commissioner *declares* a candidacy for elective office, then the commissioner shall resign from the FPPC. The bill also prohibits the chair of the FPPC from *filing* to be a candidate for any elective office until at least one year after their service as Chair expires.

### **COMMENTS**

- 1) According to the Author: SB 888 is an omnibus bill that makes various changes to the PRA. This bill includes changes requested by stakeholders who are either affected by the PRA or frequently work with various provisions of the PRA. This bill also seeks to improve the privacy of sensitive information for filers.
- 2) Double Referral. If approved by the committee, SB 888 will be re-referred to the Committee on Judiciary for further consideration.

### **RELATED/PRIOR LEGISLATION**

SB 423 (Umberg), Chapter 31, Statutes of 2020, in an early version of this bill, among other provisions, would have ensured that bank account numbers on a committee’s Statement of Organization form are kept confidential. This bill was later amended to reflect a different elections issue.

SB 1360 (Umberg), Chapter 887, Statutes of 2022, changed the text and formatting of required disclosures on petitions and electronic media and video campaign

advertisements, as specified. SB 1360 also required disclosures on electronic media advertisements about top contributors funding the advertisement.

SB 1107 (Allen) Chapter 837, Statutes of 2016, provided, within the PRA, an exception to the existing ban on use of public moneys for the purpose of seeking public office and a requirement that an officeholder who is convicted of specified crimes to forfeit any remaining campaign funds to the general fund.

SB 867 (Cooley), Chapter 749, Statutes of 2017, among other provisions, made various provisions of the PRA that are located within the definition of the term "contribution."

AB 800 (Gordon), Chapter 9, Statutes of 2014, among other provisions, deleted provisions that prohibited audits or investigations of candidates, controlled committees, and primarily formed committees until after the last date for filing certain reports or statements.

### **POSITIONS**

**Sponsor:** Author

**Support:** None received

**Oppose:** None received

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