

Date of Hearing: March 20, 2024

ASSEMBLY COMMITTEE ON ELECTIONS  
Gail Pellerin, Chair  
AB 2001 (Gallagher) – As Amended March 6, 2024

**SUBJECT:** Political Reform Act of 1974.

**SUMMARY:** Requires a local government agency that receives campaign finance disclosure filings by fax or email to post copies of those filings on its website within 72 hours of the filing deadline. Makes various other minor and technical changes to the Political Reform Act of 1974 (PRA). Specifically, **this bill:**

- 1) Expands a law that requires a local government agency to post campaign finance disclosure filings online within 72 hours of the filing deadline if those filings are submitted on paper, such that it also applies to filings submitted by fax or email. Clarifies that filings that are submitted after the deadline must be posted by the agency within 72 hours of receipt. Clarifies that an agency is not required to post a filing that was required to be filed only with a different agency or person, and requires the agency to notify the filer of the error.
- 2) Clarifies the deadline for bringing a civil enforcement action for an alleged violation of the PRA under certain circumstances.
- 3) Makes minor changes to formatting requirements for specified disclosures that are required to appear on print campaign advertisements.
- 4) Repeals the definition of the term “statewide election” in the PRA.
- 5) Makes technical changes.

**EXISTING LAW:**

- 1) Creates the Fair Political Practices Commission (FPPC), and makes it responsible for the impartial, effective administration and implementation of the PRA. (Government Code §§83100, 83111)
- 2) Requires a local government agency that receives campaign finance disclosure filings in paper format to post copies of those filings on the agency’s website within 72 hours of the applicable filing deadline. Extends the deadline for posting the filings to the next business day if the final day of the 72-hour period is a Saturday, Sunday, or holiday. (Government Code §84616)
- 3) Makes violations of the PRA subject to administrative, civil, and criminal penalties. (Government Code §§83116, 91000-91005.5) Prohibits a civil action alleging a violation in connection with specified reports or statements required by the PRA from being filed more than four years after an audit could begin as set forth by a section of law that has been repealed, or more than one year after the Franchise Tax Board forwards its audit report to the FPPC, whichever period is less. (Government Code §91011)

- 4) Requires advertisements that support or oppose candidates or ballot measures to include disclosure statements in specified circumstances. Requires these disclosures to comply with certain formatting, display, legibility, and audibility requirements. (Government Code §§84501-84513)
- 5) Defines the term “statewide election,” for the purpose of the PRA, to mean an election for statewide elective office. (Government Code §82052.5)

**FISCAL EFFECT:** Unknown. State-mandated local program; contains a crimes and infractions disclaimer; contains reimbursement direction.

**COMMENTS:**

- 1) **Purpose of the Bill:** According to the author, “AB 2001 aims to bolster the accuracy and consistency of the Political Reform Act, thereby establishing a more coherent and efficient regulatory structure. Additionally, this bill plays a pivotal role in improving public transparency in local elections by guaranteeing prompt and precise online publication of filings.”
- 2) **Online Posting of Local Campaign Filings:** Existing law generally requires candidates and political committees that are involved in state elections (elections for statewide office, Board of Equalization, Senate, Assembly, and state ballot measures), and that raise or spend \$25,000 or more, to file their campaign disclosure reports electronically with the Secretary of State (SOS). Disclosure reports that are filed electronically with the SOS generally are available online for public display immediately after being filed. Local candidates and committees, however, are not subject to the same rules. While existing law *permits* a local government to require disclosure reports to be filed online or electronically for an elected officer, candidate, or committee that raises or spends more than \$1,000, many local government agencies do not have this requirement or do not have electronic filing available. Accordingly, many local campaign finance disclosure reports are filed only in paper format, or are filed by fax or email and are not immediately available for public review online when filed.

In an effort to improve access to local campaign disclosure reports, AB 2151 (Gallagher), Chapter 214, Statutes of 2020, required a local governmental agency that receives campaign finance disclosure filings in paper format to post copies of those filings on its website within 72 hours of the filing deadline. Since AB 2151 went into effect, the FPPC has received questions from local agencies about their duties in situations where the law is not clear. In particular, the deadline for a local agency to post a filing on its website is unclear when that filing is received after the filing deadline. Additionally, local agencies are unclear whether AB 2151 requires them to post filings that are erroneously filed with their agencies.

This bill expands the requirements of AB 2151 to require disclosure reports that are filed by email or by fax to be posted online. Additionally, it clarifies that when a campaign disclosure is filed late with a local agency, the local agency must post that filing online within 72 hours of receipt of the filing. Finally, this bill clarifies that a local government agency is not required to post a filing that was required to be filed only with a different agency or person, and requires the agency to notify the filer of the error.

- 3) **Technical Corrections:** In order to provide greater clarity in state law, AB 867 (Cooley), Chapter 749, Statutes of 2017, recast various provisions of the PRA related to behested payment reporting. Whereas rules related to behested payment reporting previously had been included in the PRA’s definition of the term “contribution,” AB 867 moved those provisions to their own sections of the PRA. The legislative findings and declarations that were included in AB 867 stated that “the organizational changes made by [that bill] are intended to be technical and clarifying in nature,” and the author of the bill stated that it was not intended “to create new requirements or remove existing ones.” In reorganizing and recodifying these provisions of law, however, AB 867 inadvertently made a change to the definition of the term “campaign expenditure,” as that term is used for the purpose of voluntary expenditure limits under the PRA, broadening that definition to include expenses that previously had been excluded. This bill corrects that drafting error.

SB 1360 (Umberg), Chapter 887, Statutes of 2022, made various minor changes to specified disclosures that are required to appear on print campaign advertisements, among other provisions. The section of law that details the disclosure requirements for print campaign advertisements exists in two different versions—a currently operative version, and a version that will become operative in the future. While SB 1360 amended the version of that section of law that will become operative in the future, it did not make the same changes to the currently operative version of law. That omission was unintentional. This bill makes those minor changes to the currently-operative provision of law, thereby creating greater consistency between the current and future versions. Additionally, this bill updates a cross-reference in the PRA to correspond to another change made by SB 1360.

- 4) **Audits of Campaign Disclosures and Statutes of Limitations:** Among other provisions, AB 800 (Gordon), Chapter 9, Statutes of 2014, repealed a provision of the PRA that prohibited certain audits or investigations of campaign disclosure filings from beginning before the election for which those disclosures were filed. The statute of limitations for bringing a civil enforcement action alleging certain violations of the PRA, however, is tied to the provision of law that was repealed by AB 800, and AB 800 did not include any adjustments to the statute of limitations law. As a result, the deadline for bringing a civil enforcement action for certain violations of the PRA is unclear. This bill clarifies that the statute of limitations for bringing a civil enforcement action in those circumstances is based on the law as it existed prior to the enactment of AB 800, thereby maintaining the statute of limitations that existed prior to AB 800.
- 5) **Definition of Statewide Election:** The PRA includes a definition of the term “statewide election” that has remained unchanged since the enactment of the PRA in 1974. While that term was used in the original text of the PRA as approved by the voters, it is no longer used in the PRA. Accordingly, this bill deletes the definition of that term from the PRA.
- 6) **Previous Legislation:** Many of the provisions of this bill were contained in SB 888 (Elections & Constitutional Amendments Committee) of 2023, which was held on the Senate Appropriations Committee’s suspense file. The primary costs identified in the Senate Appropriations Committee’s analysis of SB 888 related to provisions that are not included in this bill.

7) **Arguments in Support:** The sponsor of this bill, the FPPC, writes in support:

The bill would amend the PRA to (1) make clarifications and provide clear direction to local government agencies regarding their existing duty to post on their websites all of the campaign reports and statements filed with that agency in paper form, (2) make conforming changes to a section relating to advertisement disclosures that was inadvertently left out of a prior bill, (3) correct a cross-reference that was incorrectly cited in a prior bill, and (4) make additional non-substantive, cleanup changes.

8) **Political Reform Act of 1974:** California voters passed an initiative, Proposition 9, in 1974 that created the FPPC and codified significant restrictions and prohibitions on candidates, officeholders, and lobbyists. That initiative is commonly known as the PRA. Amendments to the PRA that are not submitted to the voters, such as those contained in this bill, must further the purposes of the initiative and require a two-thirds vote of both houses of the Legislature.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Fair Political Practices Commission (Sponsor)

**Opposition**

None on file.

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