Date of Hearing: March 25, 2026

ASSEMBLY COMMITTEE ON ELECTIONS
Gail Pellerin, Chair
AB 1788 (Boerner) – As Introduced February 10, 2026

AS PROPOSED TO BE AMENDED

SUBJECT: Political Reform Act of 1974: travel expenditures.

SUMMARY: Significantly broadens the circumstances under which a nonprofit organization must file a disclosure report with the Fair Political Practices Commission (FPPC) when the organization pays for travel by an elected state or local official. Specifically, **this bill**:

1) Requires any nonprofit organization that pays more than $10,000 for elected officials' travel, or more than $5,000 per year for travel by a single official, to disclose the names of the organization's donors who donated at least $1,000 and accompanied the official on their travel during the preceding year, and repeals a provision of existing law that makes this requirement applicable only to nonprofit organizations that *regularly organize and host travel* for elected officials.

2) Requires the nonprofit organization's disclosure to the FPPC to include a listing of each expenditure for travel by an elected state or local official and the name of the person for whom the expenditure for travel was made.

3) Requires the nonprofit organization to maintain detailed accounts, records, bills, and receipts necessary to prepare the disclosures, and to retain those items for at least five years.

EXISTING LAW:

1) Creates the FPPC, and makes it responsible for the impartial, effective administration and implementation of the Political Reform Act (PRA). (Government Code §§83100, 83111)

2) Requires a nonprofit organization that regularly organizes and hosts travel for elected officials and that makes payments, advances, or reimbursements for their travel that total more than $10,000 per year, or more than $5,000 per year for a single official, to disclose the names of donors to the organization who donated at least $1,000 and accompanied the official on their travel during the preceding year. Provides, for the purpose of this requirement, that a nonprofit organization "regularly organizes and hosts travel for elected officials" if more than one-third of the organization's total expenses relate to travel, study tours, conferences, conventions, and meetings with regard to elected officials, as specified. (Government Code §89506)

3) Makes violations of the PRA subject to administrative, civil, and criminal penalties. (Government Code §§83116, 91000-91005.5)

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

COMMENTS:

1) **Author's Amendments:** After the committee's deadline for pre-committee author's amendments, the author proposed amendments to fill in the blank space currently found on page 4, line 23 of the bill to specify that nonprofit organizations are required to maintain relevant records for at least five years, as follows:

   The accounts, records, bills, and receipts shall be retained by the nonprofit organization for at least ~~—~~ **five** years.

   This analysis reflects those proposed author's amendments.

2) **Purpose of the Bill**: According to the author, "Government transparency is important to maintain the public's trust. AB 1788 will ensure that expenditures for travel are reported in a clear and standard way. By adding this clarification to the Political Reform Act, AB 1788 will ensure that when organizations pay for an elected officials' travel, that it is properly disclosed."

3) **Gifts of Travel**: The PRA generally prohibits elected state and local officers, among others, from accepting gifts from a single source totaling more than $630 in a calendar year. This limit is adjusted every two years for inflation. In addition, elected state officers, among others, may not accept gifts aggregating more than $10 in a calendar month from, or arranged by, registered state lobbyists or lobbying firms.

   Travel payments received by public officials generally are reportable gifts or income under the PRA, with certain exceptions. When travel payments qualify as gifts, they typically are subject to the $630 gift limit and $10 lobbyist gift limit, unless an exception applies.

   Certain travel-related payments, including those for lodging and subsistence, are considered gifts but are exempt from the $630 limit if they are related to a legislative or governmental purpose, or to an issue of state, national, or international public policy, and they meet one of the following conditions:

   (1) The travel is in the United States, is connected to a speech given by the official, and any lodging and subsistence is limited to the day before, the day of, and the day after the travel.

   (2) The travel is provided by a government agency or authority, a bona fide educational institution, as specified, or a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code (or a comparable foreign entity).

   Although these payments are not subject to the $630 gift limit, they must be publicly reported by the official, and the travel payments can create a conflict of interest for the official.

4) **Previous Legislation Requiring Disclosure of Funders to Nonprofit Organizations Paying for Travel**: While nonprofit organizations are required to submit certain financial information to the Internal Revenue Service (IRS) and make it publicly available, they are generally not required to publicly disclose the identity of their donors.

In response to concerns about limited transparency regarding the funders of nonprofit organizations that sponsor travel and conferences for public officials—and concerns that those funders may use the travel and conferences as an opportunity to attempt to influence public officials—the Legislature enacted SB 21 (Hill), Chapter 757, Statutes of 2015, signed by Governor Brown. SB 21 requires certain nonprofit organizations that regularly organize and sponsor travel for elected officials to disclose donor information.

Specifically, the law applies to nonprofits that spend more than $10,000 annually on travel for elected officials, or more than $5,000 annually for a single official. These organizations must disclose the names of donors who contributed at least $1,000 and accompanied an elected official on travel during the preceding year.

SB 21 defines a nonprofit as "regularly" organizing and hosting travel if more than one-third of its annual expenses—based on publicly available IRS filings—are devoted to travel, study tours, or conferences involving public officials. This one-third threshold was added during legislative negotiations to avoid imposing reporting requirements on large, broadly focused nonprofits for which such travel constitutes only a small portion of their activities.

Two examples of organizations that were identified as the types of organizations that should be excluded from these reporting obligations are the National Conference of State Legislatures and the Council of State Governments. These nonpartisan, membership-based organizations support state policymakers and foster interstate collaboration, serving primarily as informational and resource hubs rather than advocacy groups.

5) **Nonprofit Travel Payment Disclosure and FPPC Audit**: In May 2023, the news organization *CalMatters* reported that, since the SB 21 reporting requirement took effect in 2016, nonprofits had filed only two reports under that law. In response, the FPPC directed its Audits and Assistance Division to examine entities that might be subject to these requirements.

   The audit aimed to assess how the reporting requirements are functioning in practice. The FPPC conducted 10 discretionary audits of nonprofit organizations selected based on public officials' disclosures of travel gifts received from those organizations.

   Of the 10 organizations reviewed, eight had not filed SB 21 reports, while two had filed reports for either 2021 or 2022. The audit determined that two of the organizations were not subject to SB 21, because they were organized differently than the types of nonprofits specifically identified in the bill. Of the remaining eight, six did not meet the one-third threshold during the periods reviewed.

   By the time the audit report was issued, six additional SB 21 reports had been filed, including one submitted by an organization that believed it was not subject to the requirement but chose to file nonetheless. Three more reports have been filed with the FPPC since that time.

   Although the *CalMatters* report and the FPPC audit raise valid concerns about whether SB 21 is achieving its intended transparency goals, eliminating the one-third threshold could extend reporting and recordkeeping requirements to organizations the Legislature originally sought to exclude.

Accordingly, the committee may wish to consider whether the proposed changes to SB 21 are overly broad and could impose unnecessary burdens on organizations that do not present the same risks of undue influence that motivated the law's enactment.

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

> AB 1788 would increase transparency in regards to nonprofit organizations that pay for the travel of elected officials in cases where a donor accompanies the elected official during the travel. Specifically, it would eliminate an overly exclusive threshold that resulted in very little disclosure and would instead apply existing dollar-based reporting thresholds to nonprofit organizations that make qualifying travel expenditures for elected state or local officials, resulting in greater transparency about these payments and the parties involved.

7) **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)
League of Women Voters of California

Opposition

None on file.

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