Date of Hearing: June 17, 2026

ASSEMBLY COMMITTEE ON ELECTIONS
Gail Pellerin, Chair
SB 1389 (Dahle) – As Amended April 23, 2026

SENATE VOTE: 36-0

SUBJECT: The Political Reform Act of 1974: late filing of reports.

SUMMARY: Extends the period during which a filing officer may waive late fees for a statement of economic interests (SEIs) that is filed after the deadline. Specifically, **this bill**:

1) Extends the period during which a filing officer may waive the $10 per day penalty for a late SEI (also referred to as Form 700) from 30 days of the original deadline of the Form 700, to 30 days after the filing officer refers the late or missing filing to the Fair Political Practices Commission (FPPC). Applies this to all SEI filers, including candidates.

2) Establishes a penalty limit of $100 for a late filing of an original SEI. Clarifies that for any other statement or report, the maximum penalty for a late filing is equal to the aggregate amount of any contributions, expenditures, and other amounts reported on the statement or report, or $100, whichever is greater.

3) Removes a provision of law that imposes a $10 per day penalty on filers for filing a late *copy* of a statement or report after the filing officer has sent specific written notice of the filing requirement and until the statement is filed.

4) Makes other clarifying and technical changes.

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 §§81000 et seq.)

2) Requires that candidates for, and current holders of, specified elected or appointed state and local offices and designated employees of state and local agencies file SEIs disclosing their financial interests, including investments, real property interests, and income. (Government Code §81009 et seq.)

3) Requires every state or local agency to adopt a conflict of interest code that identifies the officials and employees within the agency who make governmental decisions based on the positions they hold, as specified. Provides that a conflict of interest code shall have the force of law. Requires the individuals in the designated positions, commonly referred to as "designated employees," to file SEIs that publicly disclose the employees' financial interests, as specified. (Government Code §§87300, 87302)

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

5) Provides that a person who files an original statement or report, or a copy of the statement or report, after a deadline imposed by the PRA, is liable in the amount of $10 per day after the deadline until the statement or report is filed to the officer with whom the statement or report is required to be filed. (Government Code §91013(a)(1)) Limits the amount of this penalty to the greater of $100 or the cumulative amount stated in the late statement or report. (Government Code §91013(c))

6) Permits a filing officer, for an original statement or report, to waive the $10 per day penalty if the officer determines that the late filing was not willful and that enforcement of the liability will not further the purposes of the PRA, except as specified. (Government Code §91013(a)(2))

7) Prohibits a filing officer from waiving the $10 per day penalty when a Form 700 is not filed within 30 days after the filing officer sends a filer a specific written notice of the requirement to file, unless that person is filing as a candidate. (Government Code §91013(a)(2))

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:

1) **Purpose of the Bill**: According to the author:

> This is a good governance bill which modernizes campaign finance reporting by ensuring filers aren't penalized with daily fines for simply forgetting to submit a duplicate copy of their Form 700. SB 1389 creates a more reasonable system that forgives honest mistakes while maintaining firm accountability for actual violations.

2) **Statements of Economic Interests**: As part of the PRA's comprehensive scheme to prevent conflicts of interest by state and local public officials, existing law identifies certain elected and other high-level state and local officials who must file SEIs (commonly referred to as a Form 700). Similarly, candidates for those positions must file SEIs. Other state and local public officials and employees are required to file SEIs if the position they hold is designated in an agency's conflict of interest code. A position is required to be designated in an agency's conflict of interest code when the position entails the making or participation in the making of governmental decisions that may foreseeably have a material financial effect on the decision maker's financial interests.

   The information that must be disclosed on an SEI, and the location at which an SEI is filed, varies depending on the position held by the individual who is required to file an SEI. Although there are some exceptions, individuals who are required to file an SEI typically must file that document with the agency of which they are an elected official or by which they are employed. In some cases, original SEIs or copies thereof are filed with the FPPC. The requirement for public officials to file SEIs serves two purposes. First, the SEI provides necessary information to the public about an official's personal financial interests so there is assurance that officials are making decisions that do not enhance their personal finances.

Second, the requirement to file an SEI serves as a reminder to the public official of potential conflicts of interests so the official can recuse themselves from making or participating in governmental decisions that are deemed conflicts.

3) **Waivers and Extended Time**: Violations of the PRA generally are subject to administrative, civil, and criminal penalties. However, enforcement actions for violations of the PRA typically are brought through the FPPC's administrative enforcement process.

   A person who files a Form 700 after the deadline imposed by the PRA is liable for a late filing penalty of $10 per day. That penalty is in addition to any administrative, civil, or criminal penalty imposed for violating the PRA. FPPC regulations require a filing officer to notify a filer that a required statement has not been filed or is incomplete. After making at least two attempts to attain compliance, a filing officer is required to refer those who do not file to the FPPC's Enforcement Division for investigation and possible prosecution.

   Under existing law, a filing officer has the authority to waive the $10 per day late fee for late Form 700s if the late filing was not willful and enforcement of the liability will not further the purposes of the PRA. However, a waiver is limited to within 30 days of the original deadline of the Form 700. This bill extends the duration of this waiver authority to permit waiver of a late Form 700 up to 30 days after a referral is made to the FPPC for the late or missing filing.

4) **Cal-Access and CARS**: In 1997, the Legislature passed and Governor Pete Wilson signed SB 49 (Karnette), Chapter 866, Statutes of 1997, which amended the PRA and established the Online Disclosure Act of 1997. SB 49 required the SOS, in consultation with the FPPC, to develop and implement, by the year 2000, an online filing and disclosure system for reports and statements required to be filed under the PRA, as specified. As a result, the SOS created and deployed a system called the California Automated Lobby Activity and Campaign Contribution and Expenditure Search System, commonly referred to as Cal-Access.

   Cal-Access is now 27 years old, and the SOS reports that components of the system are no longer supported by their vendor. As a result the system has periodically crashed and denied public access. Additionally, the SOS has indicated that the ability to make modifications to the existing Cal-Access system is very limited. The Legislature has taken steps to replace the Cal-Access system with a new disclosure system (the Cal-Access Replacement System, commonly referred to as CARS), and the SOS expects to deploy CARS later this year.

5) **Arguments in Support**: In support of this bill, California Common Cause writes:

   > SB 1389 makes measured and appropriate updates to this framework. By clarifying when late-filing penalties may be waived—particularly in cases where a violation is not willful or where enforcement would not further the purposes of the PRA—the bill promotes more consistent and predictable application of the law across jurisdictions. At the same time, the bill retains the existing penalty structure for late filings of original reports, preserving an important compliance

incentive.

We also note and support the bill's recent amendments establishing reasonable limits on liability for late filings. Specifically, the bill would cap liability at $100 for the late filing of an original statement of economic interests, and for other original statements or reports, limit liability to the aggregate amount of contributions, expenditures, and other amounts reported, or $100, whichever is greater. These provisions strike an appropriate balance by ensuring that penalties remain meaningful—particularly for larger filings—while preventing disproportionately high penalties for minor or low-activity filings.

Additionally, the bill clarifies the treatment of different categories of filings, including the removal of penalties for copies of reports. These changes reflect a practical and proportional approach to enforcement that focuses penalties where they are most meaningful while avoiding unnecessary or duplicative sanctions.

Although SB 1389 is primarily technical in nature, clear and uniform enforcement standards are essential to the effective administration of the PRA. By improving clarity and consistency without weakening core disclosure requirements, the bill supports the integrity of California's campaign finance system.

6) **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)
California Common Cause

Opposition

None on file.

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