

# California City Clerks' New Law Seminar

Alexandra Castillo and Chloe Hackert  
Education Program  
Fair Political Practices Commission  
December 9, 2021



## Today's Topics

- Campaign
  - Recap
- Form 700
  - Recap
- New Laws and Regulations for 2021 and 2022
- Enforcement Referrals
- Looking Ahead

## Year End Checklist

- Semi-annual Form 460 due January 31, 2022 for all open committees
- Did you have a November election? Defeated candidates without committees (Form 470 filers) have no further obligations
- Incumbents file either a Form 470 or 460 by July 31, 2022 (less than \$200 salary exception applies)
  - Note: An official with an open committee in another jurisdiction is not eligible to file Form 470 with you

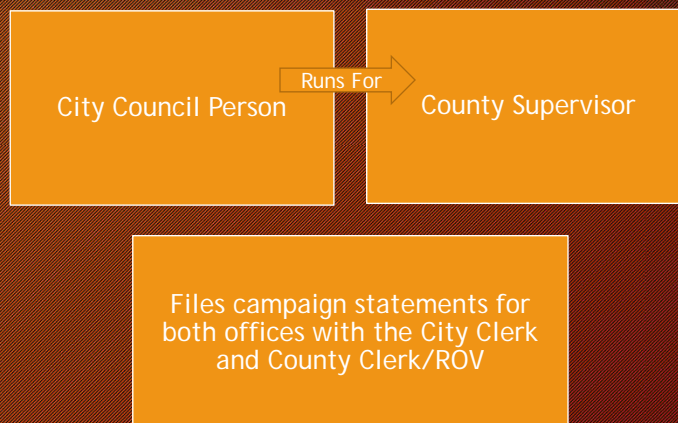
## Elections in 2021? Candidate Filing Overview

- Re-election: Incumbents not subject to 85301(d) must file Form 501 and, if using existing committee, amend Form 410 to indicate current election and change committee name
- Re-election: Incumbents subject to 85301(d) must file Form 501, terminate existing committee and bank account, file Form 410 to indicate current election and committee name
- Provide Local Candidate Manual 2, Forms 501, 410, 460, 470, 497, Form 700 and filing schedule to candidates

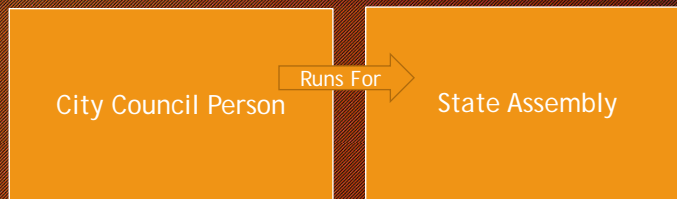
## Campaign Statements Local Electronic Filings

- Local agencies may approve ordinances permitting or requiring electronic filing of campaign statements
- Redaction requirements exist for Internet postings
- You may not redact any information whatsoever on paper copies when requested
- Paper filings are not required as long as criteria in Section 84615 are met

## Multiple Committee Filing Requirements



## Multiple Committee Filing Requirements



Files statements for both offices with the city and SOS

If state committee files electronically with SOS, city committee must also file electronically with SOS and no Assembly filing is required with the city

## Local Campaign Ordinances

### Local Campaign Ordinances

A local jurisdiction may enact a campaign ordinance that provides for additional or different campaign requirements for candidates active exclusively in its jurisdiction as long as the provisions are stricter than those in the Act.

While the FPPC may neither interpret nor comment on the validity, enforceability, or constitutionality of a local ordinance, we are not constrained from identifying those provisions that may conflict with or impede a person's compliance with the Act.

Cities and counties that have adopted a campaign finance ordinance must submit a copy to the FPPC [here](#). The FPPC has received information from the agencies listed below, and the posted ordinances are the latest versions provided to the FPPC. For questions interpreting any of these provisions, or to check on any amendments to the ordinances, please contact the local jurisdiction directly.

Cities

Counties

Special Districts

- Ordinances are posted on FPPC's website
- Review to ensure we have the most recent version
- Send updates to [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov)
- Providing a link to your website is preferred

## Post-Election Form 700 Recap

### Assuming/Leaving Office Form 700 Exceptions

It is not necessary to obtain an assuming or leaving office Form 700 under the following situations:

- Re-election or re-appointment to the same position
- 87200 filer assumes another 87200 position within 45 days - e.g., Planning Commissioner elected to City Council

**Remember:** A filer who assumes office between October 1 and December 31, 2021, is not required to file an annual Form 700 by April 1, 2022

## Form 700

### 2022 Update

- The updated Form 700 for 2021 and Reference Pamphlet will be posted the first week of January
- An email reminder will be sent to all filing officers including a newsletter with important reminders and electronic filing updates and instructions
- Gift factsheets have recently been updated
- Form 700 is Due April 1, 2022

## Managing Your FPPC Form 700 Filers

- Filers whose statements are forwarded to FPPC will use either their agency's FPPC certified electronic filing system or FPPC's electronic system to file their Form 700s.
- For original statements that you forward to the FPPC that aren't e-filed: Forward assuming, annual, and leaving office original statements to the FPPC within five days of the filing deadlines.
- If permitted by the official's agency's filing officer, the filer may submit the original statement with a secure electronic signature, as defined in Regulation 18404.

## Form 700 Electronic Filing for FPPC Filers - Questions?

Contact your FPPC filing officer:

Cities A-M: Sonja Rangel [srangel@fppc.ca.gov](mailto:srangel@fppc.ca.gov)

Cities N-Z: Laura Mandler [lmandler@fppc.ca.gov](mailto:lmandler@fppc.ca.gov)

Counties: Cyndi Glaser [cglaser@fppc.ca.gov](mailto:cglaser@fppc.ca.gov)

Multi-County Agencies: Christine Chen [cchen@fppc.ca.gov](mailto:cchen@fppc.ca.gov)

# Fair Political Practices Commission Political Reform Act

New Laws - 2021 and beyond

## AB 571: Local Contribution Limits

Effective 1/1/2021

### Statewide Default Contribution Limits:

Cities and counties without a candidate contribution limit will have to adhere to the state default contribution limit (\$4,900 for 2021-22). The FPPC is charged with enforcing the default contribution limit. The FPPC will not enforce a city or county's contribution limit unless under contract to do so. The statewide default contribution limit will be adjusted for inflation in January of every odd-numbered year.

(AB 571 (Mullin) - Chapter 556, Statutes of 2019)

### What this means:

No changes to your city or county if your jurisdiction has adopted or will adopt its own contribution limit ordinance. Please report it to the FPPC.

## AB 571: Provisions & Enforcement

- A candidate may not make a contribution over the AB 571 limit to another candidate in jurisdictions subject to the AB 571 limit with limited exceptions related to recall elections, legal defense funds and candidate-controlled ballot measure committees.
- If a local jurisdiction adopts a campaign ordinance, then they are responsible for enforcing it.
- If a local jurisdiction does not adopt an ordinance and is thus governed by AB 571, then the FPPC enforces violations.

See Regulation 18535 for more information.

## To Whom Does AB 571 Apply?

### AB 571 only applies to City and County candidates

- Not school board candidates
- Not community college district candidates
- Not political party central committee candidates
- Not judicial candidates

These candidates listed above who are not subject to AB 571 can redesignate existing committees, unless a local ordinance states otherwise.



## AB 571: Re-Election & Redesignation Changes

### Candidates subject to AB 571 running for reelection must:

- File a 501
- Open a new committee for the reelection campaign (Form 410). (Regulation 18521.)
- Open a new one bank account for the reelection campaign. (Regulation 18521.)
- If there are funds in the old bank account: the funds must be transferred to the new campaign bank account and committee established for the reelection.
- The funds must be in the new bank account before they can be used for the reelection campaign.

## AB 571: Helpful Resources

- Learn → Campaign Rules → Additional Helpful Campaign Resources (at bottom of Campaign Rules page)
  - [AB 571 Fact Sheet](#)
  - [Committee Naming Requirements Fact Sheet](#)
- [Local Campaign Filing Officer Brochure](#)
- [Treasurer's Guidebook](#)

## AB 2151

Effective January 1, 2021

### Online Filing and Disclosure System:

- Required a local government agency to post on its internet website, within 72 hours of the applicable filing deadline, a copy of any specified statements, reports, or other documents filed with that agency in paper format
- This bill further requires that the statements, reports, or other documents be made available for four years from the date of the election associated with the filing.

## Cal-Access Replacement System (CARS) Delayed

Effective: Future Date

### CARS Date Delayed until Future Notice:

SB 1239 does not take effect until the new system is certified. The Secretary of State's office issued the following statement: "To ensure that the CARS project can fully meet its statutory obligations, the scheduled June 30, 2021 roll out of the project will be postponed. Moving forward, the SOS office will assess the project's state of readiness so that on the date it goes live it will meet the expectations of the public, stakeholders and the regulated community."

### What this means:

There are numerous changes conditioned on the certification of CARS, including the Secretary of State moving to a paperless filing model. This will affect candidates, committees, and electronic filing vendors.

# AB 909: Treasurers

Effective Upon Certification of Cal-Access

## Acknowledgement of Treasurer and Assistant Treasurer:

A treasurer and assistant treasurer (if there is one) identified on the Statement of Organization must sign a separate statement acknowledgment to be filed with the Secretary of State at the same time as the Statement of Organization or an amendment identifying a new treasurer or assistant treasurer. This bill becomes operative upon certification of the new cal-Access System.

(AB 909 (Gallagher) - Chapter 313, Statutes of 2019)

## What this means:

This will not be a new paper form. This requirement will be an electronic requirement built into the Secretary of State's Cal-Access system. A Form 410 Statement of Organization will not be accepted if the acknowledgment has not been made by the treasurer and assistant treasurer.

# Expenditure Limits

- The FPPC is required to make cost of living adjustments to reflect changes in the Consumer Price Index in January of every odd-numbered year
- Updated charts are posted to FPPC's website

## New Bills Operative January 2022

- AB 319 (Valladares - Foreign Contributions):
  - The Act currently prohibits a foreign government or principal from making a contribution or expenditure in connection with a **ballot measure**. The Act prohibits a person or committee from soliciting or accepting a contribution from a foreign government or principal for this purpose.
  - This bill would expand this prohibition to include contributions and expenditures in connection with an election of a candidate to state or local office.
- AB 378 (Bauer-Kahan - Gender Neutral Language)
  - This bill would remove gendered language from the Political Reform Act of 1974.

## New Bills Operative January 2022 Continued

- AB 1367 (Low - Egregious Personal Use):
  - The Act prohibits campaign expenditures that confer a substantial personal benefit that is not directly related to a political, legislative, or governmental purpose.
  - This bill would make a person who uses campaign funds in a manner that violates these provisions and results in an egregious personal benefit liable in an administrative or civil action brought by the commission for an amount of up to 2 times the amount of the unlawful expenditure.
  - The bill would define "egregious personal benefit" to mean a direct personal benefit with a total value of \$10,000 or more to a candidate, elected officer, or any individual or individuals with authority to approve the expenditure of campaign funds held by a committee.

## New Bills Operative January 2022 Continued

- SB 686 (Glazer - LLC Disclosure):
  - This bill would require a limited liability company (LLC) that qualifies as a committee or a sponsor of a committee under the Act to file a statement of members with the Secretary of State.
  - The bill would require the statement of members to include certain information about the LLC, including a list of all persons who have a membership interest in the LLC of at least 10% or who made a cumulative capital contribution of at least \$10,000 to the LLC after it qualified as a committee or sponsor of a committee, or within the 12 months before it qualified.
- AB 1590 (Elections Committee - Annual Fee):
  - This bill would clarify that a committee that fails to timely pay the annual fee is subject to an administrative penalty of \$150. This bill would transfer responsibility for enforcing these requirements to the Secretary of State.

## Fair Political Practices Commission Political Reform Act

New Regulations - 2021 and 2022

## Gift Limit Increase

**\$520**  
For 2021 and 2022

Regulation 18940.2  
Effective 1/1/2021

## Regulations

### Regulation 18531: Return of Excessive Contributions

Amendments to Regulation 18531 allow for the return of an excessive contribution within 14 days of receiving the contribution without violating contribution limits,

- But only if the committee does not deposit or allow deposit of the contribution with actual knowledge that the contribution exceeds the limits or make use of the contribution prior to returning it.

## SEI New Regulations 18115, 18115.1, 18115.2, 18723.1, 18732.5, 18735, and 18754

### ➤ Among other changes, these amendments:

- Revise filing officers' duties with respect to these statements and reports by providing separate processes for the review of statements submitted in paper format and those submitted electronically.
- Expressly provide that a statement of economic interests electronically filed through an electronic filing system that has been approved by the Commission is an original statement.
- Further to reduce duplicative filings and to improve staff efficiency, the proposed update would specify filing processes for statements of economic interest of certain public officials who hold multiple positions subject to filing requirements.
- They also revise processes for certain specified officials' filing of statements of economic interests so that those processes better accord with the capabilities of approved electronic filing systems, and make other technical, non-substantive changes.

## New Regulations: 18104 - Secure Electronic Signatures

- Specifies that an original document can be submitted either (1) in paper format with a handwritten signature, or (2) in electronic format with a secure electronic signature, if permitted by the agency responsible for maintaining the original document.
- Defines "secure electronic signature" in two ways. (1) Is an electronic signature submitted through a valid electronic filing system, such as a local agency's Form 700 filing system that has been approved by the FPPC. (2) Uses the same requirements for use of a "digital signature".
- The Regulation specifies that Forms 801 - 806 original forms may include secure electronic signatures. Form 700s discussed on next slide.

## New Regulations: 18757 - Original SEI Filing Without a Certified E-Filing System

- Permits agencies to continue to use (or develop) a certified electronic filing system, but also recognizes that alternative methods of filing an original SEI are available and secure.
- A Form 700 filer would be permitted to file their original Form 700 with a secure electronic signature via the official's agency email address, provided that the official's agency permits the submission with an electronic signature.

## Managing Non-Filers

### Enforcement Referrals



## Making a Non-Filer Referral to FPPC

Filing officers must submit referrals to the Enforcement Division using the Electronic Complaint System.

Provide all the information requested including:

- The most recent filing
- Copies of your notifications (at least two written notifications must be made prior to referral)
- A copy of the conflict of interest code (if applicable)

You will receive an email confirming receipt of the referral and notification when the FPPC takes action on the referral.

## Enforcement Non-Filer Referral Program

The screenshot shows a web form titled "For Official Use Only" with a red "STOP" sign icon. Below the title, it states: "The Referral section is only for use by Local and State Filing Officers and Officials. Do not complete this section if you are trying to file a Complaint." The form has two main sections. The first section, "Notification Information", contains radio button options: "SEI Non-Filer" (selected), "Campaign Statement Non-Filer", "Lobbying Report Non-Filer", and "Annual Fee". The second section, "Notification Information", contains radio button options: "Mail", "Email", "Telephone call", and "In-person Contact". Below these options is a "Date Attempted or Completed:" field with a text input box. To the right of this field is a label "Attach a copy of each Notification for this missing filing:" followed by a "Browse..." button. An orange arrow points from the "Browse..." button to the "Attach a copy of each Notification for this missing filing:" label. At the bottom left of the form is a button labeled "+ Add Another Notification".

# Form 700 Late Fine Payments and Enforcement Penalty Payments

FPPC now provides a method for candidates, public officials and others to pay a late fine or an Enforcement penalty by credit or debit card via FPPC's website.

The screenshot shows the 'Payment' page on the California Fair Political Practices Commission (FPPC) website. The page is titled 'Payment' and includes sections for 'Page Information', 'Billing Address', and 'Payment Information'. The 'Page Information' section contains fields for FPPC Name, Last Name, Phone, Email ID, and Card Number. The 'Billing Address' section includes fields for Street, City, State (dropdown), and Zip (dropdown). The 'Payment Information' section features a 'Payment Method' dropdown set to 'CREDIT/DEBIT Account Card', with fields for Card Number, Expiry Date, and CVC. A 'Transaction Summary' box on the right displays the Amount Due, Commission Fee, and Total Amount Due. A 'Submit' button is located at the bottom right of the form.

# FPPC's Website - Resource for Filing Officers

The screenshot shows the 'Integrity & Transparency' section of the FPPC website. It features a navigation bar with links for 'Form 700', 'File a Complaint', and 'View All Forms'. Below the navigation bar, there are sections for 'I Want To...' and 'Resources For...'. The 'I Want To...' section includes links for 'View', 'Find', 'File', and 'Get Involved', along with a list of resources such as 'Filing Deadlines', 'Form 700s Filed by an Elected Official', 'Upcoming Events', 'Training and Outreach', 'Enforcement Case Resolutions', 'Hearings, Meetings and Workshops', 'Agendas for Commission Meetings', and 'Webinar Videos'. The 'Resources For...' section includes links for 'Filing Officers', 'Candidates & Committees', 'Public Officials & Employees', and 'Lobbyists'. An orange arrow points from the 'Resources For...' section to a detailed view of resources for filing officers.

The detailed view of resources for filing officers includes the following items:

- Campaign Filing Officer Duties
- Form 700 Filing Officer Duties
- Form 700 Electronic Filing Certification for an Agency's Internal Filers
- Ask FPPC for Advice
- FPPC Training & Outreach

## What's Ahead for FPPC?

- Form 700 trainings are being scheduled throughout the state for both filing officers and filers. If you are interested send an email to [seminars@fppc.ca.gov](mailto:seminars@fppc.ca.gov)
- New training videos being developed for our website for common questions
- The campaign manuals will be updated early next year with new laws for 2020 and 2021
- We are continuing to update our website - comments and suggestions always welcome

## Keep in Touch

- Toll-Free Advice Line: (866) 275-3772
- Email: [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov)
- Website: [www.fppc.ca.gov](http://www.fppc.ca.gov)
- Facebook: CA FPPC
- Twitter: @CA\_FPPC
- Sign up for mailing lists to stay up to date



We're Here to Help!