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FPPC Finalizes Levine Act Regulations Following the Passage of SB 1439

On September 29, 2022, the Governor signed Senate Bill 1439, which subjected local elected officials to a law designed to prohibit "pay-to-play" politics in California beginning on January 1, 2023. SB 1439 amended Government Code section 84308, and applied existing state laws to local government agencies, including city councils, for the first time. For a discussion of the amendments to Government Code section 84308, please see our office's November 14, 2022 news release.

The FPPC's Development of the Implementing Regulations

Following the January 1 effective date, the FPPC released proposed regulations to "provide necessary Commission rules for the implementation and application of SB 1439." FPPC Staff Memo, p. 1. These initial draft regulations (2 C.C.R. Sections 18438- 18438.8, 18705) were first presented for prenotice discussion at the FPPC meeting on February 16, 2023.

The regulations were amended several times thereafter based on input by FPPC Commissioners, FPPC staff, and the community.

On <u>April 21, 2023</u>, the FPPC held an Interested Persons Meeting to discuss the draft regulations with members of the community.

In advance of the FPPC's Law and Policy Committee's <u>May 9, 2023</u> meeting, the FPPC released revised regulations for discussion. The FPPC was set to potentially vote on the existing draft of the regulations at its meeting on <u>May 18, 2023</u>, but that meeting was cancelled.

On <u>June 8, 2023</u>, the Law and Policy Committee discussed further revisions to the regulations. The regulations were presented, updated according to FPPC Commissioner feedback, and ultimately adopted at the <u>June 15, 2023</u> FPPC meeting.

The Final Regulations

The FPPC published the final drafts of the regulations on June 21, 2023.

The finalized regulations can be found at the following links:

- Adoption of <u>2 C.C.R. Section 18438</u>: Application of Government Code Section 84308.
- Amendment of <u>2 C.C.R. Section 18438.1</u>: Officers and Agencies Under Government Code Section 84308.
- Amendment of <u>2 C.C.R. Section 18438.2</u>: Proceedings Under Government Code Section 84308.
- Amendment of <u>2 C.C.R. Section 18438.3</u>: Agents Under Government Code Section 84308.
- Amendment of <u>2 C.C.R. Section 18438.4</u>: Participants Under Government Code Section 84308.
- Amendment of <u>2 C.C.R. Section 18438.5</u>: Aggregated Contributions Under Government Code Section 84308.
- Amendment of <u>2 C.C.R. Section 18438.6</u>: Solicitation, Direction, and Receipt of Contributions Under Government Code Section 84308.
- Repeal of <u>2 C.C.R. Section 18438.7</u>: Prohibitions and Disqualification Under Government Code Section 84308.
- Adoption of <u>2 C.C.R. Section 18438.7</u>: Prohibitions and Disqualification Under Government Code Section 84308.
- Amendment of <u>2 C.C.R. Section 18438.8</u>: Disclosure Under Government Code Section 84308.
- Amendment of 2 C.C.R. Section 18705: Legally Required Participation.

The FPPC's Role to Interpret Government Code Section 84308

Our office has been closely monitoring all the developments related to SB 1439 because the law regulates local campaigning by amending a Political Reform Act statute – Government Code Section 84308. However, the FPPC has sole jurisdiction to administer, interpret, and enforce the PRA and the newly adopted regulations implementing the amended statutory language. Accordingly, you may direct any questions regarding the PRA or the regulations directly to the FPPC at advice@fppc.ca.gov.

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The Ethics Commission is an independent City entity dedicated to monitoring, enforcing, and reforming the City's ethics laws. The Commission has jurisdiction over City laws regarding ethics, campaign finance, and lobbying. Commission staff provide the regulated community with education and advice regarding these laws, conduct investigations, audit City campaign committees, and propose related legislation.

For more information, we invite you to visit our website, <u>www.sandiego.gov/ethics</u>, or to contact our office at ethicscommission@sandiego.gov.