



# **Changes to the Political Reform Act: Campaign Contributions**

March 21, 2023

# Section Title

In January 1, 2023, Senate Bill 1439 went into effect, broadening the scope of Section 84308(Levine Act) of the Political Reform Act.

- The application of Section 84308 extends to local government agencies whose members are directly elected by voters (e.g. city council members).
- Prohibits local, elected officials from taking part in licensing, permitting, and other use entitlement proceedings involving a party or participant who has contributed more than \$250 to the official within the 12 months prior to the proceeding.
- The amendments also extend the period in which an official is prohibited from receiving a contribution exceeding \$250 from a party or participant in a proceeding to 12 months after the final decision.



# Definitions

- A “party” is any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use.
- A “participant” is any person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use, and has a financial interest in the decision.
- The phrase “license, permit, or other entitlement for use,” means all business, trade, franchise, and land use licenses and permits and all other entitlements for use (i.e. professional, trade, and land use contracts) other than competitively bid labor, or personal employment contracts. Amendments, extensions, and renewals of licenses, permits, or other entitlements for use are included within this definition.



# Proactive not Retroactive

Do SB 1439's amendments to Section 84308 apply to contributions received or proceedings participated in throughout 2022, before SB 1439 took effect?

No. The FPPC has determined a local elected official is not prohibited from taking part in entitlement for use proceedings based on contributions received in 2022, nor is an official prohibited from accepting, soliciting, or directing contributions exceeding \$250 from parties or participants in proceedings finalized in 2022.



# Recommendations

Staff recommends providing applicants with opportunities throughout these processes to disclose contributions, thereby providing time for the City's officers to evaluate the conditions.

- Language on City Council Agenda cover page applications, and contracts
- Application or solicitation for a license, permit, or other entitlement for use subject to action by City officers shall stipulate compliance with the Act.
- Where a department identifies that a license, permit, or other entitlement for use requiring Council action is subject to the Levine Act, the department shall provide the notice of information in the staff report.
- Staff can create a workflow to engage departments as they process subject license, permit, or other entitlement for use.
- A rolling report may be made available for officers' reference.

# Options

An official should have reason to know about a party's financial interest in a proceeding or contribution if the person is a party to the proceeding or discloses facts in written or oral support or opposition that make the financial interest apparent.

## Options

1. The elected official may recuse him or herself from the discussion and vote with the explanation for recusal or
2. The elected official may cure the contribution by returning the funds.
3. And refrain from accepting a contribution from a party or participant for twelve months following the date of the final decision.





# Questions?

