
THIRD READING

Bill No: AB 775
Author: Fong (D)
Amended: 3/27/25 in Assembly
Vote: 27

SENATE ELECTIONS & C.A. COMMITTEE: 5-0, 7/1/25

AYES: Cervantes, Choi, Allen, Limón, Umberg

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26

AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/3/25 - See last page for vote

SUBJECT: Behested payments: reporting

SOURCE: California Fair Political Practices Commission

DIGEST: This bill requires officials to report behested payments on a quarterly basis directly to the Fair Political Practices Commission (FPPC) using its online system or to a local filing officer, under specified circumstances.

ANALYSIS:

Existing law:

- 1) Defines a behested payment as a payment made at the behest of an elected officer or member of the Public Utilities Commission (PUC), among others, that is neither a campaign contribution nor a gift; that is principally for a legislative, governmental, or charitable purpose; and for which elected officer or PUC member does not provide full and adequate consideration in exchange.
- 2) Requires an elected officer or member of the PUC to report to their agency behested payments made at the behest of that officer or member within 30 days following the date on which the payment or payments equal or exceed \$5,000 in the aggregate from the same source in the same calendar year.

- 3) Requires that a behested payment report include:
 - a) The name and address of the payer;
 - b) The amount of the payment;
 - c) The date or dates that the payment or payments were made;
 - d) The name and address of the payee;
 - e) A brief description of the goods or services provided or purchased, if any;
and
 - f) A description of the specific purpose or event for which the payment or payments were made.
- 4) Requires that within 30 days of receiving a behested payment report, the state agency must forward the report to the FPPC and the local agency must forward it to the officer with whom elected officers of that agency file their campaign reports.

This bill:

- 1) Deletes the timelines to report described in 2) of existing law and instead requires that an elected officer or member of the PUC report a payment made at the behest of that officer or member within 30 days following the end of the calendar quarter in which the aggregate amount of payments from the same source in the same calendar year equal or exceed \$5,000.
- 2) Deletes the requirement that behested payment reports be made to the official's agency and instead specifies that elected officers or PUC members making quarterly behested reports file them with:
 - a) The FPPC using its electronic behested payment filing system, which shall provide the filer with immediate confirmation of the date and time the report was received.
 - b) A local filing officer, if an elected official of that local agency makes the report and if the local government posts all behested payment reports filed within 10 days of receipt.
- 3) Expands what is statutorily required in a behested payment report as described in 3) of existing law, when known, to include:

- a) If the payee is a nonprofit, a brief description of whether the officer, member of the PUC, member of their family, officeholder staff, or political staff is a board member, executive officer, salaried employee, founding member, or on an honorary or advisory board of the nonprofit organization.
 - b) A brief description of any proceeding before the agency of the elected officer or member of the PUC in which the payer of the behest is the named party or subject of a decision and which occurs at the time or in the previous 12 months of the payment.
- 4) Allows in statute an elected officer or PUC member to estimate payment amounts and dates on behested payment reports under specified circumstances, including when despite good faith efforts by the filer the payer has not provided the information.
- 5) Requires that once the \$5,000 aggregate threshold from a single source has been reported for a calendar year, then an official must file another report within 30 days of the end of any subsequent quarter in which behested payments from that same source equal or exceed \$1,000.

Background

Proposition 9, which appeared on the June 1974 ballot, created the Political Reform Act (PRA) and established California's campaign finance and disclosure laws for state and local campaigns, candidates, officeholders, and ballot measures. Proposition 9 further created the FPPC to implement, administer, and enforce the PRA.

The PRA seeks to end corruption by eliminating secret or anonymous contributions. The PRA subjects the campaign activities, personal financial affairs, and the solicitation of charitable or governmental contributions of state and local officials to public review and scrutiny.

In 1996, the FPPC amended its regulatory definition of the term "contribution" to include any payment made "at the behest" of a candidate, regardless of whether that payment was for a political purpose. As a result, any payments made by a third party, even for a governmental or charitable purpose, had to be reported as campaign contributions.

The change in the FPPC regulations, along with a number of advice letters issued by the FPPC interpreting the new definition of "contribution," limited the ability of elected officers to co-sponsor governmental and charitable events. In one advice letter, the FPPC concluded that a member of the Legislature would be deemed to

have accepted a campaign contribution if, at his behest, a third party paid for the airfare and lodging for witnesses to testify at a legislative hearing.

In response to the FPPC's modified definition of "contribution," the Legislature enacted SB 124 (Karnette, Chapter 450, Statutes of 1997) which provided that a payment made at the behest of a candidate principally for a legislative, governmental, or charitable purpose is not considered a contribution nor a gift. SB 124 also required that such payments made at the behest of a candidate, who is also an elected officer, when aggregating to \$5,000 or more in a calendar year from a single source, be reported to the elected officer's agency. The elected officer must report such a payment within 30 days. Examples of payments made at the behest of an elected officer that have to be reported under this provision of law include charitable donations made in response to a solicitation sent out by an elected officer or donations of supplies and refreshments made by a third party for a health fair that was sponsored by an elected officer.

Comments

- 1) *Author's Statement.* Behested payments are those made at the request of a public official regardless of whether the payment was for a political purpose. Transparency of and public access to these types of payments are vital to good governance. To increase compliance with reporting requirements, this bill provides more reasonable timeframes, allows direct electronic reporting, and simplifies rules around subsequent payments from the same source. By updating the process and deadline for filing behested payment reports, this bill will provide more flexibility for state and local officials to ensure compliance, while also increasing transparency on both the state and local level.
- 2) *Codification of FPPC Regulations.* In 2021, the FPPC adopted regulations that imposed additional disclosure requirements for behested payment reports in two circumstances:
 - The official at whose behest the payment was made has a specified relationship with a nonprofit organization that is the recipient of the payment; and
 - The entity making the behested payment is involved in a proceeding before the official's agency at the time the behested payment is made or within the past 12 months.

The FPPC at that time also adopted a regulation permitting officials to use a "good faith estimate" on a behested payment report when the official makes reasonable efforts but is unable to obtain the exact payment amounts or dates

within the time period for filing the behested payment report. This bill codifies these FPPC regulations.

- 3) *Support if Amended.* California Common Cause recognizes that the proposed reforms in this bill, including default electronic filing with the FFPC, codification of important relationship disclosures, and a clear quarterly filing schedule, will likely improve filer efficiency and public accessibility. Common Cause supports these changes to help improve compliance and, subsequently, public trust in the integrity of government fundraising and charitable solicitation practices. It, however, cannot support this bill without an amendment to remove or significantly lower the proposed \$1,000 incremental reporting threshold that applies after the initial \$5,000 threshold is reached.

Common Cause writes that limiting subsequent reporting to only those contributions that exceed \$1,000 from sources that have already met the \$5,000 threshold weakens transparency and accountability. Behested payments can occur at sensitive times, such as when a matter involving the donor is pending before the behesting official, and the public has a legitimate interest in knowing about any payments, regardless of amount, once a donor has reached the \$5,000 threshold.

Related/Prior Legislation

AB 867(Cooley, Chapter 749, Statutes of 2017) recast the behested payments law.

SB 124 (Karnette, Chapter 450, Statutes of 1997) differentiated behested payments from contributions and established the process by which they are reported.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to Senate Committee on Appropriations:

FPPC would incur first-year costs of \$177,000, and \$170,000 annually thereafter, to expand the electronic behested payment filing system to cover local officials (General Fund). Specifically, FPPC anticipates (1) increased annual software costs of \$5,000, and (2) personnel costs of \$172,000 in the first year and \$165,000 ongoing for one additional information technology position.

SUPPORT: (Verified 8/13/26)

California Fair Political Practices Commission (source)
City and County of San Francisco

League of Women Voters of California

OPPOSITION: (Verified 8/13/26)

None received

ARGUMENTS IN SUPPORT: According to the sponsor, by altering the deadline for filing behested payment reports, this bill will make behested payment reports significantly easier to find, thus improving transparency. The change to quarterly behested payment removes uncertain deadlines and creates a set schedule for behested payment reports, similar to the semi-annual and pre-election campaign finance reporting schedules. This change will enable watchdogs, the public, the media, and enforcement to proactively review

ASSEMBLY FLOOR: 79-0, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Fariás, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

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