


# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: February 13, 2019

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso  Council File No: 19-0002-S13  
Chief Legislative Analyst Assignment No: 19-01-0060

SUBJECT: AB 220 Political Reform Act of 1974

CLA RECOMMENDATION: Adopt Resolution (Rodriguez-Martinez-Ryu) to include in the City's 2019-2020 State Legislative Program SUPPORT for AB 220 (Bonta, Gonzalez, and Wicks) which would amend the Political Reform Act of 1974 to expressly allow campaign funds to be used for child care by those who choose to run for elected offices in California.

## SUMMARY

On January 22, 2019, the Resolution (Rodriguez-Martinez-Ryu) was introduced in support for AB 220 which would amend the Political Reform Act of 1974 to allow campaign funds to be used for child care by those who choose to run for office at all levels of government in California. The Resolution states that there is no statute in California or official ruling by the California Fair Political Practices Commission allowing candidates to use campaign funds for child care purposes. The Resolution also states that AB 220 would reduce barriers for parents with young children, particularly women, to run for office.

The Resolution recommends support for AB 220 (Bonta, Gonzalez, and Wicks) which would amend the Political Reform Act of 1974 to expressly allow campaign funds to be used for child care by those who choose to run for elected offices in California.

## BACKGROUND

The Political Reform Act was approved by more than 70 percent of California voters in the June 1974 election, forming the Political Reform Act of 1974 and the Fair Political Practices Commission. Before the Political Reform Act, there were few rules governing the conduct of elected officials, campaigns, and lobbyists. The Fair Political Practices Commission is responsible for administering and enforcing the Political Reform Act which regulates campaign finance, financial conflicts of interest by political officials, lobbyist registration and reporting, post-governmental employment, political mass mailings at public expense, as well as gifts and honoraria given to public officials and candidates.

The Political Reform Act has changed over time to account for the ever-changing landscape of campaign finance and to ensure the integrity of California's public officials. Under the existing Political Reform Act, there is no official ruling by the Fair Political Practices Commission or statute in California allowing candidates to use campaign funds for child care purposes. AB 220 would authorize the use of campaign funds to pay for child care expenses resulting from a

candidate or officeholder engaging in campaign activities or performing official duties. This bill comes after the Federal Election Commission took action to allow campaign funds to be used for child care expenses for those seeking federal offices. The Federal decision however, does not apply to candidates seeking local or state offices. The Political Reform Act of 1974 provides that the Legislature may amend the act to further the act's purposes upon a 2/3 vote of each house of the Legislature and compliance with specified procedural requirements.

The Ethics Commission supports AB 220.

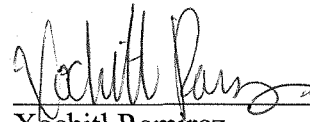
DEPARTMENTS NOTIFIED

Ethics Commission

BILL STATUS – AB 220

01/16/19      Introduced

02/04/19      Referred to Committee on Elections and Reapportionment

  
Xpchitl Ramirez  
Analyst

SMT:xr

- Attachment: 1. Resolution (Rodriguez – Martinez – Ryu)  
2. AB 220 (Bonta, Gonzalez, and Wicks)

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing, including the use of campaign funds for specific expenditures; and

WHEREAS, the Federal Election Commission took action to allow campaign funds to be used for child care expenses for seekers of federal offices; and

WHEREAS, there is no statute in California or official ruling by the California Fair Political Practices Commission allowing candidates to use campaign funds for child care purposes; and

WHEREAS, Assembly Bill (AB) 220 would amend the Political Reform Act of 1974 to expressly allow campaign funds to be used for child care by those who choose to run for elected offices in California; and

WHEREAS, AB 220 would apply to all candidates running for office at all levels of government in California; and

WHEREAS, AB 220 would reduce barriers for parents with young children, particularly women, to run for office; and

WHEREAS, adoption of this resolution can be seen as an important step in continuing to promote gender parity;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2019-2020 State Legislative Program SUPPORT for AB 220 (Bonta, Gonzalez, and Wicks) which would amend the Political Reform Act of 1974 to expressly allow campaign funds to be used for child care by those who choose to run for elected offices in California.

PRESENTED BY   
MONICA RODRIGUEZ  
Councilwoman, 7th District

PRESENTED BY   
NURY MARTINEZ  
Councilwoman, 6th District

SECONDED BY 

JAN 22 2019



ORIGINAL

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Date Published: 01/16/2019 09:00 PM

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

**ASSEMBLY BILL****No. 220**

**Introduced by Assembly Members Bonta, Gonzalez, and Wicks**  
**(Coauthors: Assembly Members Bauer-Kahan, Chiu, Gabriel, Limón, Petrie-Norris, and Blanca Rubio)**  
**(Coauthors: Senators Jackson and Skinner)**

**January 16, 2019**

An act to amend Section 89513 of the Government Code, relating to the Political Reform Act of 1974.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 220, as introduced, Bonta. Political Reform Act of 1974: campaign funds: childcare costs.

The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing, including the use of campaign funds for specific expenditures. The act prohibits the use of campaign funds to pay for professional services not directly related to a political, legislative, or governmental purpose.

This bill would authorize the use of campaign funds to pay for child care expenses resulting from a candidate or officeholder engaging in campaign activities or performing official duties.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a 2/3 vote of each house of the Legislature and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 89513 of the Government Code is amended to read:

**89513.** This section governs the use of campaign funds for the specific expenditures set forth in this section. It is the intent of the Legislature that this section shall guide the interpretation of the standard imposed by Section 89512 as applied to other expenditures not specifically set forth in this section.

(a) (1) Campaign funds shall not be used to pay or reimburse the candidate, the elected officer, or any individual or individuals with authority to approve the expenditure of campaign funds held by a committee, or employees or staff of the committee or the elected officer's governmental agency for travel expenses and necessary accommodations except when these expenditures are directly related to a political, legislative, or governmental purpose.

(2) For the purposes of this section, payments or reimbursements for travel and necessary accommodations shall be considered as directly related to a political, legislative, or governmental purpose if the payments would meet standards similar to the standards of the Internal Revenue Service pursuant to Sections 162 and 274 of the Internal Revenue Code for deductions of travel expenses under the federal income tax law.

(3) For the purposes of this section, payments or reimbursement for travel by the household of a candidate or elected officer when traveling to the same destination in order to accompany the candidate or elected officer shall be considered for the same purpose as the candidate's or elected officer's travel.

(4) Whenever campaign funds are used to pay or reimburse a candidate, elected officer, his or her representative, or a member of the candidate's household for travel expenses and necessary accommodations, the expenditure shall be reported as required by Section 84211.

(5) Whenever campaign funds are used to pay or reimburse for travel expenses and necessary accommodations, any mileage credit that is earned or awarded pursuant to an airline bonus mileage program shall be deemed personally earned by or awarded to the individual traveler. ~~Neither the~~ *The* earning or awarding of mileage ~~credit, nor credit and~~ the redeeming of credit for actual ~~travel, shall be~~ *travel are not* subject to reporting pursuant to Section 84211.

(b) (1) Campaign funds shall not be used to pay for or reimburse the cost of professional services unless the services are directly related to a political, legislative, or governmental purpose.

(2) Expenditures by a committee to pay for professional services reasonably required by the committee to assist it in the performance of its administrative functions are directly related to a political, legislative, or governmental purpose.

(3) Campaign funds shall not be used to pay health-related expenses for a candidate, elected officer, or any individual or individuals with authority to approve the expenditure of campaign funds held by a committee, or members of his or her household. "Health-related expenses" includes, but is not limited to, examinations by physicians, dentists, psychiatrists, psychologists, or counselors, expenses for medications, treatments or medical equipment, and expenses for hospitalization, health club dues, and special dietary foods. However, campaign funds may be used to pay employer costs of health care benefits of a bona fide employee or independent contractor of the committee.

*(4) This section does not prohibit the use of campaign funds to pay or reimburse a candidate or officeholder for child care expenses resulting from the candidate or officeholder engaging in campaign activities or performing official duties.*

(c) (1) Campaign funds shall not be used to pay or reimburse fines, penalties, judgments, or settlements, except those resulting from either of the following:

(A) Parking citations incurred in the performance of an activity that was directly related to a political, legislative, or governmental purpose.

(B) Any other action for which payment of attorney's fees from contributions would be permitted pursuant to this title. However, campaign funds shall not be used to pay a fine, penalty, judgment, or settlement relating to an expenditure of campaign funds that resulted in either of the following:

(i) A personal benefit to the candidate or officer if it is determined that the expenditure was not reasonably related to a political, legislative, or governmental purpose.

(ii) A substantial personal benefit to the candidate or officer if it is determined that the expenditure was not directly related to a political, legislative, or governmental purpose.

(2) Campaign funds shall not be used to pay a restitution fine imposed under Section 86 of the Penal Code.

(d) Campaign funds shall not be used for campaign, business, or casual clothing except specialty clothing that is not suitable for everyday use, including, but not limited to, formal wear, if this attire is to be worn by the

candidate or elected officer and is directly related to a political, legislative, or governmental purpose.

(e) (1) Except ~~where~~ as otherwise prohibited by law, campaign funds may be used to purchase or reimburse for the costs of purchase of tickets to political fundraising events for the attendance of a candidate, elected officer, or his or her immediate family, or an officer, director, employee, or staff of the committee or the elected officer's governmental agency.

(2) Campaign funds shall not be used to pay for or reimburse for the costs of tickets for entertainment or sporting events for the candidate, elected officer, or members of his or her immediate family, or an officer, director, employee, or staff of the committee, unless their attendance at the event is directly related to a political, legislative, or governmental purpose.

(3) The purchase of tickets for entertainment or sporting events for the benefit of persons other than the candidate, elected officer, or his or her immediate family are governed by subdivision (f).

(f) (1) Campaign funds shall not be used to make personal gifts unless the gift is directly related to a political, legislative, or governmental purpose. The refund of a campaign contribution does not constitute the making of a gift.

(2) ~~Nothing in this~~ ~~This section shall~~ does not prohibit the use of campaign funds to reimburse or otherwise compensate a public employee for services rendered to a candidate or committee while on vacation, leave, or otherwise outside of compensated public time.

(3) An election victory celebration or similar campaign event, or gifts with a total cumulative value of less than two hundred fifty dollars (\$250) in a single year made to an individual employee, a committee worker, or an employee of the elected officer's agency, are considered to be directly related to a political, legislative, or governmental purpose. For purposes of this paragraph, a gift to a member of a person's immediate family shall be deemed to be a gift to that person.

(g) Campaign funds shall not be used to make loans other than to organizations pursuant to Section 89515, or, unless otherwise prohibited, to a candidate for elective office, political party, or committee.

**SEC. 2.** The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.