

Legal Alerts | 10/07/2024

# California Updates Levine Act “Pay to Play” Campaign Contribution Restrictions for 2025

## Existing Provisions Remain in Place Through 2024 Election Year

Governor Newsom signed a bill on September 30 that will update the State’s “pay to play” campaign contribution law commonly known as the “Levine Act” starting on January 1, 2025.

The Levine Act currently prohibits agency officers from accepting, soliciting or directing a contribution of more than \$250 from a party or participant (or their agents) (1) while a proceeding involving a license, permit, or other entitlement for use, including most contracts, is pending before the agency and (2) for 12 months after a decision. The law also contains disclosure, recusal, and other requirements applicable to an officer who has received such contributions, and similar requirements applicable to parties, participants, and their agents.

Senate Bill 1243 (“SB 1243”) will make the following changes to the Levine Act in 2025:

- Raises the threshold for covered contributions to officers from \$250 to \$500;
- Extends from 14 days to 30 days the period during which an officer can return and “cure” a contribution in excess of the threshold that the officer accepted, solicited, or received during the 12 months following a final decision on a license, permit or entitlement;
- Establishes that the term “participant” excludes individuals whose only financial interest results from a change in membership dues; and
- Codifies that the term “pending,” as it relates to the officer, is when:
  - The item involving the license, permit, or other entitlement for use is placed on the agenda; or
  - The officer knows such license, permit, or other entitlement for use is within the jurisdiction of the officer’s agency, and it is reasonably foreseeable that the decision will come before the officer for a decision.
- Excludes the following contracts from the definition of “licenses, permits, or other entitlements for use” for the purposes of the Act:
  - Contracts under \$50,000;
  - Contracts between two or more government agencies;
  - Contracts where no party receives financial compensation; and
  - Periodic review or renewal of development agreements or competitively bid contracts with non-material modifications.

Additionally, SB 1243 exempts a city attorney or county counsel from the definition of “officer” covered by the Act if the attorney’s role in the decision is solely to provide legal advice and the attorney has no authority to make a final decision in the proceeding.

The current provisions of the Levine Act, including the \$250 contribution amount, remain in effect through 2024, and certain prohibitions or requirements arising from existing law may continue for up to 12 months after the law is updated as of January 1, 2025. As it did with the major update to the Levine Act in 2023, the Fair Political Practices Commission will likely need to provide guidance on certain timing issues for 2025 contributions that may relate to 2024 proceedings.

If you have any questions about the Levine Act and how it may impact your agency, please contact Frank Splendorio, Nicholas Norvell or Michelina Hassell.

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