

# **POLITICAL REFORM ACT REVISION PROJECT**



**DRAFT 2**  
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## **Chapter 1. General (§ 81100–§ 81202)**

### ***Article 1. Overview***

#### **§ 81100. Title. (81000)**

Title 9 of the California Government Code is named and may be cited as the “Political Reform Act of 1974.”

#### **§ 81101. Findings and Declarations. (81001)**

The people find and declare that:

- (a) state and local government should serve the needs and respond to the wishes of all citizens equally, without regard to their economic status;
- (b) public officials, whether elected or appointed, should impartially perform their duties free from bias caused by their own financial interests or by the financial interests of their supporters;
- (c) election-campaign costs have increased greatly in recent years, and candidates have been forced to finance their campaigns by seeking large contributions from lobbyists and organizations that gain disproportionate influence over governmental decisions;
- (d) large campaign contributors’ influence is increased because existing laws for disclosure of campaign receipts and expenditures are inadequate;
- (e) lobbyists often contribute to incumbents who cannot be challenged effectively because of election laws and abusive practices giving the incumbent an unfair advantage;
- (f) wealthy organizations and individuals who make large campaign contributions often extend their influence by employing lobbyists and by spending large amounts of money to influence legislative and administrative actions;
- (g) the influence of large campaign contributors in ballot-measure elections is increased because the ballot pamphlet mailed to the voters by the state is hard to read and almost impossible for a layperson to understand; and
- (h) previous laws regulating political practices have not been adequately enforced by state and local authorities.

#### **§ 81102. Purposes of Title. (81002)**

The people seek to accomplish these purposes:

- (a) to fully inform voters and to inhibit improper practices, receipts and expenditures in election campaigns should be fully and truthfully disclosed;
- (b) to prevent directing improper influences at public officials, lobbyists’ activities should be regulated and their finances disclosed;
- (c) to avoid conflicts of interest, public officials should disclose assets and income that their official actions may materially affect, and in appropriate circumstances the officials should be disqualified from acting;
- (d) to ensure that voters will not be entirely dependent on paid advertising for information about state measures, the state ballot pamphlet should be converted into a useful document;
- (e) to conduct elections more fairly, laws and practices unfairly favoring incumbents should be abolished; and
- (f) to enforce this title vigorously, adequate enforcement mechanisms should be provided to public officials and private citizens.

#### **§ 81103. Construction of Title. (81003)**

This title should be liberally construed to accomplish its purposes.

**§ 81104. Severability. (81015)**

If a provision of this title or a provision's application to any person or circumstance is held invalid, the rest of this title, or any other application of the provision, will not be affected.

**§ 81105. Amendment or Repeal of Title. (81012)**

- (a) To further its purposes, this title may be amended by statute passed in each house by rollcall vote entered in the journal, with two-thirds of the membership concurring and signed by the Governor. Twelve days before passage in each house, the bill's final form must be delivered to the Commission for distribution to news media and to everyone who has requested a copy of the bill from the Commission.
- (b) This title may be amended or repealed by a statute approved by the electors.
- (c) If any part of (a) is declared invalid, then (b) will be the exclusive means of amending or repealing this title.

**Article 2. Imposing Additional Requirements; State or Local**

**§ 81200. Imposition of Additional Requirements. (81013)**

The Legislature or any other state or local agency may impose additional requirements on a person if the requirements do not prevent the person from complying with this title. If a legislative act conflicts with any part of this title, this title prevails.

**§ 81201. Local Ordinances. (81009.5)**

- (a) **File with Commission.** A local government agency that has enacted, enacts, amends, or repeals an ordinance or other law affecting campaign contributions and expenditures must file a copy of the action with the Commission.
- (b) **Filing Requirements Limited to Jurisdiction.** Despite § 81200, a local government agency must not enact an ordinance imposing filing requirements additional to or different from those set forth in Chapter 4 for elections held in its jurisdiction unless the additional or different filing requirements apply only to:
  - (1) the candidates seeking election in that jurisdiction, their controlled committees or committees formed or existing primarily to support or oppose their candidacies;
  - (2) committees formed or existing primarily to support or oppose a candidate or to support or oppose the qualification of, or passage of, a local ballot measure that is being voted on only in that jurisdiction; and
  - (3) city or county general purpose committees active only in that city or county, respectively.

**§ 81202. Local Contribution Limits or Prohibitions; Member Communications. (85703)**

- (a) **Permissible.** Except as provided in (b) and (c), a local jurisdiction may adopt contribution limits or prohibitions that apply to elections for local elective office.
- (b) **Impermissible Limits on County Central Committee.** A local jurisdiction cannot impose a contribution limit or prohibition on:
  - (1) an elected member of a county central committee of a qualified political party;
  - (2) a candidate for election to a county central committee of a qualified political party; or
  - (3) a committee primarily formed to support or oppose a person seeking election to a county central committee of a qualified political party.
- (c) **Impermissible Limits on Member Communication.** A local jurisdiction cannot impose a contribution limit or prohibition on payments for communications to members of an organization if these limits or prohibitions conflict with § 85504. Unless restrictions to member communications are

adopted by a state statute or regulation by the Commission, provisions that conflict with § 85504 and are prohibited include any of the following:

- (1) source restrictions on payments for a member communication;
- (2) limits on payments to a political-party committee for a member communication; and
- (3) limits on the scope of payments considered directly related to making a member communication, including costs associated with the formulation, design, production, and distribution of the communication such as surveys, list acquisition, and consulting fees.

## **Chapter 2. Definitions (§ 82000–§ 82079)**

### **§ 82000. Interpretation of this Title. (82000)**

Unless the context clearly indicates otherwise, this chapter’s definitions will govern interpretation of this title.

### **§ 82001. Administrative Action. (82002)**

(a) “Administrative action” means either:

- (1) a state agency’s proposing, drafting, developing, considering, amending, enacting, or defeating a rule, regulation, or other action in any ratemaking proceeding or any quasi-legislative proceeding, including any proceeding governed by the Administrative Procedure Act, beginning with Government Code § 11340; or
- (2) for placement agents (as defined by § 82060), a state agency’s decision to contract to invest a state public-retirement-system’s assets on the system’s behalf.

(b) For a proceeding before the Public Utilities Commission:

- (1) a “ratemaking proceeding” is a proceeding in which it is reasonably foreseeable that a rate will be established, including general rate cases, performance-based ratemaking, and other rate-setting mechanisms; and
- (2) a “quasi-legislative proceeding” is a proceeding that considers establishing a policy that will apply generally to a group or class of persons, including rulemakings and investigations that may establish rules affecting an entire industry.

### **§ 82002. Agency. (82003)**

“Agency” means a state or local government agency.

### **§ 82003. Agency Official. (82004)**

“Agency official,” for purposes of the lobbying provisions of Chapter 10, means a member, officer, employee, or consultant of a state agency who as part of his or her official responsibilities participates in an administrative action beyond a purely clerical, secretarial, or ministerial capacity.

### **§ 82004. Business Entity. (82005)**

“Business entity” means a for-profit organization or enterprise, including a proprietorship, partnership, firm, business trust, joint venture, syndicate, corporation, or association.

### **§ 82005. Campaign Statement. (82006)**

“Campaign statement” means an itemized report prepared on a Commission-prescribed form providing the information required by Chapter 3 or 4 of this title.

### **§ 82006. Candidate. (82007; 18404)**

(a) “Candidate” means any of the following:

- (1) anyone who is listed on a ballot or is qualified to have write-in votes on his or her behalf counted by election officials for nomination or election to any elective office;

- (2) anyone who receives a contribution, makes an expenditure, or gives his or her consent for another person to receive a contribution or make an expenditure, to bring about his or her nomination or election to an elective office. That person is a candidate even if:
  - (A) the specific elective office for which he or she will seek nomination or election is unknown at the time the contribution is received or the expenditure is made; or
  - (B) the person has not announced the candidacy or filed a declaration of candidacy;
- (3) an elected officeholder; or
- (4) any officeholder who is the subject of a recall election.
- (b) Anyone who becomes a candidate retains candidate status until that status is terminated under § 84500.
- (c) “Candidate” does not include any candidate for federal office as defined in 52 USC § 30101(2), as to his or her activities related to seeking nomination or election to that federal office.

**§ 82007. City. (82008)**  
 “City” means a general-law city or a charter city.

**§ 82008. Clerk. (82009.5)**  
 “Clerk” means the city or county clerk unless the city council or board of supervisors has designated another agency to perform the specified function.

**§ 82009. Closing Date. (82010)**  
 “Closing date” means the last date in the period covered by a statement or report filed under this title.

**§ 82010. Code-Reviewing Body. (82011)**  
 “Code-reviewing body” means the agency or body responsible for reviewing a specific conflict-of-interest code.

**§ 82011. Commission. (82012)**  
 “Commission” means the Fair Political Practices Commission.

**§ 82012. Committee. (82013)**  
 “Committee” means any person or combination of persons who, in a calendar year, directly or indirectly does any of the following:

- (a) **Recipient Committee.** Receives contributions totaling \$2,000 or more.
- (b) **Independent Expenditures Committee.** Makes independent expenditures totaling \$1,000 or more.
- (c) **Major Donor Committee.** Makes contributions totaling \$10,000 or more to, at the request of or in cooperation with candidates or committees.

A person or any combination of persons that becomes a committee will retain its committee status until that status is terminated under § 84500.

**§ 82013. Conflict-of-Interest Code. (82014)**  
 “Conflict-of-Interest Code” means a set of rules and regulations adopted by an agency under this title that includes the following:

- (a) **Designated Individuals.** Positions within the agency, other than those specified in § 89200, requiring the individuals to make or participate in making decisions that may foreseeably have a material effect on a financial interest of the individual.
- (b) **Reportable Financial Interests.** The specific types of investments, business positions, interests in real property, and sources of income that may foreseeably be materially affected by a decision made or participated in by the designated individual that must be reported on the designated individual’s statement of economic interests.

- (c) **Timelines for Designated Individuals to File Statements.** A requirement that each designated individual, other than those specified in § 89200, must file statements of economic interests at times and under circumstances described in the code.
- (d) **Disqualification.** The circumstances under which a designated individual or categories of designated individuals must by rule disqualify themselves from making, participating in making, or using their official position to influence a decision.

**§ 82014. Contribution. (82015)**

- (a) **Definition.** “Contribution” means a payment, forgiveness of a loan, payment of a loan by a third party, or an enforceable promise to make a payment, except to the extent the donor receives full and adequate consideration, unless it is clear from the surrounding circumstances that it is not made for political purposes.
- (b) **Payments Related or Unrelated to Candidacy.** Despite (a), a payment received by, made at the request of, or made in cooperation with a candidate is not a contribution to the candidate if it is clear from the surrounding circumstances that the payment was made for purposes unrelated to the candidate’s candidacy for elective office.
  - (1) **Unrelated payment.** The following types of payments are presumed unrelated to a candidate’s candidacy for elective office:
    - (A) **Personal purposes.** A payment made principally for personal purposes, in which case it may be considered a gift under § 82032. Payments that are otherwise subject to the limits of gifts from lobbyists or lobbying firms under § 90032 are presumed to be principally for personal purposes.
    - (B) **Government Agency or Nonprofit Organization.** A payment made by a state, local, or federal governmental agency or by a nonprofit organization that is exempt from taxation under Internal Revenue Code § 501(c)(3). A payment by a state, local, or federal governmental agency that is made principally for legislative or governmental purposes is governed exclusively by this clause and, thus, not subject to the reporting requirement described in (C).
    - (C) **Payment solicited by elected officer for legislative, governmental or charitable purposes.** A payment made principally for legislative, governmental, or charitable purposes, which is neither a contribution nor a gift. But payments of this type made in response to a solicitation by a candidate who is an elected officer must be reported as required by § 88400.
  - (2) **Related payment; election-related activities.** A payment is a contribution if it is made for purposes related to a candidate’s candidacy for elective office and all or a part of the payment is used for election-related activities. For this paragraph, “election-related activities” include:
    - (A) communications that contain express advocacy for nominating or electing the candidate or defeating an opponent;
    - (B) communications that contain reference to the candidate’s candidacy for elective office, the candidate’s election campaign, or the candidate’s or an opponent’s qualifications for elective office;
    - (C) soliciting contributions to the candidate or to third persons to support the candidate or oppose an opponent;
    - (D) arranging, coordinating, developing, writing, distributing, preparing, or planning a communication or an activity described in (A)–(C) above;
    - (E) recruiting campaign volunteers or coordinating their activities on the candidate’s behalf;
    - (F) preparing campaign budgets; and
    - (G) preparing campaign-finance disclosure statements.
    - (H) Communications directed to voters or potential voters as part of activities encouraging or assisting persons to vote, if the communication contains express advocacy for nominating or electing the candidate or the defeat of an opponent.
- (c) **Payments Considered Contributions.** “Contribution” includes:

- (1) purchasing tickets for fundraising events such as dinners, luncheons, and rallies;
  - (2) the candidate's own money or property used on behalf of the candidacy, other than personal funds the candidate uses to pay either a filing fee for a declaration of candidacy or a candidate statement prepared under the Elections Code § 13307;
  - (3) granting discounts or rebates that are not extended to the public generally or granting discounts or rebates, by television and radio stations and newspapers, that are not extended equally to all candidates for the same office;
  - (4) a payment made by a lobbyist or a cohabitant of a lobbyist for costs related to a fundraising event held at the lobbyist's home, including the value of using the home as a fundraising event venue (any payment is attributed to the lobbyist for purposes of § 85203);
  - (5) a payment made by a lobbying firm for costs related to a fundraising event held at the lobbying firm's office, including the value of using the office as a fundraising event venue;
  - (6) one person compensating another for personal services or expenses, if the services are rendered or expenses incurred on behalf of a candidate or committee without payment of full and adequate consideration;
  - (7) transferring something of value received by a committee from another committee, unless full and adequate consideration is received;
  - (8) a payment made by a person to a multipurpose organization under §§ 82055 and 84700; or
  - (9) a state or local governmental agency's payment of public moneys for a public communication that both:
    - (A) expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage, or defeat of a clearly identified measure, or, taken as a whole and in context, unambiguously urges a particular result in an election; and
    - (B) is made in coordination with the affected candidate or committee under § 86300.
- (d) **Payments Not Considered Contributions.** "Contribution" does not include:
- (1) volunteer personal services or payments made voluntarily by anyone for his or her own travel expenses without any understanding or agreement that he or she will be directly or indirectly repaid;
  - (2) a payment made by a home or office occupant for costs related to a meeting or fundraising event in the occupant's home or office if the costs are \$500 or less. This exception for a home or office fundraising event does not apply to a lobbyist, a cohabitant of a lobbyist, or a lobbying firm as provided for under (c)(4)–(5); or
  - (3) amounts received under an enforceable promise if those amounts have been previously reported as a contribution. But the receipt of those amounts must be indicated in the appropriate campaign statement.
- (e) **Exceptions.** The following requests or solicitations are not considered contributions to the requesting or soliciting individual.
- (1) **Candidate to another candidate or committee.** If, at the request of or in cooperation with one candidate, a contribution is made to a different candidate or to a committee not controlled by the requesting candidate, it is not considered a contribution to the requesting candidate.
  - (2) **Public Utilities Commission.** If a Public Utilities Commission member solicits a payment principally for legislative, governmental, or charitable purposes, that payment is not a contribution. But payments of this type must be reported as required by § 88400.

**§ 82015. Contribution or Expenditure; Made at the Request of or in Cooperation with a Candidate or Committee. (18225.7)**

- (a) "Made at the request of or in cooperation with" a candidate or committee means made:
- (1) under the control of or at the direction of;
  - (2) in cooperation, consultation, coordination, or concert with;
  - (3) at the request or suggestion of; or
  - (4) with the express prior consent of the candidate or committee.

- (b) For the purposes of this definition, the terms “candidate” and “committee” include an agent when acting within the scope of his or her authority.

**§ 82016. Contributions or Expenditures; Cumulative Amount; Exceptions. (82018)**

“Cumulative amount” means the amount of contributions received or expenditures made in the calendar year. But these exceptions apply:

- (a) **Elections Held in Next Year.** For a filer required to file a campaign statement or independent-expenditure report in one year in connection with an election to be held in another year, the period over which the cumulative amount is calculated will end on the closing date of the first semiannual statement filed after the election.
- (b) **Two-Year Measure Qualification.** For a filer required to file a campaign statement in connection with the qualification of a measure that extends into two calendar years, the period over which the cumulative amount is calculated will end on December 31 of the second calendar year.
- (c) **Modified Period.** For a person filing a campaign statement with a period modified by this section, the next period over which the cumulative amount is calculated begins on the day after the statement’s closing date.

**§ 82017. Contributions; When Aggregated. (85311, 18215.1)**

To determine when contributions are aggregated under this title’s provisions: “entity” means any person other than an individual; and “majority-owned” means ownership of more than 50%.

- (a) If someone directs and controls an entity’s contributions, they must be aggregated with contributions made by:
- (1) that individual; and
  - (2) any other entity whose contributions that individual directs and controls.
- (b) If two or more entities make contributions that are directed and controlled by a majority of the same persons, the contributions of those entities must be aggregated.
- (c) Contributions made by entities that are majority-owned by a person must be aggregated with the contributions of the majority owner and all other entities majority-owned by that person unless those entities act independently in their decisions to make contributions.

**§ 82018. Controlled Committee. (82016)**

- (a) **Definition.** “Controlled committee” means a committee that is controlled, directly or indirectly, by a candidate or state-measure proponent or a committee that acts jointly with a candidate, controlled committee, or state-measure proponent in connection with making expenditures. A candidate or state-measure proponent controls a committee if they, their agent, or any other committee they control has significant influence on the committee’s actions or decisions.
- (b) **Exception.** Despite (a), a political-party committee under § 82061 is not a controlled committee.

**§ 82019. County. (82017)**

“County” includes a city and county.

**§ 82020. Designated Individual. (82019)**

- (a) **Definition.** “Designated individual” means an agency’s officer, employee, member, or consultant whose position with the agency is:
- (1) exempt from the state civil-service system under the California Constitution, Article VII, § 4(a), (c), (d), (e), (f), (g), or (m), unless the position is elective or solely secretarial, clerical, or manual;
  - (2) elective, other than an elective state office;
  - (3) designated in a conflict-of-interest code to make or participate in making decisions that may foreseeably have a material effect on any financial interest; or
  - (4) involved as a state employee—other than at a clerical or ministerial level—in negotiating or signing a contract awarded through competitive bidding, in making decisions in conjunction with

the competitive bidding process, or in negotiating, signing, or making decisions on contracts executed under Public Contract Code § 10122.

(b) **Exceptions.** “Designated individual” does not include:

- (1) elected state officers;
- (2) unsalaried members of a board or commission that serves a solely advisory function;
- (3) individuals specified in § 89200;
- (4) unsalaried members of a non-regulatory committee, section, commission, or other such entity of the State Bar of California; or
- (5) a federal officer or employee serving in an official federal capacity at a state or local government agency. To comply, the state or local government agency must annually obtain—and maintain in its files for public inspection—a copy of any public financial-disclosure report filed by the federal officer or employee under federal law.

**§ 82021. Elected Officer. (82020)**

“Elected officer” means someone who holds an elective office, has been elected to an elective office but has not yet taken office, or is appointed to fill a vacant elective office.

**§ 82022. Elected State Officer. (82021)**

“Elected state officer” means someone who holds an elective state office, has been elected to an elective state office but has not yet taken office, or is appointed to fill a vacant elective state office.

**§ 82023. Election. (82022)**

“Election” means a primary, general, special, or recall election held in California. For this title, primary, general, and special elections are each separate elections.

**§ 82024. Elective Office. (82023)**

“Elective office” means:

- (a) a state, regional, county, municipal, district, or judicial office that is filled at an election;
- (b) membership on a county central committee of a qualified political party; or
- (c) membership through election on the Board of Administration of the Public Employees’ Retirement System or the Teachers’ Retirement Board.

**§ 82025. Elective State Office. (82024)**

“Elective state office” means the office of Governor, Lieutenant Governor, Attorney General, Insurance Commissioner, Controller, Secretary of State, Treasurer, Superintendent of Public Instruction, member of the Legislature, member elected to the Board of Administration of the Public Employees’ Retirement System, member elected to the Teachers’ Retirement Board, and member of the State Board of Equalization.

**§ 82026. Expenditure. (82025)**

- (a) **Definition.** “Expenditure” means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, unless it is clear from the surrounding circumstances that it is not made for political purposes.
- (b) **Limited Exception for Candidate’s Payment of Fees.** “Expenditure” does not include a candidate’s use of the candidate’s own money to pay for a filing fee for a declaration of candidacy or a candidate statement prepared under Elections Code § 13307.
- (c) **Date Made.** An expenditure is made on the earlier of:
  - (1) the date the payment is made; or
  - (2) the date any consideration is received.

**§ 82027. External Manager. (82025.3)**

- (a) “External manager” means a person who either:
- (1) seeks to be retained by a California state public-retirement system or an investment vehicle to manage for compensation a portfolio of securities or other assets; or
  - (2) manages an investment fund and offers or sells, or has offered or sold, an ownership interest in the investment fund to a California state public-retirement system or to an investment vehicle.
- (b) “Investment fund” has the same meaning as in Government Code § 7513.8.
- (c) “Investment vehicle” has the same meaning as in § 82060.

**§ 82028. Fair Market Value. (82025.5)**

- (a) “Fair market value” means the estimated worth of goods, services, facilities, or anything of value other than money. In general, an item’s fair market value is the value that the item would command in the open market.
- (b) When the amount of goods, services, facilities, or anything of value other than money is required to be reported under this title, the amount reported must be the “fair market value,” and the report or statement must include a description of the goods, services, facilities, or other thing of value.

**§ 82029. Filer. (82026)**

“Filer” means the person filing or required to file a statement or report under this title.

**§ 82030. Filing Officer. (82027)**

“Filing officer” means the office or officer with whom a statement or report must be filed under this title. If a copy of a statement or report is required to be filed with more than one office or officer, the first one named is the filing officer. The statement or report filed with the filing officer must have an original signature and will be considered the original.

**§ 82031. General-Purpose Committee. (82027.5)**

- (a) “General-purpose committee” means all independent-expenditure and major-donor committees under § 82012(b) or (c) and any recipient committee under § 82012(a) primarily formed or existing to support or oppose more than one candidate or ballot measure. The term does not include a recipient committee that is considered primarily formed under § 82062 because it is supporting or opposing certain candidates or measures on the same ballot.
- (b) A “state general-purpose committee” is a political-party committee (as defined in § 82061) or a committee to support or oppose candidates or measures voted on in a state election, or in more than one county.
- (c) A “county general-purpose committee” is a committee to support or oppose candidates or measures voted on in only one county, or in more than one jurisdiction within one county.
- (d) A “city general-purpose committee” is a committee to support or oppose candidates or measures voted on in only one city.

**§ 82032. Gift. (82028)**

- (a) “Gift” means a payment conferring a personal benefit on the recipient, including a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to the public without regard to official status.
- (b) The term “gift” does not include:
- (1) a payment where fair and adequate consideration is received. A person—other than a defendant in a criminal action—who claims that a payment is not a gift based on receipt of consideration has the burden of proving that the consideration is of equal or greater value;
  - (2) informational material such as books, reports, pamphlets, calendars, or periodicals (payment for travel or reimbursement for any expenses will not be considered “informational material”);

- (3) an unused gift that, within 30 days of receipt, is returned to the donor or delivered to a nonprofit entity exempt from taxation under Internal Revenue Code § 501(c)(3) without being claimed as a charitable contribution for tax purposes;
- (4) a gift from the recipient’s spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person. But if the donor is acting as an agent or intermediary for anyone not covered by this paragraph, this exception does not apply;
- (5) campaign contributions required to be reported under Chapter 4 of this title;
- (6) a devise or inheritance; or
- (7) a personalized plaque or trophy with an individual value of less than \$250.

**§ 82033. Immediate Family. (82029)**

“Immediate family” means an individual’s spouse, domestic partner, and dependent children.

**§ 82034. Including.**

“Including” means including but not limited to.

**§ 82035. Income. (82030)**

(a) “Income” means:

- (1) a payment received, including any salary, wage, advance, dividend, interest, rent, proceeds from a sale, gift (including any gift of food or beverage), loan, forgiveness or payment of indebtedness received by the filer, reimbursement for expenses, per diem, or contribution to an insurance or pension program paid by any person other than an employer, and includes any community-property interest in a spouse’s income;
- (2) an outstanding loan; or
- (3) a pro rata share of any income of a business entity or trust in which the individual or spouse owns—directly, indirectly, or beneficially—a 10% interest or greater.

(b) “Income” does not include:

- (1) other than a gift, income received from a source that is outside the jurisdiction and that is not doing business within the jurisdiction, is not planning to do business within the jurisdiction, or has not done business within the jurisdiction during the two years before the time any statement or other action is required under this title;
- (2) campaign contributions that must be reported under this title;
- (3) salary, reimbursement for expenses or per diem, social security, disability, or other similar benefit payments received from a state, local, or federal government agency, and reimbursement for travel expenses and per diem received from a bona fide nonprofit entity exempt from taxation under Internal Revenue Code § 501(c)(3);
- (4) a devise or inheritance;
- (5) interest, dividends, or premiums on a time or demand deposit in a financial institution, shares in a credit union or insurance policy, payment received under an insurance policy, or a bond or other debt instrument issued by a government or government agency;
- (6) redemption of a mutual fund;
- (7) alimony or child-support payments;
- (8) a loan from a commercial lending institution, made in the lender’s regular course of business on terms available to the public without regard to official status;
- (9) a loan from or payments received on a loan made to an individual’s spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, uncle, aunt, or first cousin, or the spouse of any such person—unless any of these people is acting as an agent or intermediary for a person not covered by this paragraph—then the loan or loan payment received does not qualify for this exception;

- (10) any indebtedness created as part of a retail-installment or credit-card transaction if made in the lender's regular course of business on terms available to the public without regard to official status;
- (11) payments received under a defined-benefit pension plan qualified under Internal Revenue Code § 401(a);
- (12) dividends, interest, or any other return on a security registered with the U.S. Securities and Exchange Commission or a commodity future registered with the U.S. Commodity Futures Trading Commission, except proceeds from the sale of these securities and commodities futures; or
- (13) proceeds from the sale of securities registered with the U.S. Securities and Exchange Commission or from the sale of commodities futures registered with the U.S. Commodity Futures Trading Commission if the filer sells the securities or the commodities futures on a stock or commodities exchange and does not know or have reason to know the purchaser's identity.

**§ 82036. Income; Earned. (82030.5)**

- (a) "Earned income" means income from wages, salaries, professional fees, and other amounts received or promised to be received as compensation for personal services rendered.
- (b) Income that is not "earned income" includes:
  - (1) income derived from stocks, bonds, property, or other investments, or from retail or wholesale sales;
  - (2) an amount paid by or on behalf of an elected state officer to a tax-qualified pension, profit-sharing, or stock-bonus plan and received by the elected state officer from the plan; and
  - (3) community-property interest in a spouse's income.

**§ 82037. Independent Expenditure. (82031)**

"Independent expenditure" means an expenditure made by a person, including a state or local government agency's payment of public moneys, in connection with a communication that expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage, or defeat of a clearly identified measure, or taken as a whole and in context, unambiguously urges a particular result in an election but is not made to or in coordination with the affected candidate or committee.

**§ 82038. Influencing Legislative or Administrative Action. (82032)**

"Influencing legislative or administrative action" means promoting, supporting, influencing, modifying, opposing, or delaying any legislative or administrative action by any means, including providing or using information, statistics, studies, or analyses.

**§ 82039. Interest in Real Property. (82033)**

"Interest in real property" means either of the following:

- (a) a leasehold, beneficial, or ownership interest—or an option to acquire such an interest—in real property that:
  - (1) is located in the jurisdiction;
  - (2) is owned directly, indirectly, or beneficially by the public official, other filer, or the public official's immediate family; and
  - (3) has a fair market value of \$2,000 or more; or
- (b) a pro rata share of interests in real property of any business entity or trust in which the individual or immediate family owns—directly, indirectly, or beneficially—a 10% interest or greater.

**§ 82040. Investment. (82034; 18237)**

- (a) "Investment" means a financial interest with a fair market value of \$2,000 or more in:

- (1) a business entity—or security issued by—a business entity, including common stock, preferred stock, rights, warrants, options, debt instruments, and any partnership or other ownership interest owned directly, indirectly, or beneficially by the public official, other filer, or the public official’s or other filer’s immediate family;
- (2) if the business entity or a parent, subsidiary, or otherwise related business entity (as defined by Commission regulations) has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years before the time any statement or other action is required under this title.
- (b) “Investment” includes a pro rata share of investments of any business entity, mutual fund, or trust in which the individual or immediate family owns—directly, indirectly, or beneficially—a 10% interest or greater.
- (c) “Investment” does not include:
  - (1) a time- or demand-deposit in a financial institution;
  - (2) shares in a credit union;
  - (3) an insurance policy;
  - (4) an interest in a diversified mutual fund registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 or in a common trust fund created under the Financial Code § 1564;
  - (5) an exchange traded fund (ETF), closed-end fund, or fund held in a plan qualified under §§ 401(k), 403(b), 457, or similar provision of the Internal Revenue Code (qualified plan), if: the following are met:
    - (A) the fund is a bona fide investment fund that pools money from more than 100 investors and invests the money in stocks, bonds, or other securities;
    - (B) the fund holds securities of more than 15 issuers;
    - (C) the public official did not influence or control the decision to purchase or sell the specific fund on behalf of his or her agency during the applicable reporting period;
    - (D) the public official does not influence or control the selection of any specific investment purchased and sold on behalf of the fund;
    - (E) the fund does not have a stated policy of concentrating its holdings in the same industry or business; and
    - (F) for purposes of (A) and (B), an ETF, closed-end fund, or qualified plan is presumed to have more than 100 investors and hold securities of more than 15 issuers.
  - (6) An interest in a government defined-benefit pension plan, or
  - (7) Any bond or other debt instrument issued by any government or government agency.

**§ 82041. Jurisdiction. (82035)**

“Jurisdiction” means either of the following:

- (a) For a state agency: The State of California.
- (b) For a local government agency: the region, county, city, district, or other geographical area in which the agency has authority. Real property is “within the jurisdiction” for a local government agency if any part of the property is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency.

**§ 82042. LAFCO Proposal. (82035.5)**

“LAFCO” stands for Local Agency Formation Commission. A “LAFCO proposal” is a proposal under Government Code § 56069, including a proceeding as defined by § 56067.

**§ 82043. Late Contribution. (82036)**

“Late contribution” means either:

- (a) a contribution, including a loan, that totals in the aggregate \$1,000 or more and is made to or received by a candidate, a controlled committee, or a committee primarily formed or existing to support or

oppose a candidate or measure, on or within 90 days before the date of the election, at which the candidate or measure is to be voted on (for the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board, "the date of the election" is the deadline to return ballots); or

- (b) a contribution, including a loan, that totals in the aggregate \$1,000 or more and is made to or received by a political-party committee, as defined in § 82061, on or within 90 days before the date of a state election.

**§ 82044. Late Independent Expenditure. (82036.5)**

"Late independent expenditure" means an independent expenditure that totals in the aggregate \$1,000 or more and that is made for or against a specific candidate or measure involved in an election on or within 90 days before the date of the election. (For the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board, "the date of the election" is the deadline to return ballots.)

**§ 82045. Legislative Action. (82037)**

"Legislative action" means:

- (a) the drafting, introduction, consideration, modification, enactment, or defeat of a bill, resolution, amendment, report, nomination, or other matter by the Legislature, either house, a committee, subcommittee, joint committee, select committee, or a member or employee of the Legislature acting in an official capacity; or
- (b) the action of the Governor in approving or vetoing any bill.

**§ 82046. Legislative Official. (82038)**

"Legislative official" means an employee or consultant of the Legislature whose duties are not solely secretarial, clerical, or manual.

**§ 82047. Lobbying Coalition. (18616.4)**

- (a) "Lobbying coalition" means a group of ten or more persons formed primarily to influence legislative or administrative action, whose members make payments to the coalition for sharing the expenses of employing a lobbyist or contracting for the services of a lobbying firm.
- (b) A lobbying coalition has the same registration and filing requirements as a lobbyist employer.
- (c) A bona fide federation, confederation, or trade, labor, or membership organization is not a lobbying coalition if it is ongoing in nature and its membership services are not limited to influencing legislative or administrative action.
- (d) A person making payments to a lobbying coalition does not qualify as a lobbying firm or lobbyist employer as a result of those payments.

**§ 82048. Lobbying Firm. (82038.5)**

- (a) "Lobbying firm" means a business entity, including an individual contract lobbyist, that matches one of the following:
  - (1) **Lobbyist in firm.** The business entity receives or becomes entitled to receive compensation—other than reimbursement for reasonable travel expenses—for influencing legislative or administrative action on behalf of another person, and a partner, owner, officer, or employee of the business entity is a lobbyist.
  - (2) **No lobbyist in firm.** The business entity receives or becomes entitled to receive compensation—other than reimbursement for reasonable travel expenses—to communicate directly with an elective state, legislative, or agency official for influencing legislative or administrative action on behalf of another person, if a substantial or regular part of the activities for which the business entity receives compensation is for influencing legislative or administrative action.
- (b) No business entity is a lobbying firm by reason of activities described in § 90010.

**§ 82049. Lobbyist. (82039)**

(a) “Lobbyist” means:

- (1) **Contract lobbyist.** Anyone who receives \$2,000 or more in economic consideration in a calendar month—other than reimbursement for reasonable travel expenses—to communicate directly or through an agent with any elective state, legislative, or agency official to influence legislative or administrative action;
- (2) **In-house lobbyist.** Anyone whose principal duty as an employee is to communicate directly or through an agent with any elective state, legislative, or agency official to influence legislative or administrative action; or
- (3) **Placement agent.** A placement agent, as defined in § 82060.

(b) Someone is not a lobbyist by reason of activities described in § 90010.

(c) For (a), a proceeding before the Public Utilities Commission is an “administrative action” if it meets the definition in § 82001(b). But a communication made to influence an administrative action before the Public Utilities Commission is not within (a) if the communication is:

- (1) made at a public hearing, public workshop, or other public forum that is part of the proceeding; or
- (2) included in the proceeding’s official record.

**§82050. Lobbyist Employer. (82039.5)**

“Lobbyist employer” means any person, other than a lobbying firm, who:

- (a) employs one or more in-house lobbyists for economic consideration—other than reimbursement for reasonable travel expenses—to influence legislative or administrative action; or
- (b) contracts for a lobbying firm’s services for economic consideration—other than reimbursement for reasonable travel expenses—to influence legislative or administrative action.

**§ 82051. Local Government Agency. (82041)**

“Local government agency” or “local agency” means:

- (a) a county, city, district of any kind (including a school district), or other local or regional political subdivision; or
- (b) a department, division, bureau, office, board, commission, or other agency of (a).

**§ 82052. Mass Mailing. (82041.5)**

“Mass mailing” means over 200 substantially similar pieces of mail. It does not include a form letter or other mail that is sent in response to an unsolicited request, letter, or other inquiry.

**§ 82053. Mayor. (82042)**

“Mayor” of a city includes mayor of a city and county.

**§ 82054. Measure. (82043)**

“Measure” means a constitutional amendment or other proposition that is submitted to a popular vote at an election by a legislative body or that is submitted or is intended to be submitted to a popular vote at an election by initiative, referendum or recall procedure, regardless of whether it qualifies for the ballot.

**§ 82055. Multipurpose Organization. (84222(a))**

(a) “Multipurpose organization” means an organization described in Internal Revenue Code § 501(c)(3)–(c)(10) and that is exempt from taxation under § 501(a) of the Internal Revenue Code, a federal or out-of-state political organization, a trade association, a professional association, a civic organization, a religious organization, a fraternal society, an educational institution, or other association or group of persons acting in concert, that is operating for purposes other than making contributions or expenditures.

- (b) “Multipurpose organization” does not include a business entity, an individual, or a federal candidate’s authorized committee (as defined in 52 U.S.C. §30101) that is registered and filing reports under the Federal Election Campaign Act of 1971 (Public Law 92-225).

**§ 82056. Payment. (82044)**

“Payment” means a distribution, transfer, loan, advance, deposit, gift, or other rendering of money, property, services, or anything else of value, whether tangible or intangible.

**§ 82057. Payment to Influence Legislative or Administrative Action. (82045)**

“Payment to influence legislative or administrative action” means any of the following types of payment:

- (a) **To Lobbyist.** Direct or indirect payment to a lobbyist for salary, fee, compensation for expenses, or other purpose, by a person employing or contracting for the lobbyist’s services separately or jointly with another person.
- (b) **In Support of Lobbyist.** Payment supporting or assisting a lobbyist or the lobbyist’s activities, including the direct payment of expenses incurred at the request or suggestion of the lobbyist.
- (c) **For Activity Expenses.** Payment directly or indirectly benefiting elective state, legislative, or agency official or such an official’s immediate family member.
- (d) **To Employees.** Payment, including compensation or reimbursement, for the services, time, or expenses of an employee for or in connection with direct communication with an elective state, legislative, or agency official.
- (e) **For Grassroots Lobbying.** Payment for or in connection with appealing to other persons to enter into direct communication with an elective state, legislative, or agency official.

**§ 82058. Period Covered. (82046)**

- (a) **Campaign Statements.** If this title requires filing a campaign statement and does not specify otherwise, “period covered” means the period beginning the day after the closing date of the most recent required campaign statement and ending with the closing date of the statement in question. If a person has not previously filed a campaign statement, the period covered begins on January 1.
- (b) **Other than Campaign Statements.** If this title requires filing a statement or report other than a campaign statement and does not specify otherwise, “period covered” means the period beginning with the day after the closing date of the most recent required statement or report and ending with the closing date of the statement or report in question. If the person filing the statement or report has not previously filed a statement or report of the same type, the period covered begins on the day when the first reportable transaction occurred.

**§ 82059. Person. (82047)**

“Person” means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited-liability company, association, committee, or other organization or group of persons acting in concert.

**§ 82060. Placement Agent. (82047.3)**

- (a) **Definition.** “Placement agent” means an individual directly or indirectly hired, engaged, or retained by—or serving for the benefit of or on behalf of—an external manager or an investment fund managed by an external manager and who acts or has acted for compensation as a finder, solicitor, marketer, consultant, broker, or other intermediary in connection with an offer or sale to a state public retirement system in California or an investment vehicle of either:
  - (1) the investment management services of the external manager, in the case of an external manager within the meaning of § 82027(a)(1); or
  - (2) an ownership interest in an investment fund managed by the external manager, in the case of an external manager within the meaning of § 82027(a)(2).

- (b) **Exception; Certain Firm Principals or Employees Managing Investment Fund Assets.** Despite (a), an employee, officer, director, equity holder, partner, member, or trustee of an external manager who spends one-third or more of his or her time during a calendar year managing the securities or assets owned, controlled, invested, or held by the external manager is not a placement agent.
- (c) **Exception; Registered Adviser or Broker-Dealer Seeking Competitively Bid Contract.** Despite (a), an employee, officer, or director of an external manager, or of an affiliate of an external manager, is not a placement agent for an offer or sale of investment management services described in (a) if all the following apply:
  - (1) The external manager is registered as an investment adviser or a broker-dealer with the U.S. Securities and Exchange Commission or, if exempt from or not subject to registration with the U.S. Securities and Exchange Commission, with an appropriate state securities regulator.
  - (2) The external manager is participating in a competitive-bidding process, such as a request for proposals, subject to Education Code § 22364(a) or § 20153(a) of this code or has been selected through that process and is providing services under a contract executed as a result of that competitive bidding process.
  - (3) The external manager, if selected through (2), has agreed to a fiduciary standard of care when managing a portfolio of assets of a state public-retirement system in California and is subject to the standards of conduct applicable to the retirement board of a public pension or retirement system and set forth in § 17 of Article XVI of the California Constitution.
- (d) **Investment Fund.** For this section, “investment fund” has the same meaning as in § 7513.8.
- (e) **Investment Vehicle.** For this section, “investment vehicle” means a corporation, partnership, limited partnership, limited-liability company, association, or other entity, either domestic or foreign, managed by an external manager in which a state public-retirement system in California is the majority investor and that is organized to invest with or retain the investment-management services of other external managers.

**§ 82061. Political-Party Committee. (85205)**  
 “Political-party committee” means the state central committee or county central committee of an organization that meets the requirements for recognition as a political party under Elections Code § 5100.

**§ 82062. Primarily Formed. (82047.5)**  
 A committee is “primarily formed” for a given purpose if it is a recipient committee under § 82012(a) that is formed or exists primarily to support or oppose any of the following:

- (a) a single candidate;
- (b) a single measure;
- (c) a group of specific candidates being voted on in the same city, county, or multicounty election; or
- (d) two or more measures being voted on in the same city, county, multicounty, or state election.

**§ 82063. Principal Officer. (82047.6)**  
 (a) “Principal officer” means the individual primarily responsible for approving the political activities of a committee, including:

- (1) authorizing the content of communications made by the committee;
- (2) authorizing expenditures, including contributions, on behalf of the committee; and
- (3) determining the committee’s campaign strategy.

(b) If two or more individuals share the primary responsibility for approving the political activities of a committee, each of them is a principal officer.

**§ 82064. Public Moneys. (85206)**  
 “Public moneys” has the same meaning as defined in Penal Code § 426.

**§82065. Public Official. (82048)**

- (a) **Definition.** Subject to (b), “public official” means every member, officer, employee, or consultant of a state or local government agency.
- (b) **Exceptions.** The “public official” designation does not apply to:
- (1) a judge or court commissioner in the judicial branch of government;
  - (2) a member of the Board of Governors and designated individuals employed with the State Bar of California;
  - (3) a member of the Judicial Council;
  - (4) a member of the Commission on Judicial Performance if the member is subject to Article 2.5 (beginning with § 6035) of Chapter 4 of Division 3 of the Business and Professions Code as provided in § 6038 of that article; or
  - (5) a federal officer or employee serving in an official federal capacity at a state or local government agency.

**§ 82066. Slate Mailer. (82048.3)**

“Slate mailer” means a mass mailing that supports or opposes a total of four or more candidates or ballot measures.

**§ 82067. Slate-Mailer Organization. (82048.4)**

- (a) **Definition.** Subject to (b), a “slate-mailer organization” is a person who directly or indirectly:
- (1) is involved in the production of one or more slate mailers and exercises control over the selection of the candidates and measures that the slate mailers support or oppose; and
  - (2) receives or is promised payments totaling \$500 or more in a calendar year for the production of one or more slate mailers.
- (b) **Exceptions.** A slate-mailer organization does not include:
- (1) a candidate, officeholder, or a candidate’s or officeholder’s controlled committee;
  - (2) an official committee of any political party;
  - (3) a legislative caucus committee; or
  - (4) a committee primarily formed to support or oppose a candidate, officeholder, or ballot measure.

**§ 82068. Small-Contributor Committee. (85203)**

“Small-contributor committee” means any committee that:

- (a) has been in existence for at least six months;
- (b) receives contributions from 100 or more persons;
- (c) has no contributors who contributed more than \$200 per calendar year to the committee; and
- (d) makes contributions to five or more candidates.

**§ 82069. Special District. (82048.5)**

“Special district” means an agency established for the local performance of governmental or proprietary functions within limited boundaries, such as a county-service area, a maintenance district or area, an improvement district or zone, an air-pollution-control district, or a redevelopment agency. “Special district” does not include a city, county, city and county, or school district.

**§ 82070. Sponsored Committee. (82048.7)**

- (a) **Definition.** “Sponsored committee” means a committee, other than a candidate-controlled committee, that has one or more sponsors. Any person, except a candidate or other individual, may sponsor a committee.
- (b) **Qualifications for a Sponsor.** A person sponsors a committee if:
- (1) the committee receives 80% or more of its contributions from that person or its members, officers, employees, or shareholders;

- (2) that person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees;
  - (3) that person, alone or in combination with other organizations, provides all or nearly all the administrative services for the committee; or
  - (4) that person, alone or in combination with other organizations, sets the policies for soliciting contributions or making expenditures of committee funds.
- (c) **Multipurpose Organization as a Sponsor.** A sponsor that is a multipurpose organization under § 82055 and that makes contributions or expenditures from its general treasury funds must comply with §§ 84700 and 84701.

**§ 82071. Spouse. (18229)**

“Spouse” includes registered domestic partners recognized by state law.

**§ 82072. State Agency. (82049)**

“State agency” means every state office, department, division, bureau, board, and commission, and the Legislature.

**§ 82073. State Candidate. (82050)**

“State candidate” means a candidate seeking nomination or election to an elective state office.

**§82074. State Measure. (82051)**

“State measure” means a measure submitted or intended to be submitted to the voters of the state.

**§ 82075. State-Measure Proponent. (82047.7)**

“State-measure proponent” means “proponent” as defined in Elections Code § 9001.

**§ 82076. Statewide Candidate. (82052)**

“Statewide candidate” means a candidate who seeks election to a statewide elective office.

**§ 82077. Statewide Election. (82052.5)**

“Statewide election” means an election for statewide elective office.

**§ 82078. Statewide Elective Office. (82053)**

“Statewide elective office” means the office of Governor, Lieutenant Governor, Attorney General, Insurance Commissioner, Controller, Secretary of State, Treasurer, Superintendent of Public Instruction, and member of the State Board of Equalization.

**§ 82079. Statewide Petition. (82054)**

“Statewide petition” means a petition to qualify a proposed state measure.

**Chapter 3. Campaign Organizations (§ 83100–§ 83201)**

***Article 1. Candidacy; Bank Account; Organization of Committees***

**§ 83100. Statement of Intention to be a Candidate. (85200)**

- (a) **Elective State Office.** Before soliciting or receiving a contribution or loan, anyone who intends to be a candidate for an elective state office, as defined by § 82025, must file with the Secretary of State, under penalty of perjury, an original statement of intention to be a candidate for a specific office.

- (b) **Other Elective Offices.** Before soliciting or receiving a contribution or loan, anyone who intends to be a candidate for any other elective office must file the statement of intention with the same filing officer with whom the individual would file an original campaign statement under §84304(a).
- (c) **Exception for Fees.** For this section, “contribution” and “loan” do not include a payment from the candidate’s personal funds for a candidate filing fee or a candidate statement-of-qualifications fee.

**§ 83101. Candidate’s Campaign Bank Account. (85201)**

- (a) **Candidate Requirements.** After filing the statement of intention under Section 83100, a candidate who will receive contributions or make expenditures of \$2,000 or more must:
  - (1) **One Bank Account.** Establish one campaign contribution account at a financial institution located in the state.
  - (2) **Disclose Account Information.** Provide the account number, name and address of the financial institution where the candidate has established a campaign account on the committee statement of organization.
  - (3) **Deposit Contributions and Loans.** Deposit in the account all contributions or loans made to the candidate, to a person on behalf of the candidate, or to the candidate’s controlled committee.
  - (4) **Deposit Personal Funds.** Deposit in the account before expenditure any personal funds used to promote the candidate’s election.
  - (5) **Campaign Expenditures.** Make all campaign expenditures from the account.
- (b) **Exceptions for Fees.** Paragraphs (4) and (5) under (a), do not apply to a payment from the candidate’s personal funds for a candidate filing fee and statement of qualifications.
- (c) **Bank Account Requirement for Small Campaigns.** If a candidate (1) raises contributions from others for his or her campaign, but the amount raised or spent is less than \$2,000 in a calendar year, and (2) does not qualify as a committee under Section 82012, that candidate must still establish a campaign contribution account under subdivision (a), but need not file a committee statement of organization under § 83102.
- (d) **Exception for Candidates; Small Campaigns with Personal Funds.** This section does not apply to a candidate who will not receive contributions and who makes expenditures from personal funds of less than \$2,000 in a calendar year to support his or her candidacy. Under this section, a candidate’s payment for a filing fee and statement of qualifications fee is not included in calculating the total expenditures made.

**§ 83102. Recipient Committee Statement of Organization; Filing. (84101)**

- (a) **Statement Required.** A recipient committee, as defined by § 82012(a), must file a statement of organization.
- (b) **Where and When to File.** The committee must file the original of the statement of organization with the Secretary of State and file a copy with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports under § 84304. The original and copy of the statement of organization must be filed within 10 days after the committee has qualified under § 82012(a).
- (c) **Secretary of State’s Duties.** The Secretary of State will assign a number to each committee that files a statement of organization and will post the number on its website. The Secretary of State will send a copy of statements filed under this section to the county elections official of each county that the Secretary considers appropriate. A county elections official who receives a copy of a statement of organization from the Secretary of State under this section will send a copy of the statement to the clerk of each city in the county that the elections official considers appropriate.
- (d) **File Within 24 Hours Near Election.** In addition to filing the statement of organization as required by (a), if a committee qualifies under § 82012(a) within 16 days before an election where the

committee is required to file preelection statements under § 84101, the committee must file a statement of organization by fax, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a committee. The information required by this subdivision must be filed with the filing officer with whom the committee is required to file the originals of its campaign reports under § 84304.

- (e) **Independent Expenditures.** In addition to filing the statement of organization as required by (a), if an independent-expenditure committee qualifies as a committee under § 82012(a) during the time period described in § 82044 and makes independent expenditures of \$1,000 or more to support or oppose a candidate or candidates, the committee must file a statement of organization by fax, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a committee. The information required by this section must be filed with the filing officer with whom the committee is required to file the original of its campaign reports under § 84304, and must also be filed at all locations required for the candidate or candidates supported or opposed by the independent expenditures. The filings required by this section are in addition to filings that may be required by § 84202.
- (f) **Exception for Fees.** For this section, in calculating if \$2,000 in contributions has been received, payments for a filing fee or for a statement of qualifications to appear in a sample ballot are not included if these payments were made from the candidate's personal funds.

### **§ 83103. Statement of Organization; Contents. (84102, 84106, 84107)**

The statement of organization required by § 83102 must include all the following:

- (a) **Committee Name and Information.** The name, street address, telephone number, and e-mail address of the committee. A committee must use only one name on its statement of organization.
  - (1) **Controlled committee.** The name of a committee controlled by one or more candidates under § 82018 must include the last name of each candidate that controls the committee.
  - (2) **Candidate's controlled committee for election to office.** The name of a committee controlled by one or more candidates for purposes of the election of the controlling candidate or candidates must include, in addition to the last name of the controlling candidate or candidates, the office sought.
  - (3) **Committee primarily formed to support or oppose candidate.** The name of a noncandidate controlled committee primarily formed to support or oppose one or more candidates, must include the last name of each candidate whom the committee supports or opposes as listed on its statement of organization, and the office sought.
  - (4) **Ballot measure committee.** The name of a committee primarily formed to support or oppose a ballot measure must: within 30 days of the designation of the numerical order of propositions appearing on the ballot, if supporting the measure, include the statement, "a committee for Proposition \_\_\_\_"—or, if opposing the measure, include the statement, "a committee against Proposition \_\_\_\_."
  - (5) **Sponsored committee.** The name of a committee that is sponsored under § 82070 must include the name of its sponsor. If a committee has more than one sponsor and the sponsors are members of an industry or other identifiable group, the name of the committee must include a term identifying that industry or group. For a sponsored committee, the statement of organization must include the name, street address, and telephone number of each sponsor. Whenever identification of a sponsored committee is required by this title, the identification must include the full name of the committee as required in its statement of organization.
- (b) **Treasurer and Principal Officers.** The full name, street address, and telephone number of the treasurer and any other principal officers.
  - (1) A committee with more than one principal officer must identify its principal officers as follows:
    - (A) A committee with three or fewer principal officers must identify all principal officers.
    - (B) A committee with more than three principal officers must identify at least three principal officers.

- (2) If the treasurer is the only principal officer, the treasurer must be identified as both the treasurer and the principal officer.
- (c) **Purpose.** The statement must include the candidate's full name and the office sought, and the title and ballot number, if any, of any measure that the committee supports or opposes as its primary activity. A committee that does not support or oppose a candidate or ballot measure as its primary activity must provide a brief description of its political activities, including whether it supports or opposes candidates or measures and if such candidates or measures have common characteristics, such as a political-party preference.
- (d) **Independent or Controlled.** A statement whether the committee is independent or controlled, including:
  - (1) If the committee is controlled, the name of each candidate or state-measure proponent who controls it, or the name of any controlled committee with which it acts jointly.
  - (2) If a committee is controlled by a candidate for partisan or voter-nominated office, the controlled committee must indicate any political party for which the candidate has disclosed a preference.
- (e) **Financial Institution.** For a recipient committee or independent expenditure committee defined by § 82012(a) or (b), the account number, name, and address of the financial institution in which the committee has established an account.
- (f) **Additional Information.** Any other information required by the Commission's rules or regulations consistent with this title and its purposes. Refer to Commission regulations for additional requirements regarding committee names, including for an officeholder committee, legal-defense fund committee, recall committee or multipurpose organization that registers as a committee.

**§ 83104. Statement of Organization; Amendment. (84103)**

- (a) **Amend Within 10 Days.** If there is a change in any of the information required on a statement of organization, the committee must file an amendment within 10 days of the change.
- (b) **Where to File.** The committee must file the original amended statement of organization with the Secretary of State. If the committee is required to file the originals of its campaign reports with a local filing officer under § 84304, the committee must file a copy of the amendment with the local filing officer.
- (c) **Amend Within 24 Hours Near Election.** In addition to filing the amendment required by (a), a committee defined in § 82012(a) must notify within 24 hours, by fax, online transmission, guaranteed overnight delivery, or personal delivery, the filing officer with whom it is required to file the originals of its campaign reports under § 84304 if:
  - (1) the change requiring the amendment occurs within 16 days before the election where the committee is required to file preelection statements under § 84101; and
  - (2) any of the following information is changed:
    - (A) the name of the committee;
    - (B) the name of the treasurer or other principal officers; or
    - (C) the name of any candidate or committee by which the committee is controlled or with which it acts jointly.
- (d) **Contents; Online Filing.** The notification must include the changed information, the date of the change, the name of the person providing the notification, and the committee's name and identification number. A committee may file a notification online only if the appropriate filing officer is capable of receiving the notification in that manner.

**§ 83105. Treasurer; Assistant Treasurer. (84100; 18426.1)**

- (a) **Treasurer.** Every recipient committee defined in § 82012(a) must have a treasurer. No expenditure may be made by or on behalf of a committee without the authorization of the treasurer or the treasurer's designated agents. No contribution or expenditure may be accepted or made by or on behalf of a committee if the office of treasurer is vacant.

- (b) **Assistant Treasurer.** A recipient committee may designate one assistant treasurer on the committee's statement of organization. The assistant treasurer may sign and verify a campaign statement on behalf of the committee if the assistant uses reasonable diligence to prepare and review it and signs to that effect under penalty of perjury as required by § 84400.
  - (1) For statements signed by the assistant treasurer, the treasurer and assistant treasurer are jointly and severally liable for any violations that the Political Reform Act would otherwise hold the treasurer liable for.
  - (2) The assistant treasurer assumes the duties and responsibilities of the treasurer if there is a temporary vacancy in the treasurer's office or if the treasurer is unavailable.

**§ 83106. Recipient Committee Annual Fees. (84101.5)**

- (a) **Annual Committee Registration Fee.** The Secretary of State will charge each committee that is required to file a statement of organization under § 83102(a), a fee of \$50 per year until the committee is terminated under § 84500.
- (b) **Initial Payment Date.** A committee must pay the fee required by (a) within 15 days after filing its statement of organization.
- (c) **Annual Payment Date.**
  - (1) After the initial payment, the committee must annually pay the \$50 fee no later than April 30 of each year.
  - (2) A committee that is created and pays the initial fee in October, November, or December is not subject to the annual fee for the following calendar year.
- (d) **Failure to Pay Fee.** A committee that fails to pay a fee on time as required by this section is subject to a penalty equal to three times the amount of the fee.
- (e) **Enforcement.** The Commission will enforce the requirements of this section.

**Article 2. Recordkeeping and Notices to Contributors**

**§ 83200. Recordkeeping. (84104)**

- (a) **Duty to Maintain Records.** Candidates, treasurers, principal officers, and elected officers all have a duty to maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that campaign statements are properly filed, and to otherwise comply with this title.
- (b) **Retention Period.** The filer must retain the detailed accounts, records, bills, and receipts for a period determined by the Commission. But the Commission cannot require retention of records for longer than the five-year statute of limitations specified in § 90334 or two years after the adoption of an audit report under Chapter 13, whichever is shorter.

**§ 83201. Notification to Contributors. (84105; 18427.1)**

- (a) **Notice at \$5,000.** A candidate or committee that receives contributions totaling \$5,000 or more from a person in a calendar year must inform that contributor within two weeks of receipt that the contributor may be required to file campaign reports. The notice must include a reference to the filing requirements for multipurpose organizations under §§ 82055, 84700, and 84701.
- (b) **Notice at \$10,000.** A candidate or committee that receives a contribution of \$10,000 or more from a person during a period in which late-contribution reports are required to be filed under § 84200 must provide the information in (a) to the contributor within one week.
- (c) **Exception.** The notification required by this section need not be sent to a contributor who has an identification number assigned by the Secretary of State issued under § 83102.

## **Chapter 4. Campaign Disclosure; Filing Campaign Statements and Reports** **(§ 84100–§ 84902)**

### **Article 1. Periodic Campaign Statements**

#### **§ 84100. Semiannual Statements; Who Files. (84200)**

- (a) **Elected Officers, Candidates and Recipient Committees.** Elected officers, candidates, and recipient committees under § 82012(a) must file semiannual statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31, except as provided in (1)-(3).
- (1) A candidate who, during the past six months, has filed a declaration under § 84302 that he or she will receive or spend less than \$2,000 is not required to file a semiannual statement for that six-month period.
  - (2) Elected officers with salaries less than \$200 a month, judges, judicial candidates, and their controlled committees need not file semiannual statements under this subdivision for any six-month period in which they have not made or received any contributions or made any expenditures.
  - (3) A judge who is not listed on the ballot for reelection to, or recall from, any elective office during a calendar year need not file semiannual statements under this subdivision for any six-month period in that year if:
    - (A) the judge has not received any contributions; and
    - (B) the only expenditures made by the judge during the calendar year are contributions to other candidates or committees, made from the judge's personal funds and totaling less than \$1,000.
- (b) **Independent Expenditure and Major Donor Committees.** All independent-expenditure and major-donor committees under § 82012(b) or (c) must file campaign statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31, if they made contributions or independent expenditures, including payments to a slate-mailer organization, during the six-month period before a statement's closing date.

#### **§ 84101. Preelection Statements; Who Files. (84200.5)**

- (a) **Who Must File.** In addition to the semiannual campaign statements required by § 84100, the following elected officers, candidates, and committees must file preelection statements under § 84102:
- (1) **Candidates or measures on the ballot.** All candidates appearing on the ballot to be voted on at the next election, their controlled committees, and committees primarily formed to support or oppose an elected officer, candidate, or a measure appearing on the ballot for the next election.
  - (2) **Elected state officers and candidates not on the ballot.** All elected state officers and candidates for elective state office who:
    - (A) are not appearing on the ballot at the next statewide primary or general election; and
    - (B) during the preelection reporting periods under § 84102, either contribute to a committee that is required to report receipts, expenditures, or contributions under this title, or make an independent expenditure of \$500 or more in connection with the statewide primary or general election.
  - (3) **State or county general-purpose committees.** A state or county general-purpose recipient committee formed under § 82012(a), other than a political-party committee as defined in § 82061, if it makes contributions or independent expenditures totaling \$500 or more in connection with the statewide primary or general election during the preelection reporting periods. But a state or county general-purpose committee formed under § 82012(b) or (c) (independent-expenditure or major-donor committee) need not file the § 84102 preelection statements.

- (4) **Political-party committees.** A political-party committee under § 82061 must file the preelection statements in connection with a state election if the committee receives contributions totaling \$1,000 or more—or if it makes contributions or independent expenditures totaling \$500 or more—in connection with the election during the period covered by the preelection statement.
- (5) **City general-purpose committees.** A city general-purpose recipient committee formed under § 82012(a) must file the applicable preelection statements specified in § 84102 if it makes contributions or independent expenditures totaling \$500 or more in connection with a city election in the committee’s jurisdiction during the period covered by the preelection statements. But a city general-purpose committee formed under § 82012(b) or (c) (independent-expenditure or major-donor committee) need not file the § 84102 preelection statements.
- (b) **CalPERS and CalSTRS.** During an election period for the Board of Administration of the Public Employees’ Retirement System or the Teachers’ Retirement Board, the following candidates and committees must file the preelection statements specified in § 84801:
  - (1) All candidates for these boards, their controlled committees, and committees primarily formed to support or oppose the candidates.
  - (2) A state or county general-purpose recipient committee formed under § 82012(a) must file the preelection statements if it makes contributions or independent expenditures totaling \$500 or more during the period covered by the preelection statement to support or oppose a candidate, or a committee primarily formed to support or oppose a candidate on the ballot for the Board of Administration of the Public Employees’ Retirement System or the Teachers’ Retirement Board.
  - (3) But a general-purpose committee formed under § 82012(b) or (c) (independent-expenditure or major-donor committee) need not file the statements specified in § 84801.

**§ 84102. Preelection Statements; When to File. (84200.8)**

Preelection statements must be filed:

- (a) For the period ending 45 days before the election, the statement must be filed no later than 40 days before the election.
- (b) For the period ending 17 days before the election, the statement must be filed no later than 12 days before the election.
- (c) For runoff elections held within 60 days of the qualifying election, an additional preelection statement for the period ending 17 days before the runoff election must be filed no later than 12 days before the election.
- (d) All candidates being voted on in the election in connection with which the statement is filed, their controlled committees, and committees primarily formed to support or oppose a candidate or measure being voted on in that election must file the statement due 12 days before the election in (b) and (c) by guaranteed overnight delivery or personal delivery.

**§ 84103. Quarterly Campaign Statements; Ballot-Measure Committees; When to File. (84202.3)**

- (a) **Deadlines for Filing.** In addition to the semiannual campaign statements required by § 84100, recipient committees under § 82012(a), that are primarily formed to support or oppose the qualification, passage, or defeat of a measure, and state-measure proponents who control a committee primarily formed or existing to support the qualification, passage, or defeat of a state ballot measure, must file campaign statements on the following dates:
  - (1) No later than April 30 for the period January 1 through March 31.
  - (2) No later than October 31 for the period July 1 through September 30.
- (b) **Exception for Committee Filing Preelection Statements.** This section does not apply to a committee during any semiannual period in which the committee is required to file preelection statements under § 84101(a)(1)–(3).

- (c) **Exception After Election.** This section does not apply to a committee following the election at which the measure has been voted on unless the committee makes contributions or expenditures to support or oppose the qualification or passage of another ballot measure.

**§ 84104. Odd-Year Reports of Contributions to Elected State Officers; When to File. (84202.7)**

During an odd-numbered year, a committee that makes contributions totaling \$10,000 or more to elected state officers, their controlled committees, or committees primarily formed to support or oppose any elected state officer during a period specified below, must file campaign statements on the following dates:

- (a) No later than April 30 for the period of January 1 through March 31.  
(b) No later than October 31 for the period of July 1 through September 30.

**Article 2. 24-Hour and Other Activity-Based Reports**

**§ 84200. Late Contributions; Reports. (84203)**

- (a) **Who Must File and Where.** A candidate or committee that makes or receives a late contribution, as defined in § 82043, must report the late contribution to each filing officer with whom the candidate or committee is required to file its next campaign statement under § 84304.
- (b) **Contents of Report for Contributor.** The candidate or committee that makes the late contribution must report:
- (1) the full name and street address of the filer;
  - (2) the full name and street address of the person to whom the late contribution has been made;
  - (3) the office sought if the recipient is a candidate, or the ballot measure number or letter if the recipient is a committee primarily formed to support or oppose a ballot measure; and
  - (4) the date and amount of the late contribution.
- (c) **Contents of Report for Recipient.** The recipient of the late contribution must report:
- (1) the full name and street address of the filer;
  - (2) the date and amount of the late contribution, including whether the contribution was made in the form of a loan; and
  - (3) the full name of the contributor, and the contributor's street address, occupation, and employer's name, or if self-employed, the name of the business.
- (d) **File Within 24 Hours.** A late contribution must be reported by fax, guaranteed overnight delivery, personal delivery, or online transmission, if available, within 24 hours of the time it is made in the case of the candidate or committee that makes the contribution, and received in the case of the recipient. If a late contribution must be reported to the Secretary of State, the report must be filed by online or electronic transmission only.
- (e) **Subsequent Reporting.** A late contribution must be reported on subsequent campaign statements without regard to reports filed under this section and reports filed under this section will be in addition to any other campaign statement required to be filed by this title.
- (f) **Contributions Returned Within 24 Hours.** A late contribution need not be reported, nor will it be considered accepted, if it is not cashed, negotiated, or deposited and is returned to the contributor within 24 hours of its receipt.
- (g) **Exception.** Late Contributions that have been disclosed by candidates or committees under § 84203
- (a) need not be disclosed under this section.

**§ 84201. Late In-Kind Contributions. (84203.3)**

- (a) **Notice of Value.** A candidate or committee that makes a late in-kind contribution must notify the recipient in writing of the value of the in-kind contribution. Written notice must be received by the recipient within 24 hours of the time the contribution is made.

- (b) **Reporting.** Nothing in this section relieves a candidate or committee that makes a late in-kind contribution, or the recipient of a late in-kind contribution, from the requirement to file late-contribution reports under § 84200. But a report filed by the recipient of a late in-kind contribution will be considered timely if received by the filing officer within 48 hours of receipt of the contribution.

**§ 84202. Late Independent Expenditures; Reports. (84204)**

- (a) **File Within 24 Hours.** A committee that makes a late independent expenditure, as defined in § 82044, must report the expenditure by fax, guaranteed overnight delivery, personal delivery, or online transmission, if available, within 24 hours of the time it is made.
- (b) **Contents of Report.** A committee that makes a late independent expenditure must report:
- (1) its full name and street address;
  - (2) if the report is related to a candidate, the name, office, and district of the candidate;
  - (3) if the report is related to a measure, the number or letter of the measure and the jurisdiction that will vote on the measure;
  - (4) the amount, date, and a description of goods or services for which the late independent expenditure was made; and
  - (5) the information required by § 84300(f)(1)–(5) covering the period from the day after the closing date of the last campaign report filed to the date of the late independent expenditure. Or if the committee has not previously filed a campaign statement, covering the period from January 1 to the date of the late independent expenditure. No information required by § 84300(f)(1)–(5) that is required to be reported with a late independent-expenditure report by this subdivision is required to be reported on more than one late independent-expenditure report.
- (c) **Where to File.** A committee that makes a late independent expenditure must file a late independent-expenditure report in the places where it would be required to file campaign statements under this title as if it were a committee primarily formed or existing to support or oppose the candidate or measure for or against which it is making the late independent expenditure. If a late independent expenditure is required to be reported to the Secretary of State, the report must be filed online only.
- (d) **Subsequent Reporting.** A report filed under this section is in addition to any other campaign statement required to be filed by this title, so a late independent expenditure must also be reported on those later campaign statements without regard to reports filed under this section.
- (e) **Exception.** Expenditures that have been disclosed by candidates and committees under § 86301 need not be disclosed under this section.

**§ 84203. Online Disclosure of Contributions Received. (85309)**

In addition to any other report required by this title, a candidate for elective state office who is required to file reports under § 84305, and a committee primarily formed to support or oppose one or more state ballot measures that is required to file reports under § 84305, must file online or electronically a report with the Secretary of State disclosing receipt of the following:

- (a) **Report at \$1,000.** A contribution of \$1,000 or more received on or within 90 days before the date of the election. These reports must disclose the same information required by § 84200(c) and must be filed within 24 hours of receipt.
- (b) **Report at \$5,000.** A contribution of \$5,000 or more received at any time other than on or within 90 days before the date of the election. These reports must disclose the same information required by § 84200(c) and must be filed within 10 business days of receipt.

**§ 84204. \$5,000 Ballot Measure Contributions and Expenditures Reports. (84204.5)**

- (a) **Report at \$5,000.** In addition to any other report required by this title, a recipient committee under § 82012(a) that is required to file reports under § 84305, must file online or electronically with the Secretary of State each time it makes contributions totaling \$5,000 or more, or each time it makes

independent expenditures totaling \$5,000 or more to support or oppose the qualification or passage of a single state ballot measure.

- (b) **Timing and Content of Report.** The report must be filed within 10 business days of making the contributions or independent expenditures and must contain:
- (1) **Committee.** The committee's full name, street address, and identification number.
  - (2) **Measure.** The measure's:
    - (A) number or letter, if the measure has qualified for the ballot and has been assigned a number or letter;
    - (B) title, if the measure has not been assigned a number or letter but has been issued a title by the Attorney General; or
    - (C) subject, if the measure has not been assigned a number or letter and has not been issued a title by the Attorney General.
  - (3) **Contributions.** The contribution's date and amount, and the name, address, and identification number of the committee to whom the contribution was made. The report must include the information required by § 84300(f)(1)–(5) on contributions or loans received from a person described in that subdivision, covering the period from the day after the closing date of the last campaign report filed to the date of the contribution requiring a report under this section, or if the committee has not previously filed a campaign statement, covering the period from the previous January 1 to the date of the contribution requiring a report under this section. No information described in § 84300(f)(1)–(5) that is required to be reported under this subdivision is required to be reported in more than one report provided for in this subdivision for each contribution or loan received from a person described in § 84300(f).
  - (4) **Independent expenditures.** The date, amount, and a description of the goods or services for which the expenditure was made. The report must include the information required by § 84300(f)(1)–(5) on contributions or loans received from a person described in that subdivision, covering the period from the day after the closing date of the last campaign report filed to the date of the expenditure, or if the committee has not previously filed a campaign statement, covering the period from the previous January 1 to the date of the expenditure. No information described in § 84300(f)(1)–(5), that is required to be reported under this subdivision is required to be reported in more than one report provided for in this subdivision for each contribution or loan received from a person described in § 84300(f).
- (c) **Exceptions.** The following does not have to be reported under this section:
- (1) A committee primarily formed to support or oppose the qualification or passage of a state ballot measure does not need to file reports required by this section for expenditures made on behalf of the ballot measure or measures for which it is formed.
  - (2) Independent expenditures that have been disclosed by a committee under § 84202 or § 86301 need not be disclosed under this section.

**§ 84205. Top-Ten-Contributor Lists. (84223)**

- (a) **Required to Maintain List of Top Ten.** A committee primarily formed to support or oppose a state ballot measure or state candidate that raises \$1,000,000 or more for an election must maintain an accurate list of the committee's top 10 contributors, as specified by Commission regulations. A current list of the top 10 contributors must be provided to the Commission for disclosure on the Commission's website under (f).
- (b) **Information to Maintain.** Unless provided in (c)(4), the list of top 10 contributors must identify:
- (1) the names of the 10 persons who have made the largest cumulative contributions to the committee;
  - (2) the total amount of each person's contributions;
  - (3) the city and state of the person;
  - (4) the person's committee identification number, if any; and
  - (5) any other information considered necessary by the Commission.



- (e) **Cash Balance.** The balance of cash and cash equivalents on hand at the beginning and the end of the period covered by the campaign statement.
- (f) **Contribution Information.** If the cumulative amount of contributions, including loans, received from a person is \$100 or more and a contribution or loan has been received from that person during the period covered by the campaign statement, all the following:
  - (1) the person's full name;
  - (2) the person's street address;
  - (3) if an individual, the person's occupation;
  - (4) if an individual, the name of the person's employer, or if self-employed, the name of the business;
  - (5) the date and amount received for each contribution during the period covered by the campaign statement and if the contribution is a loan, the interest rate for the loan; and
  - (6) the cumulative amount of contributions.
- (g) **Loan Information.** If the cumulative amount of loans received from or made to a person is \$100 or more during the period covered by the campaign statement, or is outstanding during the period covered by the campaign statement, all the following:
  - (1) the person's full name;
  - (2) the person's street address;
  - (3) if an individual, the person's occupation;
  - (4) if an individual, the name of the person's employer, or if self-employed, the name of the business;
  - (5) the original date and amount of each loan;
  - (6) the due date and interest rate of the loan;
  - (7) the cumulative payment made or received to date at the end of the reporting period;
  - (8) the outstanding balance at the end of the reporting period; and
  - (9) the cumulative amount of contributions.
- (h) **Loan-Guarantor Information.** For each person, other than the filer, who is directly, indirectly, or contingently liable for repayment of a loan received or outstanding during the period covered by the campaign statement, all the following:
  - (1) the person's full name;
  - (2) the person's street address;
  - (3) if an individual, the person's occupation;
  - (4) if an individual, the name of the person's employer, or if self-employed, the name of the business; and
  - (5) the amount of the person's maximum liability outstanding.
- (i) **Total Itemized Expenditures.** The total amount of expenditures made during the period covered by the campaign statement to persons who have received \$100 or more.
- (j) **Total Unitemized Expenditures.** The total amount of expenditures made during the period covered by the campaign statement to persons who have received less than \$100.
- (k) **Expenditure Information.** For each person to whom an expenditure of \$100 or more has been made during the period covered by the campaign statement, all the following:
  - (1) the person's full name;
  - (2) the person's street address;
  - (3) the amount of each expenditure;
  - (4) a brief description of the consideration for which each expenditure was made;
  - (5) the information required in (1)–(4) for each person, if different from the payee, who has provided consideration for an expenditure of \$500 or more during the period covered by the campaign statement; and
  - (6) in the case of a contribution to a candidate, elected officer, or committee, or an independent expenditure to support or oppose a candidate or measure, the following additional information:
    - (A) the date of the contribution or independent expenditure;

- (B) the cumulative amount of contributions made to a candidate, elected officer, or committee;
  - (C) the cumulative amount of independent expenditures made relative to a candidate or measure;
  - (D) the full name of the candidate, and the office and district for which he or she seeks nomination or election, or the number or letter of the measure; and
  - (E) the jurisdiction in which the measure or candidate is voted on.
- (l) **Limited Definition of “Expenditure.”** For (i)–(k) only, “expenditure” means an individual payment or accrued expense, unless it is clear from surrounding circumstances that a series of payments or accrued expenses are for a single service or product.
  - (m) **Miscellaneous Receipts.** The amount and source of any miscellaneous receipt of a controlled committee, an official committee of a political party, or an organization primarily formed or existing for political purposes.
  - (n) **Committee Identification Number.** If a committee is listed under (f), (g), (h), (k), (m), or (r), the number assigned to the committee by the Secretary of State must be reported. If no number has been assigned, the full name and street address of the committee’s treasurer must be reported.
  - (o) **Semiannual Totals.** In a campaign statement filed by a candidate running in both a state primary and general election, the candidate’s controlled committee, or a committee primarily formed to support or oppose such a candidate, the total amount of contributions received and the total amount of expenditures made between January 1 through June 30 and between July 1 through December 31.
  - (p) **Filer and Treasurer’s Name and Address.** The full name, residential or business address, and telephone number of the filer, or for a statement filed by a recipient committee under § 82012(a) the name, street address, and telephone number of the committee and committee treasurer. For a § 82012(b) or (c) independent-expenditure or major-donor committee, the name that the filer uses on campaign statements must be the name the filer is identified by for other legal purposes or any name commonly known to the public.
  - (q) **Related Committees.** If the campaign statement is filed by a candidate, the name, street address, and treasurer of any committee that the candidate knows has received contributions or made expenditures on behalf of his or her candidacy and whether the committee is controlled by the candidate.
  - (r) **Returned Contributions.** A contribution does not need to be reported and it will not be considered accepted if it is not cashed, negotiated, or deposited, and is returned to the contributor before the closing date of the campaign statement on which it would be reported.
  - (s) **Ballot-Measure-Committee Expenditures to Related Business.** If a committee primarily formed for the qualification of, support of, or opposition to, an initiative or ballot measure is required to report an expenditure to a business entity under (k), and if 50% or more of the business entity is owned by a candidate or person controlling the committee, by an officer or employee of the committee, or by a spouse of any of these individuals, the committee’s campaign statement must also contain that person’s name, the relationship of that person to the committee, and a description of that person’s ownership interest or position with the business entity.
  - (t) **Ballot-Measure-Committee Expenditures to Related Business.** If a committee primarily formed for the qualification of, support of, or opposition to, an initiative or ballot measure is required to report an expenditure to a business entity under (k), and if a candidate or person controlling the committee, an officer or employee of the committee, or a spouse of any of these individuals is an officer, partner, consultant, or employee of the business entity, the committee’s campaign statement must also contain that person’s name, the relationship of that person to the committee, and a description of that person’s ownership interest or position with the business entity.
  - (u) **Major-Donor or Independent-Expenditure Filing; Nature and Interests of Filer.** If the campaign statement is filed by a committee under § 82012(b) or (c), information sufficient to identify the nature and interests of the filer, including the following, based on whether the filer is:
    - (1) **An individual.** The name and address of the filer’s employer, if any, or the filer’s principal place of business if the filer is self-employed, and a description of the business activity in which the filer or the filer’s employer is engaged.
    - (2) **A business entity.** A description of the business activity in which it is engaged.

- (3) **An industry, trade, or professional association.** A description of the industry, trade, or profession it represents, including a specific description of any part or faction of the industry, trade, or profession the association exclusively or primarily represents.
- (4) **Other.** A statement of the person’s nature and purposes, including a description of any industry, trade, profession, or other group with a common economic interest that the person principally represents or from which its membership or financial support is principally derived.

**§ 84301. Expenditure by Agent or Independent Contractor; Subvendor Reporting. (84303)**

- (a) **Criteria for Reporting.** A candidate or committee must report expenditures of \$500 or more—except for overhead or normal operating expenses—made by an agent or independent contractor, including an advertising agency, on behalf of or for the benefit of a candidate or committee as if the expenditures were made directly by the candidate or committee.
- (b) **Agent or Contractor to Provide Required Information.** A subagent or subcontractor who provides goods or services to or for the benefit of a candidate or committee must give the agent or independent contractor all the information required to be reported by this section, and then the agent or independent contractor must inform the candidate or committee of all the information required to be reported by this section no later than three working days before the campaign statement reporting the expenditure is required to be filed. But an expenditure that is required to be reported as a late contribution by § 84200 or a late independent expenditure by § 84202 must be reported to the candidate or committee within 24 hours of the time that it is made.

**§ 84302. Candidates Who Receive or Spend Less Than \$2,000. (84206)**

- (a) **Short Form.** The Commission will provide a short form for filing reports required by this chapter for candidates or officeholders who receive contributions of less than \$2,000, and who make expenditures of less than \$2,000 in a calendar year.
- (b) **Exception for Fees.** For this section, when calculating the \$2,000 in expenditures, payments for a filing fee or for a statement of qualification are not included when made from the candidate’s personal funds.
- (c) **Filing Date.** A short form in connection with an election is due no later than the date the first preelection statement is required for the calendar year under § 84102. A short form not in connection with an election is due by July 31.
- (d) **Written Notification of Change.** A candidate or officeholder who files a short form under (a), and who later receives contributions or makes expenditures totaling \$2,000 or more in a calendar year, must send written notice to the Secretary of State, local filing officer, and each candidate contending for the same office within 48 hours of receiving or expending a total of \$2,000. The written notice revokes the previously filed short-form statement.

**§ 84303. County Central Committee Candidates Who Receive or Spend Less Than \$2,000. (84207)**

- (a) **Criteria for Filing.** An elected member of, or a candidate for election to, a qualified political party’s county central committee who receives contributions of less than \$2,000 and who makes expenditures of less than \$2,000 in a calendar year is not required to file any campaign statements required by this title.
- (b) **Limit on Local Agencies.** Despite §§ 81200 and 81201, a local government agency cannot impose filing requirements on a person described under (a).

**§ 84304. Campaign Reports and Statements; Where to File. (84215)**

- (a) **Where to File.** All candidates and elected officers and their controlled committees, except under (4) and (5), must file one copy of the § 84100 semiannual campaign statements with the elections official

of the county in which the candidate or elected official is domiciled, as defined in Elections Code § 349(b). In addition, campaign statements must be filed at the following places:

- (1) **State.** Statewide elected officers, including members of the State Board of Equalization, members of the Legislature, Supreme Court justices, court of appeal justices, and superior court judges, candidates for those offices and their controlled committees, committees primarily formed or existing to support or oppose these candidates, elected officers, justices and judges, or statewide measures, or the qualification of state ballot measures, and all state general-purpose committees and filers not specified in (2)–(5), must file a campaign statement by online or electronic means, as specified in § 84305, and must file the original and one copy of the campaign statement in paper with the Secretary of State.
  - (2) **Multicounty.** Elected officers in jurisdictions other than legislative districts, State Board of Equalization districts, or appellate-court districts that contain parts of two or more counties, candidates for these offices, their controlled committees, and committees primarily formed or existing to support or oppose candidates or local measures to be voted on in one of these jurisdictions must file the original and one copy with the elections official of the county with the largest number of registered voters in the jurisdiction.
  - (3) **County.** County elected officers, candidates for county elected offices, their controlled committees, committees primarily formed or existing to support or oppose candidates or local measures to be voted on in any number of jurisdictions within one county, other than those in (4), and county general-purpose committees must file the original and one copy with the elections official of the county.
  - (4) **City.** City elected officers, candidates for city office, their controlled committees, committees primarily formed or existing to support or oppose candidates or local measures to be voted on in one city, and city general purpose committees must file the original and one copy with the clerk of the city and are not required to file with the local elections official of the county where they are domiciled.
  - (5) **CalPERS and CalSTRS.** Elected members of the Board of Administration of the Public Employees' Retirement System, elected members of the Teachers' Retirement Board, candidates for these offices, their controlled committees, and committees primarily formed or existing to support or oppose these candidates or elected members must file the original and one copy with the Secretary of State, and must file a copy at the relevant board's office in Sacramento. These elected officers, candidates, and committees need not file with the elections official of the county where they are domiciled.
- (b) **Number of Copies.** Despite any other provision of this section, a committee, candidate, or elected officer need not file more than the original and one copy, or one copy, of a campaign statement with any one county elections official, city clerk, or the Secretary of State.
- (c) **Filing to End of Calendar Year.** If a committee is required to file semiannual or preelection campaign statements under § 84100 or § 84101 in places designated in (a)(1)-(4), it must continue to file these statements in those places, in addition to any others required by this title until the end of the calendar year.

**§ 84305. Who Must File Online with Secretary of State. (84605)**

(a) **Criteria for Mandatory Online Filing.** The following persons must file online or electronically with the Secretary of State:

- (1) A candidate—including superior-court, appellate-court, and Supreme Court candidates and officeholders—a committee, or other persons who are required under Chapter 4 to file statements, reports, or other documents in connection with a state elective office or state measure, if the total cumulative reportable amount of contributions received, expenditures made, loans made, or loans received is \$25,000 or more. In determining the cumulative reportable amount, all controlled committees, as defined by § 82018, must be included. A major-donor committee under



verification must be in accordance with § 84400, except that it must state that to the best of his or her knowledge each controlled committee's treasurer used all reasonable diligence in the preparation of the statement. This section does not relieve any committee's treasurer from the § 84400 obligation to verify each campaign statement filed by the committee.

- (b) **Verification of Independent Expenditures.** If a committee is required to file a campaign statement or report disclosing an independent expenditure under this title, a principal officer of the committee or, in the case of a controlled committee, the candidate or state-measure proponent or opponent who controls the committee must sign a verification on a report prescribed by the Commission. Despite any other provision of this title, the report containing the verification required by this subdivision must be filed only with the Commission. The verification must read as follows:

I have not received any unreported contributions or reimbursements to make these independent expenditures. I have not coordinated any expenditure made during this reporting period with the candidate or the opponent of the candidate who is the subject of the expenditure, with the proponent or the opponent of the state measure that is the subject of the expenditure, or with the agents of the candidate or the opponent of the candidate or the state-measure proponent or opponent.

**§ 84402. Reports and Statements; Amendments. (81004.5)**

The filer may, at any time, amend a report or statement filed under this title. Amending an incorrect or incomplete report or statement may be considered evidence of good faith.

**§ 84403. Candidates and Controlled Committees; Consolidated Statements. (84209)**

A candidate or state-measure proponent and a committee or committees that the candidate or state-measure proponent controls may file consolidated campaign statements under this chapter. The consolidated statements must be filed in all places that the committees and the candidate or state-measure proponent would be required to file if separate statements were filed.

**§ 84404. Filing Dates for Reports and Statements; Weekend or Holiday Extension. (18116)**

- (a) **Next Business Day.** If this title requires that a statement or report be filed before or on a specified date or during or within a specified period, and the deadline falls on a Saturday, Sunday, or official state holiday, the filing deadline for such a statement or report will be extended to the next regular business day.
- (b) **Exceptions.** This extension does not apply to:
- (1) contribution reports required by § 84200, § 84201(b), or § 84203, or the contributor's notice of a late in-kind contribution required by § 84201(a), when the due date for these types of reports falls on a Saturday, Sunday, or official state holiday immediately before an election; and
  - (2) independent-expenditure reports required by § 84202 or § 86301.

**§ 84405. Combination of Statements. (84205)**

The Commission may, by regulation or written advice, permit candidates and committees to file campaign statements combining statements and reports required by this title.

**§ 84406. No Exemptions. (84400)**

Despite any other law, the Commission has no power to exempt a person, including a candidate or committee, from the requirements of this chapter.

**Article 5. Termination of Candidate and Committee Filing Obligations**

**§ 84500. Termination. (84214)**

A committee or candidate must terminate their filing obligation under regulations adopted by the Commission. These regulations ensure that a committee or candidate will have no activity that must be disclosed under this chapter after the termination. These regulations will not require the filing of any campaign statements other than those required by this chapter. In no case must an independent-expenditure or major-donor committee that qualifies solely under §82012(b) or (c), be required to file any notice of its termination.

**Article 6. Slate-Mailer Organizations**

**§84600. Slate-Mailer Organization; Statement of Organization. (84108)**

(a) **Requirements.** A slate-mailer organization must:

- (1) have a treasurer and comply with the requirements of § 83105;
- (2) file a statement of organization and comply with the requirements of § 83102;
- (3) amend its statement of organization when required by § 83104; and
- (4) comply with the recordkeeping requirements in § 83200.

(b) **Contents of Statement of Organization.** A slate-mailer organization's statement of organization must include:

(1) **Organization's information.** The name, street address, telephone number, and e-mail address of the organization.

(A) If an individual or business entity qualifies as a slate-mailer organization, the name of the slate-mailer organization must include the individual or entity's legal name.

(B) If identification of a slate-mailer organization is required by this title, the identification must include the full name of the slate-mailer organization as contained in its statement of organization.

(2) **Treasurer and principal officers.** The full name, street address, and telephone number of the treasurer and other principal officers.

(3) **Decision-makers.** The full name, street address, and telephone number of each person with final decision-making authority as to which candidates or measures will be supported or opposed in the organization's slate mailers.

(c) **Where and When to File.** The statement of organization must be filed with the Secretary of State within 10 days after the slate-mailer organization receives or is promised \$500 or more for producing one or more slate mailers. If an entity qualifies as a slate-mailer organization within 16 days before an election for which it is required to file preelection statements, the slate-mailer organization must file a statement of organization with the Secretary of State, by fax, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a slate-mailer organization.

**§ 84601. Slate-Mailer Organization; Contributions and Expenditures. (82048.4(c))**

**Reporting Contributions and Expenditures.** The production and distribution of slate mailers by a slate-mailer organization will not be considered making contributions or expenditures for § 82012(b) or (c). If a slate-mailer organization makes contributions or expenditures other than by producing or distributing slate mailers and it reports those contributions and expenditures under §§ 84602 and 84603, no additional campaign statements will be required of the slate-mailer organization under § 84100 or § 84101.

**§ 84602. Slate-Mailer Organization; Campaign Statements. (84218)**

(a) **Semiannual Statements.** A slate-mailer organization must file semiannual campaign statements no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.

- (b) **Preelection Statements.** In addition to the semiannual statements required by (a), a slate-mailer organization that produces a slate mailer supporting or opposing candidates or measures being voted on in an election must file the statements required by § 84102 if, during the period covered by the preelection statement, the slate-mailer organization either:
  - (1) received payments totaling \$500 or more from any person for the support of or opposition to candidates or ballot measures in one or more slate mailers; or
  - (2) expends \$500 or more to produce one or more slate mailers.
- (c) **Where to File.** A slate-mailer organization must file two copies of its campaign reports with the clerk of the county in which it is domiciled. A slate-mailer organization is domiciled at the address listed on its statement of organization. If it is domiciled outside California, its domicile is considered to be Los Angeles County for this section. A slate-mailer organization must also file campaign reports as follows:
  - (1) **State or multi-county.** A slate-mailer organization that produces one or more slate mailers supporting or opposing candidates or measures voted on in a state election, or in more than one county, must file a campaign statement by online or electronic means, as specified in § 84305, and must file the original and one copy of the campaign statement in paper with the Secretary of State.
  - (2) **County.** A slate-mailer organization that produces one or more slate mailers supporting or opposing candidates or measures voted on in only one county, or in more than one jurisdiction within one county, must file the original and one copy with the elections official of that county.
  - (3) **City.** A slate-mailer organization that produces one or more slate mailers supporting or opposing candidates or measures voted on in only one city must file the original and one copy with the clerk of that city and is not required to file with the local elections official of the county in which it is domiciled.
- (d) **Number of Copies.** Despite (c), no slate-mailer organization is required to file more than the original and one or two copies, as specified, of a campaign report with any one county or city clerk or with the Secretary of State.

**§84603. Slate-Mailer Organization; Campaign Statements; Contents.**

**(84219)**

When a slate-mailer organization is required to file campaign reports under § 84602, the campaign report must include the following information:

- (a) **Total Receipts.** The total amount of receipts during the period covered by the campaign statement and the total cumulative amount of receipts. For this section only, “receipts” means payments received by a slate-mailer organization for production and distribution of slate mailers.
- (b) **Total Disbursements for Slate Mailers.** The total amount of disbursements made during the period covered by the campaign statement and the total cumulative amount of disbursements. For this section only, “disbursements” means payments made by a slate-mailer organization for the production or distribution of slate mailers.
- (c) **Payments from Candidates or Committees.** For each candidate or committee that is a source of receipts totaling \$100 or more during the period covered by the campaign statement:
  - (1) the name of the candidate or committee, the jurisdiction and the office sought or ballot measure number or letter, and if the source is a committee, the committee’s identification number, street address, and the name of the candidate or measure on whose behalf or in opposition to which the payment is made;
  - (2) the date and amount of each receipt totaling \$100 or more during the period covered by the campaign statement;
  - (3) the cumulative amount of receipts on behalf of or in opposition to the candidate or measure.
- (d) **Payments from Other Persons.** For each person other than a candidate or committee, who is a source of receipts totaling \$100 or more during the period covered by the campaign statement:

- (1) the jurisdiction, office, or ballot measure, and name of the candidate or measure on whose behalf or in opposition to which the payment was made;
  - (2) full name, street address, name of employer, or if self-employed, name of business;
  - (3) the date and amount of each receipt totaling \$100 or more during the period covered by the campaign statement; and
  - (4) the cumulative amount of receipts on behalf of or in opposition to the candidate or measure.
- (e) **Other Candidates or Measures in Slate Mailer.** For each candidate or ballot measure not reported under (c) or (d), but who was supported or opposed in a slate mailer sent by the slate-mailer organization during the period covered by the report, the jurisdiction, office or ballot measure, and name of the candidate or measure that was supported or opposed.
  - (f) **Total Disbursements.** The total amount of disbursements made during the period covered by the campaign statement to persons who have received \$100 or more.
  - (g) **Total Unitemized Disbursements.** The total amount of disbursements made during the period covered by the campaign statement to persons who have received less than \$100.
  - (h) **Itemized Disbursements.** For each person to whom a disbursement of \$100 or more has been made during the period covered by the campaign statement:
    - (1) the recipient's full name;
    - (2) the recipient's street address;
    - (3) the amount of each disbursement;
    - (4) a brief description of the consideration for which each disbursement was made; and
    - (5) the information required in (1)–(4) for each person, if different from the payee, who has provided consideration for a disbursement of \$500 or more during the period covered by the campaign statement.
  - (i) **Disbursements to Slate-Mailer Organization Officers.** Cumulative disbursements totaling \$1,000 or more, made directly or indirectly to any person listed in the slate-mailer organization's statement of organization.
    - (1) For this subdivision, a disbursement is made indirectly to a person if it is intended for the benefit of or use by that person or a member of the person's immediate family, or if it is made to a business entity in which the person or member of the person's immediate family is a partner, shareholder, owner, director, trustee, officer, employee, or consultant, or holds any position of management, or in which the person or member of the person's immediate family has an investment of \$1,000 or more.
    - (2) This subdivision does not apply to a disbursement made to a business entity whose securities are publicly traded.
  - (j) **Organization's Information.** The full name, street address, and telephone number of the slate-mailer organization and of the treasurer.
  - (k) **General-Purpose Committee.** If a slate-mailer organization also qualifies as a general-purpose committee under § 82031, the campaign report must include, in addition to the information required by this section, the information required by § 84300.

**§ 84604. Slate-Mailer Organization; Late Payments Received. (84220)**

- (a) If a slate-mailer organization receives a payment of \$2,500 or more for supporting or opposing a candidate or ballot measure in a slate mailer on or within 90 days before the date of the candidate or measure's election, the slate-mailer organization must report the payment in the manner set forth in § 84200.
- (b) In addition to reporting the information required by § 84200, the slate-mailer organization must identify the candidate or measure whose support or opposition is being paid for, in whole or in part, by each late payment.

**§ 84605. Slate-Mailer Organization; Termination. (84221)**

A slate-mailer organization must terminate its filing obligations in the same manner as recipient committees qualifying under § 82012(a).

**Article 7. Multipurpose Organizations Making Contributions or Expenditures**

**§ 84700. Multipurpose Organizations; Qualification as Committee. (84222(b)–(c))**

- (a) **Recipient Committee.** Except as provided in (5)(A), a multipurpose organization is a recipient committee within the meaning of § 82012(a) only under one or more of the following circumstances:
- (1) **Federal or out-of-state committee.** The multipurpose organization is a political committee registered with the Federal Election Commission, except as provided in § 82055, or a political committee registered with another state, and the multipurpose organization makes contributions or expenditures in this state of \$2,000 or more.
  - (2) **Soliciting funds for expenditures.** The multipurpose organization solicits and receives payments from donors of \$2,000 or more to make contributions or expenditures.
  - (3) **Accepting funds that may be used for expenditures.** The multipurpose organization accepts payments from donors of \$2,000 or more subject to a condition, agreement, or understanding with the donor that all or some of the payments may be used for making contributions or expenditures.
  - (4) **Subsequent agreement that funds may be used for expenditures.** The multipurpose organization has existing funds from a donor and a subsequent agreement or understanding is reached with the donor that all or some of the funds may be used for making contributions or expenditures of \$2,000 or more. The date of the subsequent agreement or understanding is considered to be the date the payment is received.
  - (5) **Using general treasury funds.** The multipurpose organization makes contributions or expenditures totaling more than \$50,000 in a period of 12 months, or more than \$100,000 in a period of four consecutive calendar years.
    - (A) **Exception; non-donor funds.** A multipurpose organization will *not* qualify under this paragraph (5) as a committee as defined in § 82012(a) if the multipurpose organization makes contributions or expenditures using only available non-donor funds. A multipurpose organization that makes contributions or expenditures with non-donor funds must briefly describe the source of the funds used on its major-donor or independent-expenditure report.
    - (B) **Definition; non-donor funds.** For this paragraph (5), “non-donor funds” means investment income, including capital gains, or income earned from providing goods, services, or facilities, whether related or unrelated to the multipurpose organization’s program, sale of assets, or other receipts that are not donations.
- (b) **Independent Expenditure or Major Donor Committee.** A multipurpose organization that does not qualify as a recipient committee under (a) but satisfies § 82012(b) or (c) may qualify as an independent-expenditure committee or a major-donor committee.

**§ 84701. Multipurpose Organizations; Registration and Reporting. (84222(d)–(f))**

- (a) **Federal or Out-of-State Committee.** A multipurpose organization that is a committee under § 84700(a)(1) must comply with the registration and reporting requirements of Chapters 3 and 4, subject to the following:
- (1) The multipurpose organization need not comply with § 84300(k) for contributions and expenditures made to influence federal or out-of-state elections, which must instead be reported as a single expenditure and be described as such on the campaign statement.
  - (2) A multipurpose organization registered with the Federal Election Commission is not subject to § 84300(d) and (f), but must disclose the total amount of contributions received under § 84300(a) and must disclose the multipurpose organization’s name and identification number registered with the Federal Election Commission on the campaign statement.

- (b) **Other Multipurpose Organizations.** Any other multipurpose organization that is a committee under § 84700(a)(2), (3), (4), or (5) must comply with the registration and reporting requirements of Chapters 3 and 4, subject to the following, except a multipurpose organization that is reporting required information on its sponsored committee statement under (c):
- (1) **Register.** The multipurpose organization must register in the calendar year in which it satisfies any of the criteria in § 84700(a).
  - (2) **Statement of Organization.** The statement of organization filed under § 83102 must:
    - (A) indicate that the organization is filing under this section as a multipurpose organization;
    - (B) state the organization's nonprofit tax-exempt status, if any; and
    - (C) describe the organization's mission or most significant activities and specifically the organization's political activities. A multipurpose organization may comply with the requirement to describe the mission or significant activities and political activities by stating where the organization's Internal Revenue Service Return of Organization Exempt From Income Tax form may be accessed.
  - (3) **Automatic termination.** The registration of a multipurpose organization that meets the criteria of § 84700(a)(5) will terminate automatically on December 31 of the calendar year in which the multipurpose organization is registered, except as provided in this paragraph.
    - (A) The multipurpose organization will not be required to file a semiannual statement under § 84100(b) unless the multipurpose organization has undisclosed contributions or expenditures to report, in which case termination will occur automatically on filing the semiannual statement that is due no later than January 31.
    - (B) After the multipurpose organization's registration has terminated, the multipurpose organization's reporting obligations are complete unless the organization qualifies as a recipient committee under § 82012(a), again in the following calendar year under § 84700(a).
    - (C) Despite this subdivision, a multipurpose organization may elect to remain registered as a committee by submitting written notice to the Secretary of State before the end of the calendar year.
  - (4) **Report donations specifically for expenditures at \$100 threshold, then LIFO donors.** A multipurpose organization must report the receipt of all contributions satisfying the criteria of § 84700(a)(2), (3), or (4) in the manner required by § 84300(f), and for the balance of its contributions or expenditures must further report contributors based on a last-in, first-out accounting method.
  - (5) **Report LIFO donors to general treasury at \$1,000 threshold.** A multipurpose organization reporting under this subdivision must disclose total contributions received in an amount equal to the multipurpose organization's total contributions and expenditures made in the reporting period. When a multipurpose organization reports donors based on the last-in, first-out accounting method, it must attribute to and include the information required by § 84300(f) for a donor who donates \$1,000 or more in a calendar year, except for:
    - (A) a donor who designates or restricts the donation for purposes other than contributions or expenditures;
    - (B) a donor who prohibits the multipurpose organization's use of its donation for contributions or expenditures; and
    - (C) a private foundation, as defined by Internal Revenue Code § 509(a), that provides a grant that does not constitute a taxable expenditure for Internal Revenue Code § 4945(d)(1)–(2).
  - (6) **Prior year expenditures.** A multipurpose organization that qualifies as a committee under § 84700(a)(5) is not required to include contributions or expenditures made in an earlier calendar year on the reports filed for the calendar year in which the multipurpose organization qualifies as a committee.
  - (7) **Effective date; LIFO donor reporting.** If a multipurpose organization qualifies as a committee solely under § 84700(a)(5) and the committee is required to report donors based on a last-in, first-out accounting method under (b), the multipurpose organization is not required to disclose donor

information for a donation received by the multipurpose organization before July 1, 2014. This paragraph does not apply to a donation made by a donor who knew that the multipurpose organization would use the donation to support or oppose a candidate or ballot measure in the state by requesting that the donation be used for that purpose or by making the donation in response to a message or solicitation indicating the multipurpose organization's intent to use the donation for that purpose.

- (8) **Disclosing funds moving from one multipurpose organization to another.** A contributor identified and reported in the manner provided in (4) that is a multipurpose organization and receives contributions that satisfy the criteria in § 84700(a) is subject to the requirements of this subdivision.
- (9) **Notice and filing deadlines.** The Commission will adopt regulations establishing notice requirements and reasonable filing deadlines for donors reported as contributors based on the last-in, first-out accounting method.
- (c) **Multipurpose Organization Reporting on Sponsored Committee's Statement.** A multipurpose organization that is the sponsor of a committee as defined in § 82070, that is a membership organization that makes all of its contributions and expenditures from funds derived from dues, assessments, fees, and similar payments that do not exceed \$10,000 per calendar year from a single source, and that elects to report its contributions and expenditures on its sponsored committee's campaign statement must report as follows:
  - (1) The sponsored committee must report all contributions and expenditures made from the sponsor's treasury funds on statements and reports filed by the committee. The sponsor must use a last-in, first-out accounting method and disclose the information required by § 84300(f) for any person who pays dues, assessments, fees, or similar payments of \$1,000 or more to the sponsor's treasury funds in a calendar year and must disclose all contributions and expenditures made, as required by § 84300(k), on the sponsored committee's campaign statements.
  - (2) The sponsored committee must report all other contributions and expenditures in support of the committee by the sponsor, its intermediate units, and the members of those entities. A sponsoring organization makes contributions and expenditures in support of its sponsored committee when it provides the committee with money from its treasury funds, with the exception of establishment or administrative costs. For dues, assessments, fees, and similar payments channeled through the sponsor or an intermediate unit to a sponsored committee, the original source of the dues, assessments, fees, and similar payments is the contributor.
  - (3) A responsible officer of the sponsor and the treasurer of the sponsored committee must verify the committee's campaign statement in compliance with § 84400.
- (d) **Last-In, First-Out Accounting Method.** For this section, "last-in, first-out accounting method" means an accounting method by which contributions and expenditures are attributed to the multipurpose organization's contributors in reverse chronological order beginning with the most recent of its contributors or, if there are any prior contributions or expenditures, beginning with the most recent contributor for which unattributed contributions remain.

## § 84702. Publicly Funded Nonprofit Organizations

(84222.5 new legislation AB 2318 2016)

- (a) **Separate Accounts.** A publicly funded nonprofit organization that makes contributions or expenditures, either directly or through the control of another entity, must deposit into a separate bank account all funds that will be used to make contributions and expenditures, and those contributions and expenditures must come from that separate bank account.
- (b) **Criteria for Recipient-Committee Status.** In addition to § 84700(a) and (b), a publicly funded nonprofit organization is a recipient committee under § 82012(a) if:
  - (1) it makes contributions or expenditures totaling \$50,000 or more related to statewide candidates or ballot measures, or makes contributions or expenditures totaling \$2,500 or more related to local



- (d) All candidates being voted on, their controlled committees, and committees primarily formed to support or oppose a candidate being voted on in that election must file the statements specified in (b) and (c) by guaranteed overnight delivery by personal delivery.

**Article 9. LAFCO-Proposal Requirements**

**§ 84900. Applicability to LAFCO Proposals. (84250)**

Except as provided in § 84902, all requirements of this title applicable to a measure, as defined in § 82054, also apply to a LAFCO proposal, as defined in § 82042.

**§ 84901. Payment for Political Purposes. (84251)**

A payment made to influence or attempt to influence the actions of voters or a LAFCO for or against the qualification, adoption, or passage of a LAFCO proposal, is made for “political purposes” under §§ 82014 and 82026.

**§ 84902. Campaign Reporting. (84252)**

A committee primarily formed to support or oppose a LAFCO proposal must file all statements required under Chapters 3 and 4, but instead of the semiannual and quarterly statements required by §§ 84100 and 84103, the committee must file monthly campaign statements from the time a petition is circulated until a measure is placed on the ballot or, if a measure is not placed on the ballot, until the committee is terminated under § 84500. The committee must file an original and one copy of each statement on the 15th day of each calendar month, covering the prior calendar month, with the clerk of the county in which the measure may be voted on. If the petition results in a measure that is placed on the ballot, the committee must file campaign statements required by Chapters 3–4.

**Chapter 5. Contributions, Limits, and Loans (§ 85100–§ 85702)**

**Article 1. Disclosing Source of Contributions**

**§ 85100. No Cash Contributions or Expenditures of \$100 or More; Value of In-Kind Contribution. (84300)**

- (a) **Contributions.** No contribution of \$100 or more may be made or received in cash.
- (1) A cash contribution is not considered received if it is not negotiated or deposited and is returned to the contributor before the closing date of the campaign statement on which it would otherwise be reported.
  - (2) Except a “late contribution” as defined in § 82043, if a cash contribution is negotiated or deposited, it will not be considered received if it is refunded within 72 hours of receipt.
  - (3) A “late contribution” is not considered received if it is returned to the contributor within 48 hours of receipt.
- (b) **Expenditures.** No expenditure of \$100 or more may be made in cash.
- (c) **Form of Contributions.** A contribution of \$100 or more, except an in-kind contribution, must be:
- (1) in the form of a written instrument containing the name of the donor and the payee; and
  - (2) drawn from the account of the donor or the intermediary under § 85103.
- (d) **In-Kind Contributions.** The value of all in-kind contributions of \$100 or more must be reported in writing to the recipient if the recipient requests it in writing.

**§ 85101. Anonymous Contributions; Prohibition. (84304)**

A person must not make an anonymous contribution or contributions totaling \$100 or more to a candidate, committee, or another person in a calendar year. An anonymous contribution of \$100 or more

must not be kept and must be paid promptly to the Secretary of State for deposit in the State's general fund.

**§ 85102. Contributions Must Be Made Under Contributor's Legal Name. (84301)**

A contribution must not be made, directly or indirectly, by a person in a name other than the person's legal name.

**§ 85103. Contributions by Intermediary or Agent. (84302)**

(a) **Disclose Both Intermediary and Contributor.** A person must not make a contribution on behalf of another, or while acting as the intermediary or agent of another, without disclosing to the recipient of the contribution both:

- (1) the person's full name, street address, occupation, and name of employer, if any, or if self-employed, the principal place of business; and
- (2) the contributor's full name, street address, occupation, and name of employer, if any, or if self-employed, the principal place of business.

(b) **Report Both Intermediary and Contributor.** The recipient of the contribution must include the information required under (a)(1) and (a)(2) in the appropriate campaign statement.

**§ 85104. Prohibition on Earmarking. (85704)**

Unless it is fully disclosed in accordance with § 85103, a person must not make a contribution to a committee on the condition or with the agreement that it will be contributed to a particular candidate.

**§ 85105. Laundered Contributions. (85701)**

A candidate or committee that receives a contribution in violation of § 85102 must pay the contribution amount to the State's general fund.

**Article 2. Prohibitions on Contributions**

**§ 85200. Public Funds; Prohibition. (85300 and new legislation SB 1107-2016)**

(a) **Prohibition.** Except as provided in subdivision (b), a public officer must not expend, and a candidate must not accept, public moneys for the purpose of seeking elective office.

(b) **Exception.** A public officer or candidate may expend or accept public moneys for the purpose of seeking elective office if the state or a local governmental entity establishes a dedicated fund for this purpose by statute, ordinance, resolution, or charter, and both of the following are true:

- (1) Public moneys held in the fund are available to all qualified, voluntarily participating candidates for the same office without regard to incumbency or political party preference.
- (2) The state or local governmental entity has established criteria for determining a candidate's qualification by statute, ordinance, resolution, or charter.

**§ 85201. Transmittal of Campaign Contributions in State Office Buildings; Prohibition. (84309)**

(a) A person must not receive, personally deliver, or attempt to deliver a contribution in the State Capitol, a state office building, or an office where the state pays the majority of the rent, except for a legislative district office.

(b) Under this section:

- (1) "Personally deliver" means to deliver a contribution in person or cause a contribution to be delivered in person by an agent or intermediary.
- (2) "Receive" includes the receipt of a campaign contribution delivered in person.

**§ 85202. No Commingling Contributions with Personal Funds. (84307)**  
A contribution must not be commingled with the personal funds of the recipient or any other person.

- § 85203. Prohibition on Contributions from Lobbyists to State Candidates. (85702)**
- a) **State Officer or Candidate.** An elected state officer or candidate for elective state office must not accept a contribution from a lobbyist.
  - b) **Lobbyist.** A lobbyist must not make a contribution to an elected state officer or candidate for elective state office if that lobbyist is registered to lobby the governmental agency that the candidate is seeking election to or in which the elected officer serves.

**§ 85204. Foreign Entities; No Contributions or Expenditures on Ballot Measures. (85320)**

- (a) **Prohibition on Making.** A foreign government or foreign principal must not make, directly or through another person, a contribution, expenditure, or independent expenditure in connection with qualifying, supporting, or opposing a state or local ballot measure.
- (b) **Prohibition on Accepting.** A person or committee must not solicit or accept a contribution from a foreign government or foreign principal in connection with qualifying, supporting, or opposing a state or local ballot measure.
- (c) **Foreign Principal.** Under this section, a “foreign principal” includes:
  - (1) a foreign political party;
  - (2) A person outside the United States, unless the person:
    - (A) is an individual and U.S. citizen; or
    - (B) has its principal place of business within the United States and is organized under or created by the laws of the United States or of any place subject to the jurisdiction of the United States.
  - (3) a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country; or
  - (4) a domestic subsidiary of a foreign corporation if the decision to contribute or expend funds is made by an officer, director, or management employee of the foreign corporation who is not a U.S. citizen or a lawfully admitted permanent resident of the United States.
- (d) **Lawful Permanent Resident.** This section does not prohibit a contribution, expenditure, or independent expenditure made by a lawfully admitted permanent resident.
- (e) **Penalties.** A violation of this section is a misdemeanor and subject to a fine in an amount equal to the amount contributed or expended.

**Article 3. Receiving and Returning Contributions.**

**§ 85300. Contributions Received by Agents of Candidates or Committees; Report Promptly. (84306)**

- (a) **Reporting.** A contribution received by a person acting as a candidate’s agent must be reported promptly to the candidate or any of the candidate’s designated agents. A contribution received by a person acting as a committee’s agent must be reported promptly to the committee’s treasurer or any of the treasurer’s designated agents.
- (b) **Promptly.** “Promptly” under this section means no later than the closing date of any campaign statement the candidate or committee receiving the contribution is required to file.

**§ 85301. Returning Contributions. (85319)**

A candidate for elective office may return all or part of a contribution to the donor at any time, regardless of whether other contributions are returned. But a contribution that the candidate made to his or her own controlled committee for elective office cannot be returned.

**§ 85302. Returning Contributions Lacking Donor Information. (85700)**

- (a) **Record of Donor.** A candidate or committee must return a contribution of \$100 or more if the candidate or committee does not have, within 60 days of receipt, a record of the contributor's name, address, occupation, and employer.
- (b) **Timing.** A candidate or committee may return a contribution under (a) after the date it was reported under this title.

**Article 4. Loans**

**§ 85400. Loans as Contributions; Loans of Campaign Funds Made by a Candidate or Committee. (84216, 84216.5)**

- (a) **Receiving a Loan.** Despite § 82014, a loan received by a candidate or committee is a contribution unless the loan is received from a commercial lending institution in the ordinary course of business, or it is clear from the surrounding circumstances that it is not made for political purposes. Receipt of a loan, whether or not there is a written contract for the loan, must be reported under § 84300 when the loan is:
  - (1) a contribution;
  - (2) received by a committee; or
  - (3) received by a candidate and is used for political purposes.
- (b) **Making a Loan.** A loan of campaign funds, whether or not there is a written contract for the loan, made by a candidate or committee must be reported in accordance with § 84300.

**§ 85401. Limit on State Candidate's Loans to Own Campaign. (85307)**

- (a) **Commercial Lending.** The provisions of this title regarding loans apply to extensions of credit, but not to loans made to a candidate by a commercial lending institution in the lender's regular course of business on terms available to the general public and for which the candidate is personally liable.
- (b) **Personal-Loan Limit.** Despite (a), a candidate for elective state office must not personally loan his or her campaign an amount for which the outstanding balance exceeds \$100,000—including proceeds of a loan the candidate obtains from a commercial lending institution.
- (c) **No Interest.** A candidate for elective state office must not charge interest on a loan the candidate makes to his or her own campaign.

**Article 5. Contribution Limits**

**§ 85500. Limits on Contributions from Persons to State Candidates. (85301)**

- (a) **Contribution Limits.** The limit on contributions that a person (other than a small-contributor committee or political-party committee) can make to a candidate for elective state office, and the limit on contributions a candidate for elective state office can accept from a person (other than a small-contributor committee or a political-party committee) are as follows.
  - (1) For a candidate for State Legislature: \$3,000 per election.
  - (2) For a candidate for statewide elective office other than Governor: \$5,000 per election.
  - (3) For a candidate for Governor: \$20,000 per election.
- (b) **Personal Funds.** This section does not apply to a candidate's contributions of his or her personal funds to his or her own campaign.

**§ 85501. Limits on Contributions from Small-Contributor Committees to State Candidates. (85302)**

The limit on contributions that a small-contributor committee can make to a candidate for elective state office, and the limit on contributions that a candidate for elective state office can accept from a small-contributor committee are as follows.

- (a) For a candidate for State Legislature: \$6,000 per election.
- (b) For a candidate for statewide elective office other than Governor: \$10,000 per election.
- (c) For a candidate for Governor: \$20,000 per election.

**§ 85502. Limits on Contributions to Committees and Political-Party Committees. (85303)**

- (a) **Committee Limit.** The limit on contributions that a person can make to a committee that is not a political-party committee, and the limit on contributions such a committee can accept, is \$5,000 per calendar year for the purpose of making contributions to candidates for elective state office.
- (b) **Political-Party Committee Limit.** The limit on contributions that a person can make to a political-party committee, and the limit on contributions a political-party committee can accept, is \$25,000 per calendar year for the purpose of making contributions for the support or defeat of candidates for elective state office. Despite § 85504, this limit applies to contributions made to a political party used for making expenditures, at the request of or in cooperation with a candidate for elective state office, for communications to party members related to the candidate's candidacy for elective state office.
- (c) **Contributions for Other Purposes.** Except under § 85505, nothing in this chapter limits a person's contributions to a committee or political-party committee if the contributions are used for purposes other than making contributions to candidates for elective state office.
- (d) **Transfer of Surplus Funds to Political Party.** This chapter does not limit a candidate for elective state office from transferring contributions received by the candidate in excess of any amount necessary to defray the candidate's expenses for election-related activities or holding office to a political-party committee, if those transferred contributions are used for purposes consistent with § 86212(b)(4).

**§ 85503. Cost-of-Living Adjustment. (83124)**

The Commission will adjust the contribution limits and voluntary-expenditure limits under §§ 85500, 85501, 85502, and 86100 in January of every odd-numbered year to reflect any increase or decrease in the Consumer Price Index. The limits are adjusted from the base year of 2000 and are rounded to the nearest \$100 for contribution limits and \$1,000 for expenditure limits.

**§ 85504. Communications to Members of an Organization. (85312)**

- (a) **Not Contributions or Expenditures.** Under this title, payments for communications to members, employees, shareholders, or families of members, employees, or shareholders of an organization for the purpose of supporting or opposing a candidate or a ballot measure are not contributions or expenditures if those payments are not made for general public advertising such as broadcasting, billboards, or newspaper advertisements.
- (b) **Political Party Communications to Members - Reportable.** But payments made by a political party for communications to members who are registered as expressing a preference for that party on their affidavit of registration under Elections Code §§ 2150, 2151, and 2152, which would otherwise qualify as contributions or expenditures, must be reported in accordance with Chapter 4 (beginning with § 84100) of this title.

**§ 85505. Electioneering Communications Identifying State Candidates; Reporting; Contribution Limit. (85310)**

- (a) **Making Payment.** A person who makes a payment or a promise of payment totaling \$50,000 or more for a communication that is disseminated, broadcast, or otherwise published within 45 days before an election and that clearly identifies a candidate for elective state office—but does not expressly advocate the election or defeat of the candidate—must, within 48 hours of making the payment or the promise to make the payment, file a report online or electronically with the Secretary of State disclosing the person’s name, address, occupation, and employer, and the amount of the payment.
- (b) **Receiving Payment.**
- (1) A person who receives a payment or a promise of a payment from another totaling \$5,000 or more to make a communication described in (a) must disclose on the report the other person’s name, address, occupation, and employer, and date and amount received from the other person.
  - (2) A person who receives or is promised a payment that is otherwise reportable under (1) needs not report the payment if the person is in the business of providing goods or services and receives or is promised payment to provide those goods or services.
- (c) **Contribution Limit.** A payment received by a person who makes a communication described in (a) is subject to the limits in § 85502(b) if the communication is made at the request of or in cooperation with the clearly identified candidate.

**§ 85506. Limits on Contributions by State Candidates. (85305)**

A candidate for elective state office or a committee controlled by that candidate must not make a contribution over the limits in § 85500(a)(1) to another candidate for elective state office.

**§ 85507. Spouses’ Contributions Separate; Under 18 Presumed Aggregated. (85308)**

- (a) **Spouses.** Contributions made by spouses must not be aggregated.
- (b) **Child.** A contribution made by a child under 18 years of age is presumed to be a contribution from the child’s parent or guardian.

**§ 85508. Contributions Received for Primary and General Elections. (85318)**

- (a) **Fundraising for Both Elections.** A candidate for elective state office may raise contributions for a general election before the primary election for the same elective state office if the candidate sets aside these contributions and uses them for the general election.
- (b) **Refunding General-Election Contributions.** If the candidate for elective state office is defeated in the primary election, or otherwise withdraws from the general election, the general-election funds, except for expenses associated with raising and administering the general-election contributions, must be refunded to the contributors on a pro rata basis.
- (c) **Separate Accounts.** Despite the one-bank-account-per-election rule of § 83101, candidates for elective state office may establish separate campaign-contribution accounts for the primary and general elections.
- (d) **Special Elections.** For purposes of this section:
- (1) general election includes a special runoff election; and
  - (2) primary election includes a special election.

**§ 85509. Special Elections and Special Runoff Elections as Separate Elections. (85314, 85204.5)**

- (a) **Limits Apply.** The contribution limits of this chapter apply to special elections and special runoff elections. A special election and a special runoff election are separate elections for the contribution and voluntary-expenditure limits of this title.
- (b) **Time Periods.** For special elections:

- (1) “special-election cycle” means the time period beginning on the day when the office becomes vacant and ending on the day of the special election; and
- (2) “special-runoff-election cycle” means the time period beginning on the day after the special election and ending on the day of the special runoff election.

**Article 6. Post-Election Fundraising Restrictions; Transfer of Contributions.**

**§ 85600. Post-Election Fundraising Restrictions. (85316(a))**

A candidate for elective state office may accept a contribution for an election after the date of the election only if it does not exceed net outstanding debt from the election and the contribution does not exceed the contribution limit for that election, except as provided in § 85700 for a state officeholder account.

**§ 85601. Transfers of Funds Between a Candidate’s Own Committees. (85306, 85317)**

- (a) **Same Candidate, Different Offices.** A candidate may transfer contributions from a controlled committee raised in connection with one election to a controlled committee for elective state office of the same candidate.
  - (1) The transferred contributions must be attributed to specific contributors using a last-in, first-out or first-in, first-out accounting method.
  - (2) After contributions are attributed to a specific contributor, the transferred contributions must be aggregated with all other contributions from the same contributor and must not exceed the contribution limits in § 85500 or § 85501.
- (b) **Same Candidate, Same Elective State Office.** A candidate for elective state office may transfer contributions raised in connection with an election for elective state office to the candidate’s controlled committee established for the next election to the same elective state office.
  - (1) The transferred contributions may be used to pay campaign expenditures incurred in the later election for the same office.
  - (2) The contributions may be transferred without attribution to specific contributors from the earlier election.

**Article 7. Officeholder Accounts, Recall Committees, and Legal-Defense Funds; Application of Contribution Limits.**

**§ 85700. State Officeholder Accounts. (85316(b))**

Despite § 85600, an elected state officer may accept contributions after the election to pay expenses associated with holding the office if the contributions are not expended for a contribution to a state or local committee.

- (a) **Officeholder Account.** Contributions received under this section must be deposited into a bank account established solely for the purposes specified in this section.
- (b) **Contribution Limits.** A person must not make, and an elected state officer must not receive, a contribution under this section totaling more than the following per calendar year.
  - (1) For an elected state officer of the Assembly or Senate: \$3,000.
  - (2) For a statewide elected state officer other than the Governor: \$5,000.
  - (3) For the Governor: \$20,000.
- (c) **Aggregate Limits.** An elected state officer must not receive contributions under (b) that, in the aggregate, total more than the following amounts per calendar year.
  - (1) For an elected state officer of the Assembly or Senate: \$50,000.
  - (2) For a statewide elected state officer other than the Governor: \$100,000.
  - (3) For the Governor: \$200,000.
- (d) **Contributions Subject to Next Election Limits.** A contribution received under this section is considered a contribution to that candidate for election to any state office that the candidate may seek

during the term of office to which the candidate is currently elected, including reelection to the office currently held, and is subject to any applicable contribution limit under this title. If a contribution received under this section exceeds the allowable contribution limit for the office sought, the candidate must return the excess amount to the contributor on a basis determined by the Commission. Expenditures made by elected state officers under this section are not subject to the voluntary expenditure limits in § 86100.

- (e) **Cost of Living Adjustment.** The Commission will adjust the calendar-year contribution limits and aggregate contribution limits in this section in January of every odd-numbered year to reflect any increase or decrease in the Consumer Price Index. The officeholder account limits are adjusted from the base year of 2006 and are rounded to the nearest \$100.

**§ 85701. Elected State Officer Recall Committees. (85315)**

- (a) **Establishing Committee to Oppose Recall.** Despite any other provision of this chapter, an elected state officer may establish a committee to oppose the qualification of a recall measure or recall election. This committee may be established when the elected state officer receives a notice of intent to recall under Elections Code § 11021. An elected state officer may accept contributions to oppose the qualification of a recall measure and—if qualification is successful, the recall election—and those contributions are not subject to the limits under this title. Voluntary expenditure limits also do not apply to expenditures made to oppose the qualification of a recall measure or to oppose the recall election.
- (b) **Terminating Committee.** After the failure of a recall petition or after the recall election, the committee formed by the elected state officer must complete its activities and terminate. Any remaining funds are treated as surplus funds and must be spent within 30 days for a purpose specified in § 86212(b).

**§ 85702. Legal-Defense Fund. (85304, 85304.5)**

- (a) **Legal-Defense Fund.** A candidate for elective office or an elected officer may establish a separate account to defray attorney’s fees and other related legal costs incurred for his or her legal defense if he or she is subject to one or more civil, criminal, or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officer’s governmental activities and duties. Legal defense funds may be used only to defray those attorney’s fees and other related legal costs. Someone who is a candidate for elective state office and local elective office simultaneously and has disputes arising under state and local law may establish a separate state and local legal defense fund.
- (b) **Funding Account.** A legal defense account may be funded as follows:
  - (1) **State candidate or officer.** A candidate for elective state office or an elected state officer may receive contributions to this account that are not subject to the contribution limits set forth in this chapter.
  - (2) **Local candidate or officer.** A candidate for an elective office other than an elective state office, or an elected officer other than an elected state officer, may receive contributions to the separate account subject to any limits provided by local ordinance.
- (c) **Reporting of Contributions.** All contributions to a legal defense fund account must be reported in a manner prescribed by the Commission.
- (d) **Disposition of Remaining Funds.** Once the legal dispute is resolved, the candidate or elected officer must dispose of any funds remaining in the separate account after all expenses associated with the dispute are discharged for one or more of the purposes set forth in § 86216(b)(1)-(5).
- (e) **Attorney’s Fees and Related Costs.**
  - (1) For purposes of this section, “attorney’s fees and other related legal costs” includes only:
    - (A) attorney’s fees and other legal costs related to the defense of the candidate or officer; and
    - (B) administrative costs directly related to compliance with the requirements of this title.

- (2) “Attorney’s fees and other related legal costs” does not include expenses for fundraising, media or political consulting fees, mass mailing or other advertising, or, unless expressly authorized by § 86204(c), a payment or reimbursement for a fine, penalty, judgment, or settlement, or a payment to return or disgorge contributions made to another committee controlled by the candidate or officer.

## **Chapter 6. Expenditures (§ 86100–§ 86303)**

### ***Article 1. Voluntary Expenditure Limits.***

#### **§ 86100. Voluntary Expenditure Limits. (85400)**

- (a) **Limits.** A candidate for elective state office who voluntarily accepts expenditure limits must not make campaign expenditures greater than the following.
- (1) For an Assembly candidate:
    - (A) \$400,000 in the primary or special election; and
    - (B) \$700,000 in the general or special runoff election.
  - (2) For a Senate candidate:
    - (A) \$600,000 in the primary or special election; and
    - (B) \$900,000 in the general or special runoff election.
  - (3) For a candidate for the State Board of Equalization:
    - (A) \$1,000,000 in the primary election; and
    - (B) \$1,500,000 in the general election.
  - (4) For a statewide candidate other than a candidate for Governor or the State Board of Equalization:
    - (A) \$4,000,000 in the primary election; and
    - (B) \$6,000,000 in the general election.
  - (5) For a candidate for Governor:
    - (A) \$6,000,000 in the primary election; and
    - (B) \$10,000,000 in the general election.
- (b) **Exception.** This section does not apply to the Board of Administration of the Public Employees’ Retirement System.
- (c) **Campaign Expenditures.** For purposes of this section, “campaign expenditures” has the same meaning as “election-related activities” defined in § 82014.
- (d) **Political-Party Expenditures.** A campaign expenditure made by a political party on a candidate’s behalf must not be attributed to the limits on campaign expenditures in this section.

#### **§ 86101. Candidate Accepting or Rejecting Expenditure Limits. (85401)**

- (a) **Candidate Statement of Intention.** A candidate for elective state office must file a statement of acceptance or rejection of the voluntary expenditure limits in § 86100 when the candidate files the § 83100 statement of intention to be a candidate.
- (b) **Changing Decision Before Deadline.** Until the deadline for filing nomination papers in § 8020 of the Elections Code, a candidate may change the statement of acceptance or rejection of voluntary expenditure limits if he or she has not exceeded the voluntary expenditure limits. A candidate cannot change his or her statement of acceptance or rejection of voluntary expenditure limits more than twice after the candidate’s initial filing of the statement of intention for that election and office.
- (c) **Candidates Who Did Not Exceed Primary Limits.** A candidate for elective state office who declined to accept the voluntary expenditure limits but nevertheless does not exceed the limits in the primary, special primary, or special election, may file a statement of acceptance of the expenditure limits for a general or special runoff election within 14 days after the primary, special primary, or special election.

- (d) **Decision is Final.** Despite § 84402 or any other provision of this title, a candidate cannot change his or her voluntary-expenditure-limit statement other than as specified by this section and § 86102.

**§ 86102. Lifting Expenditure Limits; Opponent’s Use of Personal Funds. (85402)**

- (a) **Opponent Spending Personal Funds.** A candidate for elective state office who has filed a statement accepting the voluntary expenditure limits is not bound by those limits if an opposing candidate for the same office contributes personal funds to his or her own campaign and those personal funds total an amount over the § 86100 limits.
- (b) **Notification.** The Commission, through regulation, will require timely notification by a candidate for elective state office who makes personal contributions to his or her own campaign.

**§ 86103. Violations of Voluntary Expenditure Limits. (85403)**

A candidate is subject to the penalties in Chapter 13 if the candidate:

- (a) files a statement of acceptance under § 86101; and
- (b) makes campaign expenditures over the limits.

**§ 86104. Accepting Voluntary Spending Limits; Ballot Pamphlet Designation. (85600)**

The Secretary of State must designate in the state ballot pamphlet those candidates for statewide elective office, defined in § 82078, who have agreed to the voluntary expenditure limits in § 86100. Local elections officers must designate in the voter-information part of the sample ballot those candidates for State Senate and Assembly who have agreed to the voluntary expenditure limits in § 86100.

**§ 86105. Accepting Voluntary Spending Limits; Candidate Access to Ballot-Pamphlet Statement. (85601)**

- (a) **Accepting Limits; Statement.** A candidate for statewide elective office defined in § 82078 or State Senate or Assembly who accepts the voluntary expenditure limits in § 86100 may purchase the space to place a statement that does not exceed 250 words. The statement must not refer to an opponent of the candidate.
- (1) The statement of a candidate for statewide elective office will appear in the state ballot pamphlet. The statement must be submitted under timeframes and procedures set by the Secretary of State for preparation of the state ballot pamphlet.
- (2) The statement of a candidate for State Senate or Assembly will appear in the voter-information part of the sample ballot. The statement must be submitted under the timeframes and procedures in the Elections Code for preparation of the voter-information part of the sample ballot.
- (b) **Not Accepting Limits.** Despite § 90103(f) or Elections Code § 9084(e), the Secretary of State cannot include in the state ballot pamphlet a statement from a candidate who has not agreed to the voluntary expenditure limits in § 86100.

**Article 2. Use of Campaign Funds.**

**§ 86200. Contributions Held in Trust; Candidates. (89510)**

A candidate for elective state office may accept contributions only within the limits provided in Chapter 5. All contributions deposited into the campaign account are considered to be held in trust for expenses associated with the election of the candidate or for expenses associated with holding office.

**§ 86201. Campaign Funds Held by Candidates and Committees; Definitions. (89511)**

- (a) **Application.** This article applies to campaign funds held by a candidate for elective office, an elected officer, a controlled committee, a ballot-measure committee, a committee opposed to a candidate or measure, or a committee that qualifies as a recipient committee under § 82012(a).
- (b) **Definitions.** For purposes of this article:

- (1) “Campaign funds” means a contribution, cash, cash equivalent, and other asset received or possessed by a recipient committee as defined by § 82012(a).
- (2) “Committee” means a controlled committee, ballot-measure committee, committee opposed to a candidate or measure, and a committee that qualifies as a committee under § 82012(a).
- (3) “Substantial personal benefit” means an expenditure of campaign funds that results in a direct personal benefit valued at more than \$200 to a candidate, elected officer, or an individual or individuals with authority to approve the expenditure of campaign funds held by a committee.

**§ 86202. Expenditures Associated with Seeking or Holding Office; Political, Legislative or Governmental Purpose. (89512)**

- (a) **Reasonably Related.** The following are lawful executions of the trust imposed by § 86200:
  - (1) An expenditure to seek office if it is reasonably related to a political purpose; and
  - (2) An expenditure associated with holding office if it is reasonably related to a legislative or governmental purpose.
- (b) **Directly Related.** Expenditures that confer a substantial personal benefit must be directly related to a political, legislative, or governmental purpose.
- (c) **Expenditures for Fines and Penalties.** Unless expressly authorized by this article, an expenditure for a fine, penalty, judgment, or settlement is not within the lawful execution of the trust imposed by § 86200.

**§ 86203. Expenditures by Committees Not Controlled by Candidates; Political, Legislative or Governmental Purpose. (89512.5)**

- (a) **Reasonably Related.** Subject to (b), an expenditure by a committee not subject to the trust imposed by § 86200(b) must be reasonably related to a political, legislative, or governmental purpose of the committee.
- (b) **Directly Related.** A committee’s expenditure that confers a substantial personal benefit on anyone with authority to approve the expenditure of campaign funds held by the committee must be directly related to a political, legislative, or governmental purpose of the committee.

**§ 86204. Use of Campaign Funds for Specific Activities. (89513)**

This section sets forth specific expenditures and governs the use of campaign funds to pay for them. This section also guides the interpretation of the standard imposed by § 86202 as applied to other expenditures not specifically in this section.

- (a) **Travel.** Unless directly related to a political, legislative, or governmental purpose, campaign funds must not be used to pay or reimburse the candidate, the elected officer, an individual with authority to approve the expenditure of campaign funds held by a committee, an employee or staff member of the committee, or the elected officer’s governmental agency for travel expenses and necessary accommodations.
  - (1) **Criteria for directly-related status.** Under this section, payment or reimbursement for travel and necessary accommodations are considered “directly related to a political, legislative, or governmental purpose” if the payment would meet standards similar to those under Internal Revenue Code §§ 162 and 274 for deductions of travel expenses under the federal income-tax law.
  - (2) **Household travel.** Under this section, payment or reimbursement for travel by the candidate’s or elected officer’s household when traveling to the same destination with the candidate or elected officer are considered used for the same purpose as the candidate’s or elected officer’s travel.
  - (3) **Reporting.** An expenditure of campaign funds 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 must be reported under § 84300.

- (4) **Bonus-mileage programs.** If campaign funds are used to pay or reimburse for travel expenses and necessary accommodations, mileage credit earned or awarded under an airline bonus-mileage program is considered personally earned by or awarded to the individual traveler and is not subject to reporting under § 84300.
- (b) **Professional Services; Employer Healthcare Benefits; But Not Health-Related Expenses.** Campaign funds must 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.
- (1) **Professional services.** Committee expenditures 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.
- (2) **Health-related expenditures.** Health-related expenses for a candidate, elected officer, or an individual with authority to approve the expenditure of campaign funds held by a committee, or members of their household must not be paid with campaign funds. “Health-related expenses” includes 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.
- (3) **Healthcare benefits.** Campaign funds may be used to pay employer costs of healthcare benefits of a bona fide employee or independent contractor of the committee.
- (c) **Fines, Parking Citations, Penalties, Judgments and Settlements.**
- (1) **Improper uses.** Campaign funds must not be used to pay or reimburse fines, penalties, judgments, or settlements, unless they result from:
- (A) parking citations incurred during an activity directly related to a political, legislative, or governmental purpose; or
- (B) an action for which payment of attorney’s fees from contributions would be permitted under this title. However, campaign funds may not be used to pay a fine, penalty, judgment, or settlement relating to an expenditure of campaign funds resulting in either of the following:
- (i) a personal benefit to the candidate or officer not reasonably related to a political, legislative, or governmental purpose; or
- (ii) a substantial personal benefit to the candidate or officer not directly related to a political, legislative or governmental purpose.
- (2) **Restitution fines.** Campaign funds must not be used to pay a restitution fine imposed under Penal Code § 86.
- (d) **Specialty Clothing.** Campaign funds may not be used for campaign, business, or casual clothing except specialty clothing that is not suitable for everyday use, such as formal wear worn by the candidate or elected officer directly related to a political, legislative, or governmental purpose.
- (e) **Tickets to Attend Political Fundraiser.** Except where prohibited by law, campaign funds may be used to purchase—or reimburse the cost of purchasing—tickets to political fundraising events for the attendance of a candidate, elected officer, or the candidate’s immediate family, or an officer, director, employee, or staff of the committee or the elected officer’s governmental agency.
- (f) **Tickets to Attend Entertainment/Sporting Event.** Campaign funds must not be used to pay for or reimburse for the cost of tickets for entertainment or sporting events for the candidate, elected officer, or members of the candidate’s 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. Subdivision (g) governs 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.
- (g) **Personal Gift.** Campaign funds must not be used for personal gifts unless the gift is directly related to a political, legislative, or governmental purpose. Refunding a campaign contribution does not constitute making a gift.

- (1) Nothing in this section prohibits 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 compensated public time.
- (2) An election victory celebration or similar campaign event, or gifts with a total cumulative value of less than \$250 in a single year made to an employee, a committee worker, or an employee of the elected officer's agency, are directly related to a political, legislative, or governmental purpose. Under this paragraph, a gift to a member of a person's immediate family is a gift to that person.
- (h) **Loans.** Campaign funds must not be used to make loans other than to organizations under § 86207, or, unless prohibited, to a candidate for elective office, political party, or committee.
- (i) **Household.** For purposes of this section, "household" includes the candidate's or elected officer's spouse, dependent children, and parents who reside with the candidate or elected officer.

**§ 86205. Use of Personal Funds by Incumbent Elected Officers; Reimbursement. (89511.5)**

- (a) **Using Personal Funds for Officeholder Expenses.** An incumbent elected officer may use personal funds for expenditures authorized by § 86200(b) without first depositing those funds in the incumbent elected officer's controlled-committee campaign bank account, if:
  - (1) the expenditures are not campaign expenses; and
  - (2) the committee treasurer is given a dated receipt and a written description of the expenditure.
- (b) **Reimbursement.** An incumbent elected officer may be reimbursed for expenditures of the incumbent's personal funds, from either the controlled-committee campaign bank account established under § 83101 for election to the incumbent term of office or from a controlled-committee campaign bank account established under § 83101 for election to a future term of office, if:
  - (1) the expenditures are not campaign expenses;
  - (2) the incumbent elected officer, before reimbursement, gives the treasurer of the committee a dated receipt and a written description of each expenditure; and
  - (3) reimbursement is paid within 90 days of the expenditure for cash expenditures, or within 90 days of the end of the billing period in which it was included for a credit card or charge account.
- (c) **Reporting Expenditures and Reimbursements.** When the elected officer's controlled committee is notified that expenditures totaling \$100 or more in a fiscal year have been made by the incumbent elected officer, the committee, under § 84300(k), must report the expenditures and reimbursements on the campaign statement for the period in which either were made.
- (d) **Nonmonetary Contribution.** If reimbursement is not paid within the time authorized by this section, the expenditure is reported on the campaign statement as a nonmonetary contribution received on the 90th day after the expenditure is paid in cash, or within 90 days of the end of the billing period in which it was charged to a credit card or charge account.
- (e) **Bank Account.** This section does not authorize an incumbent elected officer to make expenditures from a campaign bank account for expenses other than those associated with the incumbent's election to the specific office for which the account was established and expenses associated with holding that office.

**§ 86206. No Use of Campaign Funds for Compensation of Candidate or Elected Officer and Spouse or Domestic Partner of Candidate. (89518, 84307.5)**

Campaign funds must not be used for the following:

- (a) **Candidate or Elected Officer.** To compensate a candidate or elected officer for the performance of political, legislative, or governmental activities, except to reimburse out-of-pocket expenses incurred for political, legislative, or governmental purposes.
- (b) **Individual Who Authorizes Campaign Expenditures.** To compensate anyone with authority to approve the expenditure of campaign funds for the performance of political, legislative, or

governmental activities, except under § 86204(b) and to reimburse out-of-pocket expenses incurred for political, legislative, or governmental purposes.

- (c) **Spouse.** To compensate the spouse or domestic partner of an elected officer or of a candidate for elective office for services rendered from campaign funds held by a controlled committee of the elected officer or candidate for elective office.

**§ 86207. Use of Campaign Funds for Donations and Loans. (89515)**

Campaign funds may be used for donations or loans to bona fide charitable, educational, civic, religious, or similar tax-exempt nonprofit organizations, if:

- (a) **Reasonably Related.** The donation or loan is reasonably related to a political, legislative, or governmental purpose; and
- (b) **No Material Financial Effect.** No substantial part of the proceeds will have a material financial effect on the candidate, elected officer, campaign treasurer, or anyone with authority to approve the expenditure of campaign funds held by a committee, or member of their immediate family.

**§ 86208. Use of Campaign Funds for Vehicle Purchase, Lease, and Expenses. (89516)**

Despite §§ 86202 and 86204, this section governs the use of campaign funds for vehicle expenses.

- (a) **Purchase.** Campaign funds must not be used to purchase a vehicle unless:
  - (1) title to the vehicle is held by the committee and not the candidate, elected officer, campaign treasurer, anyone with authority to approve the expenditure of campaign funds held by a committee, or a member of their immediate family; and
  - (2) the vehicle's use is directly related to a political, legislative, or governmental purpose.
- (b) **Lease.** Campaign funds must not be used to lease a vehicle unless the vehicle's use is directly related to a political, legislative, or governmental purpose; and either:
  - (1) the lessor is a state or local government agency; or
  - (2) the lessee is the committee, or a state or local government agency, and the lessee is not the candidate, elected officer, or a member of their immediate family.
- (c) **Operating Costs.** Campaign funds may be used to pay for or reimburse the operating costs, including insurance, maintenance, and repairs, for a vehicle eligible for campaign funds under this section.
- (d) **Reimbursement for Use of Own Vehicle.** Campaign funds may be used to reimburse a candidate, elected officer, his or her immediate family, anyone with authority to approve the expenditure of campaign funds held by a committee, or an employee or member of the staff of the committee or of the elected officer's governmental agency for the use of his or her vehicle at the rate approved by the Internal Revenue Service under Internal Revenue Code § 162, in connection with deductible mileage expenses under the federal income tax law, if:
  - (1) the vehicle use is directly related to political, governmental, or legislative purposes; and
  - (2) the specific purpose and mileage in connection with each expenditure is documented in a manner approved by the Internal Revenue Service in connection with deductible mileage expenses.
- (e) **Directly Related.** Under this section, use of a vehicle is considered directly related to a political, legislative, or governmental purpose if its use for other purposes is only incidental.

**§ 86209. Use of Campaign Funds for Real Property, Appliances, or Equipment. (89517)**

- (a) **Leasing or Refurbishing.** Campaign funds must not be used to pay or reimburse the lease of real property or to purchase, lease, or refurbish any appliance or equipment, if the lessee or sublessor is—or the legal title resides in whole or in part in—a candidate, elected officer, campaign treasurer, anyone with authority to approve the expenditure of campaign funds, or member of his or her immediate family.
- (b) **Purchasing Real Property.** Campaign funds must not be used to purchase real property. Unless prohibited by (a), campaign funds may be used to lease real property for up to one year if the property's use is directly related to political, legislative, or governmental purposes.

- (c) **Criteria for Directly-Related Status.** Under this section, real property, an appliance, or equipment is considered to be directly related to a political, legislative, or governmental purpose if its use for other purposes is only incidental.

**§ 86210. Use of Campaign Funds for Security System Installed in Response to Threats. (89517.5)**

- (a) **Security Systems.** Despite § 86209, campaign funds may be used to pay or reimburse the state for the cost of installing and monitoring an electronic security system in the home and office of a candidate or elected officer who has received a threat to his or her physical safety if the threat:
- (1) arises from his or her activities, duties, or status as a candidate or elected officer; and
  - (2) has been reported to and verified by an appropriate law-enforcement agency. Verification is determined solely by the law-enforcement agency to which the threat was reported.
- (b) **Reports.** The candidate or elected officer must report to the Commission an expenditure of campaign funds made under this section. The report to the Commission must include the date the candidate or elected officer informed the law-enforcement agency of the threat, the name and phone number of the law-enforcement agency, and a brief description of the threat.
- (c) **Limit.** No more than \$5,000 in campaign funds may be used by a candidate or elected officer under this subdivision.
- (d) **Reimbursement.** The candidate or elected officer must reimburse the campaign-fund account for the cost of the security system upon sale of the property where the security equipment is installed, based on the fair market value of the security equipment at the time of sale.

**§ 86211. Use of Campaign Funds for Attorney's Fees. (89514; 89511)**

- (a) **Litigation Costs.** Expenditures of campaign funds for attorney's fees and other costs connected with administrative, civil, or criminal litigation are directly related to a political, legislative, or governmental purpose if the litigation:
- (1) is directly related to committee activities consistent with the committee's primary objectives; or
  - (2) arises directly out of a committee's activities; or
  - (3) arises out of a candidate's or elected officer's activities, duties, or status as a candidate or elected officer, including enjoining or defending against defamation; defense of a violation of state or local campaign, disclosure, or election laws; and an election contest or recount.
- (b) **Limits on Fees.** For purposes of this section, "attorney's fees and other related legal costs" includes only:
- (1) attorney's fees and other legal costs related to the defense of the candidate or officer; and
  - (2) administrative costs directly related to compliance with the requirements of this title.
- (c) **Exceptions.** "Attorney's fees and other related legal costs" does not include expenses for fundraising; media or political consulting fees; mass mailing or other advertising; or, unless expressly authorized by § 86203(c), a payment or reimbursement for a fine, penalty, judgment or settlement; or a payment to return or disgorge contributions made to another committee controlled by the candidate or officer.

**§ 86212. Use of Surplus Campaign Funds. (89519)**

- (a) **When Campaign Funds Become Surplus.** Ninety days after leaving an elective office, or 90 days after the end of the postelection reporting period of a defeated candidate for elective office, whichever occurs last, campaign funds under the control of the former candidate or elected officer are considered surplus campaign funds and must be disclosed under Chapter 4.
- (b) **Use of Surplus Funds.** Surplus campaign funds may be used only for:
- (1) The payment of outstanding campaign debts or elected officer's expenses.
  - (2) The repayment of contributions.
  - (3) Donations to any bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organization, if no substantial part of the proceeds will have a material financial effect

on the former candidate or elected officer, any member of his or her immediate family, or his or her campaign treasurer.

- (4) Contributions to a political party committee, if the campaign funds are not used to support or oppose candidates for elective office. A political party may use the campaign funds, however, to conduct partisan voter registration, partisan get-out-the-vote activities, and slate mailers as defined in § 82066.
  - (5) Contributions to support or oppose a federal or out-of-state candidate, or any ballot measure.
  - (6) The payment for professional services reasonably required to help the committee perform its administrative functions, including payment for attorney's fees subject to the requirements of § 86211.
- (c) **Candidate Must Reimburse Cost of Security System.** The use of surplus campaign funds for an electronic security system is subject to requirements under § 86210. In addition, payments made under this subdivision must be made during the two years after the date that campaign funds become surplus campaign funds. The candidate or elected officer must reimburse the surplus fund account for the fair market value of the security system during this period. Campaign funds become surplus campaign funds upon sale of the property on which the system is installed, or before the closing of the surplus campaign fund account, whichever comes first. The electronic security system is the property of the candidate's or elected officer's campaign committee.

### **§ 86213. Use of Campaign Funds if Convicted of Felony.**

(New legislation SB 1107 – 2016)

- (a) **Permitted Use.** An elected officer who is convicted of a felony under § 20 of the Elections Code, and whose conviction has become final, may use funds held by his or her candidate-controlled committee only to:
- (1) Pay outstanding campaign debts or elected officer's expenses; and
  - (2) repay contributions.
- (b) **Time Limit.** Six months after the conviction becomes final, the elected officer must forfeit any remaining funds subject to (a), and must deposit these funds in the general fund.
- (c) **Exceptions.** This section does not apply to funds held by a ballot-measure committee or in a legal defense fund formed under § 85702.

### **§ § 86214. Campaign Funds; Prohibited Use Under Elections Code. (89522)**

This chapter does not permit any expenditures of campaign funds prohibited by Elections Code § 18680.

### **§ 86215. Violations. (89520)**

Only the remedies in §§ 90326, 90337, and 90338 apply to violations of this article.

## **Article 3. Independent Expenditures.**

### **§ 86300. Independent Expenditures; Coordination. (85500)**

- (a) **Coordinated Expenditure Is a Contribution.** An expenditure is not independent if made in coordination with the candidate. A coordinated expenditure is a contribution from the person making the expenditure to the candidate on whose behalf or for whose benefit the expenditure is made.
- (b) **Circumstances of Coordination.** An expenditure is coordinated with a candidate if it is made:
- (1) with the cooperation of, or in consultation with, the candidate on whose behalf or for whose benefit the expenditure is made, or a controlled committee or agent of the candidate;
  - (2) in concert with, or at the request or suggestion of, the candidate on whose behalf or for whose benefit, the expenditure is made, or a controlled committee or agent of the candidate; or
  - (3) under any arrangement, coordination, or direction between the candidate and the person making the expenditure.

**§ 86301. Independent Expenditures; 24-Hour Disclosure. (85500)**

In addition to any other report required by this title, a committee—including a political-party committee—that is required to file reports under § 84305 and that makes independent expenditures of \$1,000 or more on or within 90 days before the date of the election in connection with a candidate for elective state office or a state ballot measure, must file a report electronically with the Secretary of State disclosing the independent expenditure. This report must disclose the same information required by § 84202(b) and must be filed within 24 hours of the time the independent expenditure is made.

**§ 86302. Internet Display of Independent Expenditures; 24-Hour Disclosure Report. (85505)**

- (a) **Public Disclosure.** For a candidate for elective state office or a statewide ballot measure, the Secretary of State will publish on the office’s website, any independent expenditure as defined by § 82037 and reported under § 86301. This information will be linked to the part of the website that the Secretary of State maintains for that candidate or ballot measure.
- (b) **Form Requirements.** All forms created for filing the report electronically under § 86301 will include a separate field for the filer to input the legislative district number and the number or letter of a statewide ballot measure.

**§ 86303. Prohibition on Independent Expenditures by Candidate or Officeholder-Controlled Committees. (85501)**

A candidate’s controlled committee cannot make independent expenditures and cannot contribute funds to another committee to make independent expenditures to support or oppose other candidates.

**Chapter 7. Advertisements: Disclaimers and Prohibitions (§ 87100–§ 87400)**

***Article 1. Disclaimers on Mass Mailings and Telephone Calls.***

**§ 87100. Disclaimers on Mass Mailings. (84305)**

- (a) **Sender’s Name and Information.** A mass mailing sent by a candidate or committee must include the name, street address, and city of the candidate or committee on the outside of each piece of mail and on at least one of the inserts included in each piece of mail, unless provided in (b). A post-office-box number may be stated instead of a street address if the candidate’s or committee’s address is a matter of public record with the Secretary of State.
- (b) **Single Candidate or Committee Sender.** If the sender of the mass mailing is a single candidate or committee, the name and address of the candidate or committee may be shown only on the outside of each piece of mail.
- (c) **Controlled Committee Sender.** If the sender of a mass mailing is a controlled committee, the name of the person controlling the committee must be included in addition to the information required by (a).
- (d) **Print Requirements.** All information required by this section must be in 6-point or larger type and in a color that contrasts with the background so it is easily legible.

**§ 87101. Disclosure Requirements for Telephone Calls. (84310)**

- (a) **Who Paid for the Call.** A candidate, committee, or slate-mailer organization that directly or indirectly spends campaign funds to pay for 500 or more similar telephone calls, made by one or more individuals or by electronic means, that advocate supporting or opposing a candidate, ballot measure, or both, must disclose during each call the name of the candidate, committee, or slate-mailer organization that paid for the call.
- (b) **Who Authorized the Call.** Instead of disclosing the candidate, committee, or slate-mailer organization that paid for the call, the person who authorized the call may be disclosed if: (1) the



**§ 87204. Ballot-Measure Ads; Paid-Spokesperson Disclosure. (84511)**

- (a) **Application.** This section applies to a committee that either:
- (1) makes an expenditure of \$5,000 or more to someone for his or her appearance in an advertisement that supports or opposes the qualification, passage, or defeat of a ballot measure; or
  - (2) makes an expenditure of any amount to someone for his or her appearance in an advertisement that supports or opposes the qualification, passage, or defeat of a ballot measure, and that states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training as a prerequisite to engage in that occupation.
- (b) **Required Report.** Within 10 days of the expenditure, a committee described in (a) must file a report that includes the following:
- (1) the measure that is the subject of the advertisement;
  - (2) the date of the expenditure;
  - (3) the amount of the expenditure;
  - (4) the name of the recipient of the expenditure; and
  - (5) for a committee described in (a)(2), the occupation of the recipient of the expenditure.
- (c) **Paid-Spokesperson Disclosure.** An advertisement paid for by a committee described in (a)(1) must include a disclosure statement stating: “[spokesperson’s name] is being paid by this campaign or its donors.”
- (d) **Occupational-Spokesperson Disclosure.** An advertisement paid for by a committee described in (a)(2) must include a disclosure statement stating: “Persons portraying members of an occupation in this advertisement are compensated spokespersons not necessarily employed in those occupations.”
- (e) **Exception.** A committee may omit the disclosure statement required by (d) if, for each individual identified in the required report filed under (b):
- (1) the occupation identified in the report is substantially similar to the occupation portrayed in the advertisement; and
  - (2) the committee maintains credible documentation of the individual’s appropriate license, certification, or other training as evidence that the individual is entitled to engage in the occupation identified in the report and portrayed in the advertisement, and makes that documentation available to the Commission immediately on request.
- (f) **Requirements of Disclosure Statements.** A disclosure statement required by this section must appear in a highly visible font shown continuously if the advertisement consists of printed or televised material, or be spoken in a clearly audible format if the advertisement is a radio broadcast or telephonic message.

**§ 87205. Disclaimer; Independent-Expenditure Ads. (84506)**

- (a) **Disclaimer.** An advertisement supporting or opposing a candidate or ballot measure paid for by an independent expenditure must include a disclosure statement that identifies both:
- (1) the name of the committee making the independent expenditure; and
  - (2) the names of the persons from whom the committee has received its two highest cumulative contributions of \$50,000 or more during the 12-month period before the expenditure. If the committee can show that contributions are spent in the order they are received and that the contributions received from the two highest contributors have been used for expenditures unrelated to the candidate or ballot measure featured in the communication, the committee must disclose the contributors making the next largest cumulative contributions of \$50,000 or more.
- (b) **Acronyms.** If an acronym is used to identify a committee name under this section, the names of any sponsoring organization of the committee must appear on print or electronic-media advertisements or spoken in broadcast advertisements.

**§ 87206. Disclaimer; Independent-Expenditure Ads; Not Authorized by Candidate. (84506.5)**

- (a) **Disclaimer.** An advertisement supporting or opposing a candidate that is paid for by an independent expenditure must include the following statement: “This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office.”
- (b) **Mailed Advertisements.** In addition to the requirements of § 87207, a mailed advertisement under this section must also comply with the following:
- (1) The disclosure statement in (a) must be printed on the advertisement within one quarter of an inch of the recipient’s name and address.
  - (2) The text of the disclosure statement must be contained in a box with an outline with a line weight of at least 3.25 point.
    - (A) The box’s background color must be in a contrasting color to the advertisement’s background.
    - (B) The box’s outline must be in a contrasting color to both the advertisement’s background color and the box’s background color.
    - (C) The color of the text must be in a contrasting color to the box’s background color.

**§ 87207. Disclaimer; Legible and Audible. (84507)**

Unless otherwise specified, a disclosure statement required by this article must be printed in 14-point or larger, bold, sans-serif font and in a legible and conspicuous manner as defined by the Commission or, if the communication is broadcast, the information must be spoken so as to be clearly audible and understood by the public and otherwise appropriately conveyed for the hearing impaired.

**§ 87208. Disclaimer; Small Ad. (84508)**

If disclosure of two major donors is required by § 87203 or § 87205, the committee must disclose, in addition to the committee name, only its highest major contributor if an advertisement is:

- (a) an electronic broadcast of 15 seconds or less; or
- (b) a newspaper, magazine, or other public print-media advertisement that is 20 square inches or less.

**§ 87209. Avoidance of Disclosure. (84505)**

In addition to the requirements of §§ 87202, 87203, 87205, and 87206, the committee placing the advertisement or persons acting in concert with that committee are prohibited from creating or using a noncandidate-controlled committee or a nonsponsored committee to avoid disclosure or that results in avoiding disclosing any individual, industry, business entity, controlled committee, or sponsored committee as a major funding source.

**§ 87210. Amended Disclaimers. (84509)**

When a committee files an amended campaign statement under § 84402, the committee must change its advertisements to reflect the changed disclosure information.

**Article 3. Slate-Mailer Disclaimer Requirements.**

**§ 87300. Slate-Mailer Identification and Disclaimer Requirements. (84305.5)**

- (a) **Disclaimers.** If a slate-mailer organization or committee primarily formed to support or oppose one or more ballot measures sends a slate mailer, it must include:
- (1) **Name and address.** The name, street address, and city of the slate-mailer organization or committee primarily formed to support or oppose one or more ballot measures on the outside of each piece of slate mail and on at least one of the inserts in each piece of slate mail in 8-point or larger roman type, which must be in a color or print that contrasts with the background so as to be easily legible. A post-office-box number may be stated instead of a street address if the street

address of the organization or the committee is a matter of public record with the Secretary of State.

- (2) **Notice to voters.** The following notice: “Notice to Voters. THIS DOCUMENT WAS PREPARED BY [name of slate-mailer organization or committee primarily formed to support or oppose one or more ballot measures], NOT AN OFFICIAL POLITICAL-PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others appearing in this mailer, nor does it imply endorsement of, or opposition to, any issues set forth in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an \*.”
  - (A) The notice must be located at the top or bottom of the front side or surface of at least one insert, or at the top or bottom of one side or surface of a postcard or other self-mailer.
  - (B) The notice must be in 8-point or larger roman boldface type, in a color or print that contrasts with the background so as to be easily legible, and in a printed or drawn box and set apart from any other printed matter.
- (3) **Designation of candidates and measures that paid to appear.** Each candidate and each ballot measure that has paid to appear in the slate mailer must be designated by an “\*” and this symbol cannot be used if a candidate or ballot measure has not paid to appear.
  - (A) The “\*” required by this subdivision must be of the same type size, style, color or contrast, and legibility as used for the name of the candidate or the ballot measure name or number and position advocated, to which the “\*” designation applies except that in no case may the “\*” be required to be larger than 10-point boldface type.
  - (B) The designation must immediately follow the candidate’s name, or the name or number and position advocated on the ballot measure where the designation appears in the slate of candidates and measures.
  - (C) If there is no slate listing, the designation must appear at least once in 8-point or larger boldface type, immediately following the candidate’s name, or the name or number and position advocated on the ballot measure.
  - (D) The payment of any sum made reportable by § 84603(c) by or at the request of or in cooperation with a candidate or committee, whose name or position appears in the mailer, to the slate-mailer organization or committee primarily formed to support or oppose one or more ballot measures, will constitute a payment to appear and authorization to appear in the mailer.
- (b) **Political-Party Designation.** In a slate mailer, the name of a candidate who is a member of a political party different from the political party that the mailer represents (or appears to represent by other indicators) must be accompanied, immediately below the name, by the candidate’s party designation, in 9-point or larger roman type that must be in a color or print that contrasts with the background so as to be easily legible. This designation is not required in the case of candidates for nonpartisan office.

**§ 87301. Slate Mailers Cannot Use Government or Public-Safety Logos Without Authorization. (84305.7)**

- (a) **Government Logo.** If a slate-mailer organization sends a slate mailer or other mass mailing that displays a logo, insignia, emblem, or trademark that is identical or substantially similar to that of a governmental agency, and that would reasonably be understood to imply the participation or endorsement of that governmental agency, the slate-mailer organization must obtain the express written consent of the relevant governmental agency before use in a slate mailer or other mass mailing.
- (b) **Public-Safety Logo.** If a slate-mailer organization sends a slate mailer or other mass mailing that displays a logo, insignia, emblem, or trademark that is identical or substantially similar to that of a nongovernmental organization that represents law-enforcement, firefighting, emergency-medical, or other public-safety personnel, and that would reasonably be understood to imply the participation or endorsement of that nongovernmental organization, the slate-mailer organization must obtain the



- (2) Wedding gifts and gifts exchanged between individuals on birthdays, holidays, or similar occasions, unless the exchanged gifts are substantially disproportionate in value.
- (d) **Gift Limit Amount and Adjustment.** The Commission will adjust the gift-limit amount by regulation on January 1 of each odd-numbered year to reflect changes in the Consumer Price Index, rounded to the nearest \$10. The gift-limit amount in 2017 is \$470, as adjusted from the base limit of \$250 enacted in 1990.
- (e) **Additional Gift Limits.** The limits on gifts in this section are in addition to the limits on gifts from lobbyists and lobbying firms in § 90032.

**§ 88101. Receipt and Acceptance of Gift. (18941)**

Unless further defined by Commission regulations, a gift is both “received” and “accepted” when the public official, or the official’s family member, knowingly takes actual possession of the gift, is provided the benefit of the gift, or takes any action exercising direction or control over the gift.

**§ 88102. Source of Gift; Use of Intermediary or Agent; Disclosure Requirements. (87210, 87313, 18945)**

- (a) **Source of Gift.** The person who makes the gift to the official is the source of the gift unless that person is acting as an intermediary or agent.
- (b) **Use of Intermediary or Agent.** If a person makes a gift, as specified below, on behalf of another or while acting as the intermediary or agent of another, to an individual who is required to disclose the gift on a statement of economic interests, the intermediary or agent must disclose to the recipient both their own full name, street address, and business activity, if any, and the same information of the actual donor. The recipient must disclose the information of both the intermediary or agent and the actual donor on his or her statement of economic interests. This applies to:
- (1) **Designated Individuals.** If the person makes a gift of \$50 or more in a calendar month to anyone whom he or she knows or has reason to know may be required to disclose the gift under a conflict-of-interest code.
  - (2) **High-level filers.** If the person makes a gift of \$50 or more in a calendar month to anyone listed in § 89200.

**Article 2. Travel.**

**§ 88200. Travel Exempt from Gift Limits but Reportable. (89506)**

- (a) **Exempt Travel; Public Purpose.** Payments, advances, or reimbursements for travel, including related transportation, lodging, and meals, that is reasonably related to a legislative or governmental purpose, or to an issue of state, national, or international public policy, are not subject to the gift limits under this chapter if either of the following applies:
- (1) **Travel for speech.** The travel is connected with a speech given by the individual, and the related lodging and meal expenses are limited to the day immediately before, the day of, and the day after the speech, and the travel is within the United States.
  - (2) **Travel paid for by government or 501(c)(3) organization.** The travel is provided by a government, a governmental agency, a foreign government, a governmental authority, a bona fide public or private educational institution as defined in Revenue and Taxation Code § 203, a nonprofit organization that is tax-exempt under Internal Revenue Code § 501(c)(3), or a person domiciled outside the United States who substantially satisfies the requirements for tax-exempt status under Internal Revenue Code § 501(c)(3).
- (b) **Reportable.** Although not subject to limits, the travel under (a) is considered a gift and must be reported on the recipient’s statement of economic interests.

- (c) **Inapplicable.** This section does not apply to payments, advances, or reimbursements for travel, including related transportation, lodging, and meals permitted or limited by Code of Civil Procedure § 170.9.

**§ 88201. Travel Not Considered a Gift. (89506(d))**

The following travel is not subject to limits or reportable as a gift on the recipient's statement of economic interests:

- (a) **Paid by Campaign.** Travel paid from campaign funds as permitted by Article 2 (beginning with § 86200) of Chapter 6, or that is a contribution.
- (b) **Paid by Agency.** Travel provided by the agency of a local elected officeholder, an elected state officer, a member of a state board or commission, an individual specified in § 89200, or a designated individual.
- (c) **For Business, Trade, or Profession.** Travel that is reasonably necessary for a bona fide business, trade, or profession and that satisfies the criteria for federal income-tax deduction for business expenses in Internal Revenue Code §§ 162 and 274 unless the sole or predominant activity of the business, trade, or profession is making speeches.
- (d) **Otherwise Exempt.** Travel that is not considered a gift by any other provision of this title.

**§ 88202. Nonprofit Organization Funding Elected Official's Travel; Disclosure Requirements. (89506(f))**

- (a) **Qualifying Nonprofits.** If a nonprofit organization regularly organizes and hosts travel for elected officials, and that nonprofit organization has paid for travel that is related to elected state or local officials as described in § 88200(a) and that totals more than \$10,000 in a calendar year, or more than \$5,000 in a calendar year for an individual, the nonprofit organization must disclose to the Commission the names of donors who, in the preceding year, both:
- (1) donated \$1,000 or more to the nonprofit organization; and
  - (2) accompanied an elected official either personally or through an agent, employee, or representative, for any part of travel described in § 88200(a).
- (b) **Regularly Organizes and Hosts; Definition.** Under this section, an organization "regularly organizes and hosts travel for elected officials" if the sum of its expenses relating to any of the following types of activities of elected officials was greater than one-third of its total expenses reflected on the organization's Internal Revenue Service Form 990, or the equivalent, filed most recently within the last 12 months:
- (1) travel;
  - (2) study tours; and
  - (3) conferences, conventions, and meetings.
- (c) **Donor as Source of Travel Gift.** This section does not preclude a finding that a nonprofit organization is acting as an intermediary or agent of a donor. If that finding is made, then:
- (1) the donor to the nonprofit organization is the source of the gift;
  - (2) the donor must be identified as a financial interest under § 89101;
  - (3) the gift must be reported as required by § 89208; and
  - (4) the gift is subject to the gift limits in § 88100.
- (d) **Scope.** Under this section, a nonprofit organization includes an organization that is exempt from taxation under Internal Revenue Code § 501(c)(3) or (c)(4).

**Article 3. Honoraria.**

**§ 88300. Honorarium; Definition. (89501)**

- (a) **Definition.** “Honorarium” means, unless exempted in (b), a payment made in consideration for a speech given, article published, or attendance at a public or private conference, convention, meeting, social event, meal, or similar gathering.
- (b) **Exemptions.** The term “honorarium” does not include:
- (1) **Earned income.** Earned income for personal services that are customarily provided in connection with the practice of a bona fide business, trade, or profession, such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting, unless the sole or predominant activity of the business, trade, or profession is making speeches. The Commission will adopt regulations to implement this subdivision.
  - (2) **Returned payments.** A payment that is not used and, within 30 days after receipt, is either returned to the donor or delivered to the State Controller for donation to the general fund, or in the case of a public official for local government agency, delivered to the public official’s agency for donation to an equivalent fund, without being claimed as a deduction from income for tax purposes.
  - (3) **Specified travel payments.** A payment, advance, or reimbursement for travel, including related transportation, lodging, and meals, as provided for under §§ 88200 and 88201.

**§ 88301. Honoraria Prohibited for Elected Officers and Candidates for Office. (89502)**

- (a) **Honoraria Ban.** The following must not accept an honorarium:
- (1) An elected state officer, elected officer of a local government agency, or anyone else specified in § 89200.
  - (2) A candidate for elective state office, judicial office, or elective office in a local government agency.
    - (A) Someone is considered a candidate under this subdivision on filing a statement of organization as a committee for election to a state or local office, a declaration of intent, or a declaration of candidacy, whichever occurs first.
    - (B) Someone is not considered a candidate under this subdivision after he or she is sworn into the elective office, or, if he or she lost the election, after he or she has terminated his or her campaign-statement filing obligations for that office under § 84500, or after certification of the election results, whichever occurs first.
  - (3) A member of a state board or commission or a designated individual of a state or local government agency if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.
- (b) **Exempt Individuals.** This section does not apply to someone in his or her capacity as a judge or as a part-time member of any public institution of higher education’s governing board that is not an elective office.

**Article 4. Fundraising for Legislative, Governmental, or Charitable Causes**

**§ 88400. Elected Officers and PUC Members Fundraising for Legislative, Governmental, or Charitable Causes; Reporting. (82015)**

- (a) **Reporting Payments Solicited by Elected Officers for Charitable or Governmental Purposes.** Payments solicited by an elected officer for legislative, governmental, or charitable purposes under § 82014(b)(1)(C), must be reported under this section within 30 days after 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 in which they are made.

- (b) **Reporting Payments Solicited by PUC Members for Charitable or Governmental Purposes.** Payments solicited by a member of the Public Utilities Commission, for legislative, governmental, or charitable purposes under § 82014(e)(2), must be reported under this section within 30 days after 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 in which they are made.
- (c) **Requirements of Reports.** The reports under (a) and (b) must comply with the following requirements:
- (1) The report must be filed by the elected officer with the elected officer's agency or by the member with the Public Utilities Commission and will be a public record subject to inspection and copying under § 90235.
  - (2) The report must contain the following information: name of payor, address of payor, amount of the payment, date or dates the payment or payments were made, name and address of the payee, a brief description of the goods or services provided or purchased, if any, and a description of the specific purpose or event for which the payment or payments were made.
  - (3) Once the \$5,000 aggregate threshold from a single source has been reached for a calendar year, all payments for the calendar year made by that source must be disclosed within 30 days after the date the threshold was reached or the payment was made, whichever occurs later.
  - (4) Within 30 days after receiving the report:
    - (A) state agencies must forward a copy of these reports to the Commission; and
    - (B) local agencies must forward a copy of these reports to the filing officer with whom elected officers of that agency file their campaign statements

## **Chapter 9. Conflicts of Interest: Prohibition, Required Disclosure, and Codes (§ 89100–§ 89609)**

### ***Article 1. Conflicts-of-Interest Prohibition.***

#### **§ 89100. State and Local Public Officials; Prohibition on Conflicts. (87100)**

A public official must not make, participate in making, or in any way attempt to use his or her official position to influence a governmental decision in which the official knows or has reason to know that he or she has a financial interest.

#### **§ 89101. Financial Interests That May Give Rise to a Conflict. (87103)**

- (a) **Financial Interests.** A public official has a financial interest in a decision under § 89100 if it is reasonably foreseeable that the decision will have a material financial effect—distinguishable from its effect on the public generally—on the official, on a member of his or her immediate family, or on any of the following interests:
- (1) **Business entity.** A business entity in which the public official has a direct or indirect investment worth \$2,000 or more, or in which the public official is a director, officer, partner, trustee, or employee, or in which the public official holds a position of management.
  - (2) **Real property.** Real property in which the public official has a direct or indirect interest worth \$2,000 or more.
  - (3) **Source of income.** A source of income aggregating \$500 or more in value provided to, received by, or promised to the public official within 12 months before the decision is made. A source of income does not include a gift or loan by a commercial lending institution made in the regular course of business on terms available to the public without regard to the public official's position.
  - (4) **Donor of gift.** A donor, or intermediary or agent for a donor, of a gift or gifts with value aggregating more than the gift limit in §88100 provided to, received by, or promised to the public official within 12 months before the decision is made.

- (b) **Indirect Investment or Interest; Definition.** For this section, “indirect investment or interest” means any investment or interest owned by:
- (1) the spouse or dependent child of a public official;
  - (2) an agent on behalf of a public official; or
  - (3) a business entity or trust in which the official, the official’s agent, spouse, or dependent child owns directly, indirectly, or beneficially, a 10% or greater interest.

**§ 89102. Source-of-Income Exception; Income from Retail Sales. (87103.5)**

(a) **Exceptions.** Despite § 89101, a retail customer of a business entity engaged in retail sales of goods or services to the public generally is not a source of income to a public official if either of the following apply.

- (1) The official owns a 10% or greater interest in the business entity and both:
  - (A) the retail customers of the business entity make up a significant segment of the public generally; and
  - (B) the income received by the business entity from the customer is not distinguishable from the income received from its other retail customers.
- (2) The official is in a jurisdiction with a population of 10,000 or less, in a county with 350 or fewer retail businesses, and:
  - (A) the official owns a 10% or greater interest in the entity;
  - (B) the business entity’s retail customers make up a significant segment of the public generally; and
  - (C) the income received by the business entity from the customer does not exceed 1% of the gross sales revenues that the business entity earned during the 12 months before the decision is made.

(b) **Definitions.** For (a)(2):

- (1) Population in a jurisdiction is established by the California Department of Finance.
- (2) The number of retail businesses in a county is established by the previous quarter’s Covered Employment and Wages Report (ES-202) of the Labor Market Information Division of the California Employment Development Department.

**§ 89103. Source-of-Income Exception; Payments to Government Agencies for Application Fees. (87103.6)**

Despite § 89101, a person who pays a state or local government agency to defray the estimated reasonable costs to process any application, approval, or other action, including holding public hearings and evaluating or preparing any report or document, is not a source of income to a public official of the agency because of the payment.

**§ 89104. Source-of-Income Exception; Professional Engineers and Surveyors as Consultants. (87100.1)**

(a) **Criteria for No-Interest Status.** A registered professional engineer or licensed land surveyor who provides professional services as a consultant to a state or local government, either directly or through a firm in which he or she is employed or a principal, does not have a financial interest in a government decision under § 89100 if the consultant:

- (1) provides professional engineering or land-surveying services independently of the agency’s control and direction; and
- (2) does not exercise agency decision-making authority as a contract city or county engineer or surveyor.

(b) **Services Independent of Agency.** For this section, the consultant provides professional engineering or land-surveying services independently of the agency’s control and direction if the consultant is in charge of the work under Business and Professions Code § 6703 or § 8703.

- (c) **Exception; Assessment District.** Subdivision (a) does not apply to the part of the work recommended under the actual formula to spread the costs of an assessment district's improvements if:
- (1) the engineer or surveyor has received income of \$250 or more for professional services in connection with any parcel included in the benefit-assessment district within 12 months before the district's creation; and
  - (2) the district includes parcels in addition to those for which the engineer or surveyor received the income.
- (d) **Preliminary Work Excepted.** For (c), the recommendation of the actual formula does not include preliminary site studies, preliminary engineering, plans, specifications, estimates, compliance with environmental laws and regulations, or the collection of data and information used in applying the formula.

**§ 89105. Legally Required Participation in Governmental Decision. (87101)**

- (a) **Legally Required.** Section 89100 does not prohibit a public official from making or participating in a governmental decision to the extent that the official's participation is legally required for the action or decision to be made.
- (b) **Not Legally Required.** If a public official's vote is needed only to break a tie, the official's participation is not legally required under this section.

**§ 89106. Manner of Disqualification. (87105)**

- (a) **Manner.** A public official who holds an office specified in § 89200 and who has a financial interest in a decision within the meaning of § 89100 must, on identifying a conflict of interest or a potential conflict of interest and immediately before the matter is considered:
- (1) Publicly identify the financial interest that gives rise to the conflict of interest or potential conflict of interest in enough detail to be understood by the public. Disclosure of the exact street address of a residence is not required;
  - (2) Recuse himself or herself from discussing and voting on the matter, or otherwise acting in violation of § 89100; and
  - (3) Leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the part of the agenda reserved for uncontested matters.
- (b) **Public Comment Allowed.** Despite (a)(3), a public official may speak on the issue during the time that the general public speaks on the issue.
- (c) **Exempt.** This section does not apply to members of the Legislature.

**§ 89107. Additional Requirements. (87102)**

The requirements of § 89100 are in addition to the requirements of Articles 2–4 of this chapter, and any conflict-of-interest code adopted under Article 3.

**§ 89108. Applicability of Enforcement Provisions. (87102)**

The remedies provided in Chapter 13 (beginning with § 90300) do not apply to elected state officers for violations or threatened violations of this article, unless provided in §§ 89109 and 89110.

**§ 89109. State Legislature; Prohibited Use of Position to Influence Decisions. (87102.5, 87102.6)**

- (a) **Prohibition.** A member of the Legislature must not make, participate in making, or in any way attempt to use his or her official position to influence any of the following governmental decisions in which the member knows or has reason to know he or she has a financial interest:

- (1) a state governmental decision, other than an action or decision before the Legislature, made in the course of his or her duties as a member;
  - (2) approval, modification, or cancellation of a contract to which either house or a committee of the Legislature is a party;
  - (3) introduction as a lead author of legislation that the member knows or has reason to know is nongeneral legislation;
  - (4) a vote in a legislative committee or subcommittee on what the member knows or has reason to know is nongeneral legislation;
  - (5) a roll-call vote on the Senate or Assembly floor on an item that the member knows is nongeneral legislation; or
  - (6) any action or decision before the Legislature in which:
    - (A) the member has received salary, wages, commissions, or similar earned income within the preceding 12 months from a lobbyist employer;
    - (B) the member knows or has reason to know the action or decision will have a direct and significant financial impact on the lobbyist employer; and
    - (C) the action or decision will not have an impact on the public generally or a significant segment of the public in a similar manner.
  - (7) An action or decision before the Legislature on legislation that the member knows or has reason to know will have a direct and significant financial impact on any person, distinguishable from its impact on the public generally or a significant segment of the public, from whom the member has received compensation within the preceding 12 months for appearing, agreeing to appear, or taking another action on behalf of that person, before any government agency or board.
- (b) **Reason-to-Know Standard.** A member of the Legislature has reason to know that an action or decision will have a direct and significant financial impact on a person for which disqualification may be required under (a) if either of the following apply:
- (1) with the knowledge of the member, the person has attempted to influence the member’s vote on the action or decision; or
  - (2) facts have been brought to the member’s personal attention indicating that the action or decision will have a direct and significant impact on the person.
- (c) **Nongeneral Legislation.** A member of the Legislature has reason to know that legislation is nongeneral legislation if facts have been brought to his or her personal attention indicating that it is nongeneral legislation. (The Budget Bill as a whole is not nongeneral legislation.) “Nongeneral legislation” means:
- (1) legislation that is not of a general nature under § 16 of Article IV of the California Constitution as long as it is both:
    - (A) reasonably foreseeable that the legislation will have direct and significant financial impact on one or more identifiable persons or one or more identifiable pieces of real property; and
    - (B) not reasonably foreseeable that the legislation will have a similar impact on the public generally or on a significant segment of the public; and
  - (2) legislation that contains at least one provision that constitutes nongeneral legislation, even if the legislation contains other, general provisions that do not constitute nongeneral legislation.
- (d) **Definitions.** For this section, the following definitions apply:
- (1) “An action or decision before the Legislature” means a vote in a committee or subcommittee or a roll-call vote on the floor of the Senate or Assembly.
  - (2) “Financial interest” means an interest as defined in § 89101.
  - (3) “Legislation” means a bill, resolution, or constitutional amendment.
  - (4) “Public generally” includes an industry, trade, or profession.
  - (5) “Significant segment of the public” includes:
    - (A) a recognized subgroup or specialty of the industry, trade, or profession;
    - (B) a legislative district, county, city, or special district; and
    - (C) more than a small number of persons or pieces of real property.

- (6) “Similar impact” means that legislation, administrative action, or other governmental action similarly affects all members of the public or all members of a significant segment of the public if it has a direct financial effect, but not necessarily the exact same level of effect. The financial effect on individual members of the public or the significant segment of the public can vary as to the effect on the other members of the public or the significant segment of the public, as long as they still share some direct financial effect.
- (e) **Exceptions.** The prohibitions specified in (a) do not apply to a vote on the Budget Bill as a whole or to a vote on a consent calendar, a motion for reconsideration, a waiver of a legislative rule, or a purely procedural matter.
- (f) **Immunity.** Written advice given to a member of the Legislature on his or her duties under this section by the Legislative Counsel will have the same effect as advice given by the Commission under § 90215(b) if:
  - (1) the member has made the same written request based on the same material facts to the Commission for advice under § 90215 on duties under this section as the written request and facts presented to the Legislative Counsel; and
  - (2) the Commission has not provided written advice under the member’s request before the member acts in good-faith reliance on the Legislative Counsel’s advice.
- (g) **Enforcement.** Only the administrative remedies provided in §§ 90336–90338 apply to a violation of this section.

**§ 89110. Elected State Officer; Prohibited Use of Position to Influence Decisions. (87102.8)**

- (a) **Prohibition.** An elected state officer must not make, participate in making, or in any way attempt to use his or her official position to influence a governmental decision before the officer’s agency if the officer knows or has reason to know that he or she has a financial interest.
- (b) **Reason-to-Know Standard.** An elected state officer knows or has reason to know that he or she has a financial interest in a governmental decision before his or her agency if:
  - (1) the governmental decision will have a direct and significant financial effect on a lobbyist employer from which the elected state officer has received salary, wages, commissions, or similar earned income within the preceding 12 months and the action or decision will not have an impact on the public generally or a significant segment of the public in a similar manner; or
  - (2) the action or decision will have a direct and significant financial effect on a person, distinguishable from its effect on the public generally or a significant segment of the public, from whom the officer has received compensation within the preceding 12 months for appearing, agreeing to appear, or taking another action on behalf of that person before a government agency or board.
- (c) **Definitions.** The following definitions apply to this section:
  - (1) “Elected state officer,” as defined in the California Constitution, Article V § 14(f), means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, and member of the State Board of Equalization.
  - (2) The definitions of “public generally” and “significant segment of the public” contained in § 89109(d).
- (d) **Enforcement.** Only the administrative remedies provided in §§ 90336–90338 apply to a violation of this section.

**Article 2. Required Disclosure on Statements of Economic Interests (SEI).**

**§ 89200. High-Level Filers. (87200)**

This article applies to elected state officers, judges, and commissioners of courts of the judicial branch of government, members of the Public Utilities Commission, members of the State Energy Resources

Conservation and Development Commission, members of the Fair Political Practices Commission, members of the California Coastal Commission, members of the High-Speed Rail Authority, members of city and county planning commissions, members of the board of supervisors, district attorneys, county counsels, county treasurers, and chief administrative officers of counties, mayors, city managers, city attorneys, city treasurers, chief administrative officers and members of city councils of cities, other public officials who manage public investments, and candidates for any of these offices at any election.

**§ 89201. Candidates. (87201)**

- (a) **Filing Date.** Every candidate for an office specified in § 89200, except a justice of an appellate court or the Supreme Court, must file no later than the final filing date of a declaration of candidacy, a candidate statement of economic interests disclosing the candidate's investments, interests in real property, and income received during the 12 months immediately preceding the declaration of candidacy.
- (b) **Exception.** This statement is not required if the candidate has filed, within 60 days before the filing of a declaration of candidacy, an assuming-office or annual statement for the same jurisdiction under § 89202 or § 89203.

**§ 89202. Officials - Elected and Appointed; Assuming-Office Statement. (87202)**

- (a) **Disclosure and Filing Date.** An official specified in § 89200 must file a statement of economic interests disclosing the official's investments, interests in real property held on the date of assuming office, and income received during the 12 months before assuming office as follows:
  - (1) **Elected.** Anyone elected to an office must file the statement within 30 days after assuming office.
  - (2) **Appointed or nominated.** Anyone who is appointed or nominated to an office, including alternates and designees, must file the statement within 30 days after assuming office. If the person is subject to confirmation by the Commission on Judicial Appointments or the State Senate, the person must file the statement within 10 days after the appointment or nomination.
- (b) **Annual Statement for Same Jurisdiction.** The statement under this section is not required if the person has filed, within 60 days before assuming office, an annual statement for the same jurisdiction under § 89203.
- (c) **Assuming Office in December or January.** An elected state officer who assumes office during the month of December or January must file an annual statement under § 89203 instead of this section, except that:
  - (1) the period covered for reporting investments and interests in real property must begin on the date the person filed his or her declarations of candidacy; and
  - (2) the period covered for reporting income must begin 12 months before the date the person assumed office.

**§ 89203. High-Level Filers; Annual Statements. (87203)**

Anyone holding an office specified in § 89200 must each year, at a time specified by Commission regulations, file an annual statement disclosing the officeholder's investments, interests in real property, and income during the period since the closing date of his or her last statement filed under this section or § 89202. The statement must include all investments and interests in real property held during the period covered by the statement, whether or not they are still held at the time of filing, at any time during the period covered by the statement, whether or not they are still held at the time of filing.

**§ 89204. High Level Filers; Leaving-Office Statement. (87204)**

Anyone who leaves an office specified in § 89200 must, within 30 days after leaving, file a leaving-office statement disclosing his or her investments interests in real property, and income during the period since the previous assuming-office or annual statement filed under § 89202 or § 89203. The statement must

include all investments and interests in real property held at any time during the period covered by the statement, whether or not they are still held at the time of filing.

**§ 89205. Individuals Completing and Beginning Terms of Office. (87205)**

Anyone who completes a term of an office specified in § 89200 and within 45 days begins a term of the same or another office of the same jurisdiction is not required to file an assuming- or leaving-office statement of economic interests but must continue to file an annual statement under § 89203.

**§ 89206. Disclosure of Investment or Interest in Real Property. (87206)**

- (a) **Required Disclosure.** If an investment or an interest in real property must be disclosed under this article, the disclosure must include:
- (1) a statement of the nature of the investment or interest;
  - (2) the name of the business entity in which each investment is held and a general description of the business activity in which the business entity is engaged;
  - (3) the real property's address or other precise location;
  - (4) a statement whether the fair market value of the investment or interest in real property is:
    - (A) at least \$2,000 but not more than \$10,000;
    - (B) greater than \$10,000 but not more than \$100,000;
    - (C) greater than \$100,000 but not more than \$1,000,000; or
    - (D) greater than \$1,000,000; and
  - (5) in the case of an annual or leaving-office statement filed under § 89203 or § 89204, if the investment or interest in real property was partly or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal.
- (b) **Personal Residence Excluded.** For disclosure under this article, "interest in real property" does not include the filer's principal residence or other property that the filer uses exclusively as his or her personal residence.

**§ 89207. Disclosure of Leasehold Interests. (18729)**

- (a) **Required Disclosure.** If an official is required to disclose a leasehold interest as defined in § 82039, the official must:
- (1) identify the interest as a leasehold interest;
  - (2) disclose the number of years remaining on the lease;
  - (3) provide the leased property's address or other precise location;
  - (4) provide the exact date the lease became effective or terminated—if the lease became effective or terminated during the period covered by the statement; and
  - (5) disclose the value of the leasehold interest as specified in § 89206(a)(4).

**§ 89208. Disclosure of Income Including Loans, Gifts, and Travel. (87207)**

- (a) **Disclosure of Income.** If income must be reported under this article, the statement must contain:
- (1) The name and address of each source of income aggregating \$500 or more in value, and a general description of the business activity, if any, of each source.
  - (2) A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, is:
    - (A) at least \$500 but not more than \$1,000;
    - (B) greater than \$1,000 but not more than \$10,000;
    - (C) greater than \$10,000 but not more than \$100,000; or
    - (D) greater than \$100,000.
  - (3) A description of any consideration for which the income was received.
  - (4) In the case of a loan, the annual interest rate, any security given for the loan, and the term of the loan.

- (5) If the filer's pro rata share of income received from a business entity, including income from a sole proprietorship, must be disclosed under this article, the statement must contain:
  - (A) the name, address, and general description of the business activity of the business entity; and
  - (B) the name of anyone from whom the business entity received payments if the filer's pro rata share of gross receipts from that person was equal to or greater than \$10,000 during a calendar year.
- (b) **Disclosure of Gifts.** If a gift must be disclosed under this article because it is received from a source that the official must identify under the official's filing obligations, the statement must contain:
  - (1) The name, address, and business activity, if any, of each source of a gift aggregating \$50 or more in value, and any intermediary or agent under § 88102.
  - (2) The amount and the date on which the gift was received.
- (c) **Disclosure of Payments for Travel.** If a payment for travel, including an advance or reimbursement, must be disclosed under this title, it must be disclosed on one of the following schedules included in the filer's statement of economic interests:
  - (1) **Travel reimbursement.** If the payment is a reportable gift, the filer may elect to report it on a separate travel-reimbursement schedule.
  - (2) **Gift.** A filer who chooses not to use the travel-reimbursement schedule must disclose payments for travel as a gift, and must include the travel destination.
  - (3) **Income.** If the provided services that were equal to or greater in value than the payment, it must be disclosed as income if \$500 or more was received from a single source during the period covered by the statement. When reporting travel payments as income, the filer must describe the services provided in exchange for the payment.

**§ 89209. Disclosure of Investments and Interests in Real Property; Incorporation by Reference. (87208)**

Except in annual statements required by § 89203, investments and interests in real property that have been disclosed on a statement of economic interests filed in the same jurisdiction within the previous 60 days may be incorporated by reference.

**§ 89210. Business Positions. (87209)**

- (a) **Disclosure of Positions.** If a statement must be filed under this article, anyone specified in § 89200 must disclose any business positions held by that individual.
- (b) **Definition.** For this section, "business position" means any business entity in which the filer is a director, officer, partner, trustee, or employee, or holds any position of management, if the business entity or any parent, subsidiary, or otherwise related business entity:
  - (1) has an interest in real property in the jurisdiction;
  - (2) does business or plans to do business in the jurisdiction; or
  - (3) has done business in the jurisdiction at any time during the two years before the date the statement is required to be filed.

**Article 3. Conflict-of-Interest Codes Adopted by Agencies.**

**§ 89300. Agency Must Adopt Code; Violations. (87300)**

An agency must adopt and publicize a conflict-of-interest code listing designated individuals who are required to file statements of economic interests. A conflict-of-interest code has the force of law and a code violation by a designated individual is a violation of this chapter.

**§ 89301. Creating Codes. (82011, 87301)**

- (a) **Localized Level of Government.** Conflict-of-interest codes should be created at the most localized level of government possible, but without precluding intradepartmental review. A question about the level of a department that should be considered an “agency” under § 89300 will be resolved by the code-reviewing body.
- (b) **Code-Reviewing Body.** The following are the “code-reviewing bodies” for the listed agencies:
- (1) The Commission: For a state agency other than an agency in the judicial branch of government, or any local government agency with jurisdiction in more than one county.
  - (2) The Board of Supervisors: For any county agency other than the board of supervisors, any agency of the judicial branch of government, and any local government agency, other than a city agency, with jurisdiction wholly within the county.
  - (3) The City Council: For any city agency other than the city council.
  - (4) The Attorney General: For the Commission.
  - (5) The Chief Justice or the Chief Justice’s Designee: For members of the Judicial Council, Commission on Judicial Performance, and Board of Governors of the State Bar of California.
  - (6) The Board of Governors of the State Bar of California: For the State Bar of California.
  - (7) The Chief Justice, the administrative presiding judges of the courts of appeal, and the presiding judges of superior and municipal courts, or their designees: For any agency of the judicial branch of government subject to the immediate administrative supervision of that court.
  - (8) The Judicial Council of California: For any state agency within the judicial branch of government not included under (5), (6), or (7).

**§ 89302. Requirements for Code Approval. (87309)**

To be approved by a code-reviewing body or the Commission, or to be upheld by a court, a conflict-of-interest code must:

- (a) provide reasonable assurance that all foreseeable potential conflict-of-interest situations will be disclosed or prevented;
- (b) provide to each affected person a clear and specific statement of that person’s duties under the code; and
- (c) adequately differentiate between designated individuals with different powers and responsibilities.

**§ 89303. Required Provisions in Code. (87302, 87311.5(b))**

- (a) **Required Provisions.** Each conflict-of-interest code must contain the following provisions:
- (1) **Designated individuals.** A list of positions within the agency—other than those specified in § 89200—that require the individual to make or participate in making decisions that may foreseeably have a material effect on any financial interest of the individual.
  - (2) **Reportable financial interests.** For each listed position, the specific types of investments, business positions, interests in real property, and sources of income that may foreseeably be materially affected by any decision made or participated in by the designated individual and must be reported on the designated individual’s statement of economic interests. The information disclosed under reportable investments, interests in real property, and income must be the same as under Article 2.
  - (3) **Dates for designated individuals to file initial, assuming-office, annual, and leaving-office statements.** A requirement that each designated individual, other than those specified in § 89200, must file a statement of economic interest disclosing reportable financial interests as follows:
    - (A) **Initial statements.** An initial statement under a new conflict-of-interest code must be filed by each designated individual within 30 days after the effective date of the code, disclosing reportable investments, business positions, and interests in real property held on the effective date of the code and income received during the 12 months before the effective date of the code.

- (B) *Assuming office.* Each new designated individual must file a statement within 30 days after assuming office, or if subject to State Senate confirmation, 30 days after being appointed or nominated, disclosing reportable investments, business positions, and interests in real property held on and income received during the 12 months before the date of assuming office or the date of being appointed or nominated, respectively.
  - (C) *Annual statement.* Each designated individual must file an annual statement at the time specified in the conflict-of-interest code, disclosing reportable financial interests held or received at any time during the previous calendar year, or since the date the designated individual took office if during the calendar year.
  - (D) *Leaving office.* Every designated individual who leaves office must file, within 30 days after leaving office, a statement disclosing reportable financial interests held or received at any time between the closing date of the last statement required to be filed and the date of leaving office.
- (4) **Disqualification.** A rule setting forth the circumstances under which designated individuals or categories of designated individuals must disqualify themselves from making, participating in the making, or using their official position to influence the making of any decision.
- (A) *Mandatory.* Disqualification is required when it is reasonably foreseeable that the designated individual's financial interest as defined in § 89101 may be affected materially by the decision.
  - (B) *Legally required participation.* A designated individual is not disqualified from a matter if the individual's participation is legally required for the action or decision to be made, as provided by Commission regulation.
  - (C) *Exempt agencies.* The Judicial Council, the Commission on Judicial Performance, and the Board of Governors and designated individuals of the State Bar of California are not subject to this paragraph (4).
- (b) **Filing Exception for Employees Who Resign Shortly After Being Appointed.** For a position listed under (a), someone will not have assumed or left office for purposes of this section if:
- (1) the individual resigns the position within 12 months after initial appointment, or within 30 days after the date the filing officer mailed the individual notice of his or her filing obligation, whichever is earlier;
  - (2) during the period between appointment and resignation, the individual does not make, participate in making, or use the position to influence a decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position; and
  - (3) within 30 days after the date of a notice mailed by the filing officer, the individual must file both:
    - (A) a written resignation with the appointing power; and
    - (B) a written statement with the filing officer on a form prescribed by the Commission and signed under penalty of perjury, stating that the individual, between appointment and resignation, did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

**§ 89304. Designated Individual; Broad or Indefinable Duties. (87310)**  
 If a designated individual's duties are so broad or indefinable that an agency cannot comply with § 89302, the designated individual must comply with the requirements of Article 2 of this chapter.

**§ 89305. Code Requirement for Public Pension and Retirement System Agencies. (87314)**

- (a) **Appendix Listing Agency Positions that Manage Public Investments.** A board, commission, or agency of a public pension or retirement system must attach to its conflict-of-interest code an appendix entitled "Agency Positions that Manage Public Investments for Purposes of § 89200 of the Government Code." The appendix must list each position with the board, commission, or agency for

which an individual occupying the position is required to file a statement of economic interests as a public official who manages public investments within the meaning of § 89200. The board, commission, or agency must post the appendix on its internet website in a manner that makes it easily identifiable and accessible by persons who view that website.

(b) **Definitions.** The following definitions apply to this section:

- (1) “Public official who manages public investments” includes a salaried or unsalaried member of a committee, board, commission, or other entity that exists as, or within, a governmental agency and that possesses decision-making authority.
- (2) A committee, board, commission, or other entity possesses decision-making authority if:
  - (A) the entity can make a final governmental decision;
  - (B) the entity can compel or prevent a governmental decision, either by possessing exclusive power to initiate the decision or by having veto authority that cannot be overridden; or
  - (C) the entity makes substantive recommendations that are, and over an extended period of time have been, regularly approved without significant amendment or modification by another public official or governmental agency.
- (3) A committee, board, commission, or other entity does not possess decision-making authority if it is formed for the sole purpose of researching a subject and preparing a report or recommendation for submission to another governmental entity that has final decision-making authority.

**§ 89306. Commission Assistance. (87312)**

The Commission will, on request, give technical help to agencies in preparing conflict-of-interest codes. That help may include the preparation of model provisions for various types of agencies. Any help from the Commission does not relieve an agency of its responsibility to adopt a conflict-of-interest code appropriate to its circumstances.

**§ 89307. Review and Preparation of Codes; Notice. (87311; 87311.15)**

- (a) **State Agencies.** The preparation of proposed conflict-of-interest codes by state agencies, and the review of proposed conflict-of-interest codes by the Commission and by the Attorney General, are subject to the Administrative Procedure Act.
- (b) **Local Agencies.** The preparation and review of conflict-of-interest codes by local agencies must be made under procedures that guarantee to the agency’s officers, employees, members, and consultants, and to the jurisdiction’s residents, adequate notice and a fair opportunity to present their views.
- (c) **Judicial-Branch Agencies.** The preparation and review of the conflict-of-interest code of an agency in the judicial branch is not subject to the Administrative Procedure Act, but must be made under procedures that guarantee to the agency’s officers, employees, members, and consultants, and to the jurisdiction’s residents, adequate notice and a fair opportunity to present their views.

**§ 89308. Submission of Codes and Amendments; Code-Reviewing Body. (87303)**

- (a) **Approval Required.** All conflict-of-interest codes and amendments must be approved by the code-reviewing body and are not effective until approved.
- (b) **Deadline to Submit.** Each agency must submit:
  - (1) A proposed conflict-of-interest code to the code-reviewing body by the deadline established for the agency by the code-reviewing body. A new agency must submit its code no later than six months after it comes into existence.
  - (2) Amendments to the code-reviewing body by the deadlines established under § 89311.
- (c) **Action by Code-Reviewing Body.** Within 90 days after receiving the proposed code or receiving a proposed amendment or revision, the code-reviewing body must do one of the following:
  - (1) approve the proposed code as submitted;
  - (2) revise the proposed code and approve it as revised; or

- (3) return the proposed code to the agency for revision and resubmission within 60 days. Once resubmitted, the code-reviewing body must either approve the revised code or revise it and approve it.
- (d) **Adopted Code.** When a proposed conflict-of-interest code or amendment is approved by the code-reviewing body, it is adopted and the agency must finalize and disseminate it.

**§ 89309. Failure to Submit, Adopt, or Amend a Proposed Code. (87304)**

- (a) **Action by Code-Reviewing Body.** If an agency fails to submit a proposed conflict-of-interest code or amendment by an established deadline, the code-reviewing body may issue any appropriate order directed to the agency or take other appropriate action, including adopting a conflict-of-interest code for the agency.
- (b) **Action by the Commission.** If the code-reviewing body does not issue an appropriate order or take other action within 90 days of an established deadline imposed on the agency, the Commission may issue an appropriate order directed to the agency or take other appropriate action, including adopting a conflict-of-interest code for the agency. The Commission will consult with the agency before ordering the adoption of a conflict-of-interest code for the agency.

**§ 89310. Order to Adopt; Superior Court. (87305)**

- (a) **Action in Superior Court.** If a conflict-of-interest code or amendment has not been adopted six months after the deadline for submission to the code-reviewing body, the Commission, the agency, the code-reviewing body, an officer, employee, member, or consultant of the agency, or a resident of the jurisdiction, may file an action in superior court.
- (b) **Order by Superior Court.** The superior court may prepare a conflict-of-interest code and order its adoption by the agency or grant any other appropriate relief.
- (c) **Parties.** The agency and the code-reviewing body will be parties to any action filed under this section.

**§ 89311. Amendments to Conflict-of-Interest Codes. (87306, 87307)**

- (a) **Mandatory Amendments.** An agency must amend its conflict-of-interest code when required by changed circumstances. These circumstances include the creation of a new position that must be designated under § 89303(a), and relevant changes in the duties assigned to existing positions.
  - (1) An amendment or revision must be submitted to the code-reviewing body within 90 days after the changed circumstances requiring the amendments have become apparent.
  - (2) If it has been more than nine months after those changes and the conflict-of-interest code has not been amended or revised, the superior court may issue any appropriate order in an action brought under § 89312.
- (b) **Petitioned Amendments.** An agency may amend its conflict-of-interest code in response to a petition submitted by an officer, employee, member, or consultant of the agency, or a resident of the jurisdiction.
  - (1) If the agency fails to act on the petition within 90 days, the petition will be considered denied. Within 30 days after the denial of a petition, the petitioner may appeal to the code-reviewing body.
  - (2) The code-reviewing body will either dismiss the appeal or issue an appropriate order to the agency within 90 days of receiving the appeal.
  - (3) If a designated individual appeals, the code-reviewing body may, in its discretion, suspend or modify the disclosure obligations of the appellant and persons similarly situated pending resolution of the appeal.
- (c) **Discretionary Amendments.** An agency may amend its conflict-of-interest code at any time on its own initiative subject to this title.

**§ 89312. Biennial Agency Review. (87306(b), 87306.5)**

(a) **State Agencies.** A state agency must submit to the code-reviewing body a biennial report identifying changes in its conflict-of-interest code, including all new positions designated under § 89303(a), changes in the list of reportable sources of income, and relevant changes in the duties assigned to existing positions. These reports must be submitted no later than March 1 of each odd-numbered year.

(b) **Local Agencies.** A local agency is subject to the following:

(1) **Biennial review.** No later than July 1 of each even-numbered year, the code-reviewing body must direct every local agency that has adopted a conflict-of-interest code under this title to review its code and, if amendments are required because of changed circumstances, submit an amended conflict-of-interest code to the code-reviewing body.

(2) **Statement confirming no amendments.** On review of its code, if no amendment is required, the local agency head must submit a written statement confirming that fact to the code-reviewing body no later than October 1 of the same year.

**§ 89313. Judicial Review. (87308)**

The Commission, the agency, an officer, employee, member, or consultant of the agency, or a resident of the jurisdiction may seek judicial review of any code-reviewing body's action.

**Article 4. Filing Statements of Economic Interests.**

**§ 89400. Statements of Economic Interests—Perjury and Verification; Amendment. (81004, 81004.5)**

(a) Statements of economic interest filed under this title must be signed by the filer under penalty of perjury and verified by the filer in conformity with § 84400(b). A filer may at any time amend a statement of economic interests filed under this title as stated in § 84402.

**§ 89401. Statements of Economic Interests—Where to File. (87500)**

(a) **Officials Who File with Their Agencies.** The officials in (1)–(4) below must file original statements of economic interests with their agencies, and each agency must retain a copy and forward the original to the Commission. The Commission is the filing officer.

(1) A statewide elected officer.

(2) A member of the Legislature or State Board of Equalization.

(3) A member of the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, a planning commissioner, and the California Coastal Commission.

(4) A member of a state licensing or regulatory board, bureau, or commission.

(b) **Officials of Other State Boards, Commissions, and Bodies.** Anyone appointed to another state board, commission, or similar multimember body must file his or her original statement with the respective board, commission, or body. The original must be handled as required in the conflict-of-interest code of the respective board, commission, or body. If the board, commission, or body is not required by its conflict-of-interest code to send the original to the Commission, it must forward a copy to the Commission.

(c) **Candidates.** The candidates in (1)–(3) below must file their original statement and one copy with the person with whom the candidate's declaration of candidacy is filed, who must retain a copy and forward the original to the Commission. The Commission is the filing officer.

(1) A candidate for statewide elective office.

(2) A candidate for the Legislature or the State Board of Equalization.

(3) A candidate for the office of judge.

(d) **County Officials and Candidates Who File with County Clerks.** Anyone holding the office of chief administrative officer and a candidate for and person holding the office of district attorney, county counsel, county treasurer, and member of the board of supervisors must file his or her original

statement with the county clerk, who must retain a copy and forward the original to the Commission. The Commission is the filing officer.

- (e) **City Officials and Candidates Who File with City Clerks.** A city manager or, if there is no city manager, the chief administrative officer, and candidates for and persons holding the office of city council member, city treasurer, city attorney, and mayor must file their original statement with the city clerk, who must retain a copy and forward the original to the Commission. The Commission is the filing officer.
- (f) **Fair Political Practices Commission.** Members of the Commission must file their original with the Commission, which must retain a copy and forward the original to the Attorney General's office. The Attorney General is the filing officer.
- (g) **Judicial Officers.** Judges and court commissioners must file their original statement with the clerk of the court, who must retain a copy and forward the original to the Commission. The Commission is the filing officer.
- (h) **Agencies, Boards and Commissions not under State or Local Jurisdictions.** Heads of agencies, members of boards or commissions not under a department of state government, and members of boards or commissions not under the jurisdiction of a local legislative body must file their original statement with the agency, board, or commission, which must retain a copy and forward the original to the code-reviewing body.
  - (1) The code-reviewing body is the filing officer. The code-reviewing body may require that the original be filed with it directly and that no copy be retained by the agency, board or commission; or
  - (2) If the Commission is the code-reviewing body for the local government agency, board, or commission, then the agency, board, or commission is the filing officer, unless, at its discretion, the Commission elects to act as the filing officer. In this instance, the original must be filed with the agency, board, or commission, which must retain a copy and forward the original to the Commission.
- (i) **Designated Individuals of the Legislature.** Designated individuals must file their original statement with the house of the Legislature in which they are employed. Each house of the Legislature may require that the original statements be filed directly with the Commission, and that no copies be retained by that house.
- (j) **Multiagency Filers.** Designated individuals under contract to more than one joint-powers insurance agency and who elect to file a multiagency statement under § 89402 must file their original statement with the Commission, which will be the filing officer, and file with each agency with which they are under contract, a statement declaring that their original is on file with the Commission and available on request.
- (k) **All others.** Anyone not mentioned above must file the original statement with the agency or with the code-reviewing body, as provided by the code-reviewing body in the agency's conflict-of-interest code.

**§ 89402. Filers for Multiple Joint-Powers Insurance Agencies. (87350)**

- (a) **Expanded Statement.** Despite any other provision of this title, a person required to file more than one statement of economic interests because that person is a designated individual for more than one joint-powers insurance agency, may elect to file one expanded statement instead of filing separate statements for each agency. The expanded statement must disclose:
  - (1) all investments in entities doing business in the state;
  - (2) all interests in real property located within the state; and
  - (3) all income received during the applicable time period.
- (b) **Notification.** The filer must notify the Commission when filing an expanded statement under this section.

**§ 89403. Filing Required by Candidates for Elective Office. (87302.3)**

- (a) **Required Disclosure.** A candidate for an elective office, other than those specified in § 89200, that is designated in a conflict-of-interest code must file a statement of economic interests disclosing his or her reportable financial interests held or received during the preceding 12 months as required under the code for that office.
- (b) **When and Where to File.** The statement must be filed with the same election official that the candidate's declaration of candidacy or other nomination documents to appear on the ballot must be filed with and must be filed no later than the final filing date for the declaration or nomination documents.
- (c) **Exempt Candidates.** This section does not apply to either:
  - (1) a candidate for an elective office designated in a conflict-of-interest code who has filed an initial, assuming-office, or annual statement under that conflict-of-interest code within 60 days before the deadline specified in (b); or
  - (2) a candidate for an elective office who has filed a statement for the office under § 89404 within 60 days before the deadline specified in (b).

**§ 89404. Filing by Members of Boards and Commissions of Newly Created Agencies. (87302.6)**

Despite the filing dates in § 89303, a member of a newly created agency's board or commission must file a statement at the same time and in the same manner as those required to file under § 89200. A member must file a statement under § 89303 once the agency adopts an approved conflict-of-interest code.

**§ 89405. Statements of Economic Interests—Electronic Filing. (87500.2)**

- (a) **Electronic Filing.** An agency may permit the electronic filing of a statement of economic interests required by this title, including amendments, in accordance with Commission regulations.
- (b) **Database-Design Requirements.** In consultation with interested agencies, the Commission will use common database-integration features in developing database-design requirements for all electronic filings that may be used.
- (c) **Proposal Submitted to the Commission.** An agency that permits electronic filing of a statement of economic interests must submit a proposal, which must include a description of the electronic-filing system that the agency proposes to use, to the Commission for approval and certification.
- (d) **Commission approval.** The Commission will review an agency's proposal for compliance with the system requirement regulations adopted under (a) and (b) and the requirements of (d). If the proposed system complies with these requirements, the Commission will approve and certify the agency's electronic-filing system as soon as practicable after receiving the agency's submitted proposal.
- (e) **System Requirements.** An agency's proposed electronic-filing system must meet the following requirements:
  - (1) **Submissions.** A statement of economic interests filed electronically must include an electronic transmission that is submitted under penalty of perjury and that conforms to Civil Code § 1633.11(b).
  - (2) **Confirmation of Receipt.** The agency's filing officer must issue to the filer an electronic confirmation that the statement of economic interests or amendment was received.
    - (A) The confirmation must include the date and time that the statement of economic interests or amendment was received by the filing officer and the method by which the filer may view and print the data received by the filing officer.
    - (B) The filer's copy of an electronically filed statement of economic interests or amendment and the confirmation issued under (A) that shows that the filer timely filed their statement of economic interests or amendment creates a rebuttable presumption that the filer timely filed the statement of economic interests or amendment.

- (3) **Layered Security.** The agency must use an electronic-filing system that includes layered security to ensure data integrity. The system must be able to uniquely identify a filer electronically when they access the electronic-filing system. The operational process for the system must include industry best practices to ensure that the security and integrity of the information contained in the statement of economic interests are not jeopardized or compromised.
- (4) **Public Copy of Statement.** The agency must give the public a copy of an official's statement of economic interests on request, in accordance with § 90235. The copy of the electronically filed statement of economic interests must be the same as the statement of economic interests published by the Commission and must include the date that the statement was filed.
- (5) **No charge.** An agency must not charge anyone to electronically file a statement of economic interests.
- (f) **Redacting Information.** The Commission may adopt regulations requiring an agency to redact information on a statement of economic interests before posting the statement on the Internet.
- (g) **Audits.** The Commission may conduct discretionary audits of an agency's approved and certified electronic-filing system to evaluate its performance and compliance with this section.
- (h) **Forwarded Copies.** The Commission will accept an electronic copy of a statement of economic interests that is forwarded to it by an agency that has received an electronically filed statement from a filer under this section.

**§ 89406. Statements of Economic Interests—Development of Electronic-Filing System for the Commission. (87500.3)**

- (a) **Online Filing System.** The Commission may develop and operate an online system for filing statements of economic interests required by Article 2 (beginning with § 89200) and Article 3 (beginning with § 89300). Consistent with § 89407, the online system must enable a filer to comply with this chapter's requirements relating to the filing of statements of economic interests and must include both:
  - (1) a method for a filer to electronically file, free of charge, a statement of economic interests that includes an electronic transmission that is submitted under penalty of perjury in conformity with § 84400, and Civil Code § 1633.11(b); and
  - (2) security safeguards, including firewalls, data encryption, secure authentication, and necessary hardware, software, and industry best practices to ensure that the security and integrity of the information contained in each statement of economic interests are not jeopardized or compromised.
- (b) **Confirmation of Filing.** A system developed under (a) must issue to a person who electronically files a statement of economic interests, or an amendment to a statement of economic interests, an electronic confirmation that notifies the filer that the statement of economic interests or amendment was received. The confirmation must include the date and time that the statement of economic interests or amendment was received and the method by which the filer may view and print the data received.
- (c) **Presumption of Timely Filing.** A paper copy retained by the filer of a statement of economic interests or amendment that was electronically filed and the confirmation issued under (1) that shows that the filer timely filed the statement of economic interests or amendment will create a rebuttable presumption that the filer filed the statement of economic interests or amendment on time.
- (d) **Follow-Up Procedures.** If the Commission develops an online system under (a), it will conduct public hearings to receive input on the implementation of that system, maintain ongoing coordination among affected state and local agencies as necessary, and develop training and assistance programs for state and local filing officers and filers on use of the online system for filing statements of economic interests.
- (e) **Information Included or Redacted on Website.**

- (1) The Commission may make all the data filed on a system developed under (a) available on the Commission's internet website in an easily understood format that provides the greatest public access, and will provide assistance to those seeking public access to the information.
- (2) The Commission must redact private information, including filers' signatures, from the data that is made available on the Internet under this subdivision. The Commission will develop and implement a policy on redaction of private information under this paragraph, and must conduct one or more public hearings to receive input on that policy.

**§ 89407. Statements of Economic Interests—Specifying Persons Authorized to File Electronically with the Commission. (87500.4)**

- (a) **Eligible Filers.** If the Commission establishes an online system under § 89406, the Commission will specify which categories of persons described in § 89401 may file statements of economic interests electronically through the established online system.
- (b) **Commission as Filing Officer.** If the Commission, under (a), specifies that persons described in § 89401 may file statements of economic interests electronically through the established online system, the filing officer designated by § 89401 may authorize the Commission to assume the duties of the filing officer for each filer within each category of filers authorized to file electronically through the online system, regardless whether the filer elects to file their statement of economic interests electronically or on paper with the Commission.
  - (1) When authorized, the Commission will assume the filing-officer duties for each filer in each authorized category, which must include:
    - (A) notifying the filer of their filing obligation;
    - (B) receiving the filer's statement of economic interests;
    - (C) ensuring compliance with filing requirements if the filer fails to file in a timely manner or is required to amend their statement of economic interests; and
    - (D) distributing to filing officers the copies of the completed statement of economic interests of a person who is required by this chapter to file more than one statement of economic interests for each period, and who, despite being authorized to file the statement with the Commission electronically, elects to file the statement with the Commission using a paper form.
  - (2) If the Commission assumes the duties of a filing officer under this subdivision, the filing officer whose duties are assumed must provide to the Commission, in a manner prescribed by the Commission, the name and contact information for each filer in the filing officer's jurisdiction.
  - (3) A filing officer who does not authorize the Commission to assume their duties as described in this paragraph must continue to perform the duties prescribed in § 90230.
- (c) **Multiple Statements of Economic Interest.** A person who is required by this chapter to file more than one statement of economic interests for each reporting period and who files their statements of economic interests with the Commission electronically after being authorized to do so under § 89406 need not file a statement of economic interests with another person or agency. If a filer authorized to file electronically with the Commission files with the Commission on paper, the Commission will distribute copies of the statement to any other filing officers under (b)(1)(D).
- (d) **Revised Determinations.** After the Commission makes an initial determination under (a) on which categories of persons described in § 89401 are permitted to file statements of economic interests electronically through the online system established by the Commission, the Commission may revise its determination at any time.
- (e) **Notification of Filing Officers.** The Commission will notify a filing officer who may be affected by a determination of the Commission under this section to authorize a category of filers to file electronically, no later than six months before the implementation of that determination, to adequately prepare for implementation.
- (f) **Public Input.** In accordance with § 89406, the Commission will continue to conduct public hearings and receive input on the implementation of the online system, and that input will inform any Commission decision to revise, under (1), its determination of which categories of persons described

in § 89401 are permitted to file statements of economic interests electronically through the online system established by the Commission.

**§ 89408. Website Notification. (87505)**

Each city clerk or county clerk who maintains a website must post on that website a notification that includes:

- (a) a list of the elected officers identified in § 89200 who file statements of economic interests with that city clerk or county clerk under § 89401;
- (b) a statement that copies of the statements of economic interests filed by the elected officers described in (a) may be obtained by visiting the offices of the Commission or that city clerk or county clerk, as appropriate;
- (c) the physical address for the Commission’s office and the city clerk’s office or the county clerk’s office, as appropriate; and
- (d) a link to the Commission’s website and a statement that statements of economic interests for some state and local government agency elected officers may be available in an electronic format on the Commission’s website.

**Article 5. Financial Restrictions—Contributions Causing Conflicts; Contracting and Loans**

**§ 89500. Contributions to Officers; Prohibition, Disqualification, and Disclosure. (84308)**

- (a) **Prohibitions on Contributions during Pending Matters.** The following prohibitions on contributions apply while a proceeding involving a license, permit, or other entitlement for use is pending before an agency and for three months after the date a final decision is rendered in the proceeding by the agency.
  - (1) **Officers soliciting contributions.** An agency officer must not accept, solicit, or direct a contribution of more than \$250 from a party, a party’s agent, a participant, or a participant’s agent, if the officer knows or has reason to know that the party, participant, or agent has a financial interest, as defined in Article 1 (beginning with § 89100) of Chapter 9, in the proceeding. This prohibition applies regardless of whether the officer accepts, solicits, or directs the contribution for the officer, or on behalf of another officer, candidate or committee.
  - (2) **Parties and participants making contributions.** A party, a party’s agent, a participant, or a participant’s agent, must not make a contribution of more \$250 to an officer of the agency. When a closed corporation is a party to, or a participant in, a proceeding, the majority shareholder is subject to the prohibition and disclosure requirements under this section.
- (b) **Officer Disqualified from Making, Participating in, or Attempting to Influence a Decision after Contribution.** An agency officer must not make, participate in, or in any way attempt to use the officer’s position to influence the governmental decision in a proceeding involving a license, permit, or other entitlement for use if the officer has willfully or knowingly received a contribution of more than \$250 from a party, a party’s agent, a participant, or a participant’s agent.
  - (1) This disqualification applies if the officer knows or has reason to know that the party, participant, or agent has a financial interest, as defined in Article 1 (beginning with § 89100) of Chapter 9, in the proceeding.
  - (2) If an officer receives a contribution that requires disqualification under this section and returns the contribution within 30 days from the time the officer knows or has reason to know about the contribution and the proceeding, then the officer is permitted to participate in the proceeding.
- (c) **An Officer’s Disclosure Requirement.** Before a decision is rendered in a proceeding involving a license, permit, or other entitlement for use, an officer who received a contribution within the

preceding 12 months of more than \$250 from a party or a participant must disclose the contribution and the officer's disqualification, if applicable, on the record of the proceeding.

- (d) **A Party's Disclosure Requirement.** On the record of a proceeding involving a license, permit, or other entitlement for use, a party must disclose a contribution of more than \$250 made within the preceding 12 months by the party, or the party's agent, to any officer of the agency. The party's disclosure must include the names of persons whose contributions are required to be aggregated with the party's contributions.
- (e) **Application to Exempt Agencies.** This section applies to a member of an exempt agency who is acting as a voting member of a nonexempt agency.
- (f) **Definitions.** For this section, the following definitions apply:
  - (1) "Agency" means an agency as defined in § 82002, except for an exempt agency. "Exempt agency" means a court or an agency in the judicial branch of government, a local government agency whose members are directly elected by the voters, the Legislature, the Board of Equalization, or a constitutional officer.
  - (2) "Contribution" includes contributions to candidates and committees in federal, state, or local elections.
  - (3) "License, permit, or other entitlement for use" means business, professional, trade, and land-use licenses and permits and other entitlements for use, including entitlements for land use, contracts (other than competitively bid, labor, or personal employment contracts), and franchises.
  - (4) "Officer" means an elected or appointed officer of an agency, an alternate to an elected or appointed officer of an agency, and a candidate for elective office in an agency.
  - (5) "Participant" means a 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, as defined in Article 1 (beginning with § 89100) of Chapter 9, in the decision. A person actively supports or opposes a particular decision in a proceeding if that person lobbies in person an officer or employee of the agency, testifies in person before the agency, or otherwise acts to influence an officer of the agency.
  - (6) "Party" means a person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use.
- (g) **Reporting Contributions.** Nothing in this section changes the reporting requirements for contributions under this title.

**§ 89501. Prohibition on State Administrative Officials Participating in Contracts; Business Connections with Parties. (87450)**

- (a) **Prohibition.** In addition to the provisions of Article 1 (beginning with § 89100) of Chapter 9, a state administrative official must not make, participate in, or in any way attempt to use his or her official position to influence a governmental decision directly relating to a contract if the state administrative official knows or has reason to know that a party to the contract is a person with whom the state administrative official, or any member of the official's immediate family, has engaged in a business transaction on terms not available to the public, for an investment or interest in real property or the rendering of goods or services totaling \$1,000 or more within 12 months before the time the official action is to be performed.
- (b) **State Administrative Official; Definition.** "State administrative official" means an official as defined in § 89600(b).

**§ 89502. State Public Officials Must Not Be Paid to Appear Before Own Agency. (87104)**

- (a) **Prohibition.** A public official of a state agency must not act as an agent or attorney for, or otherwise represent, another person by making a formal or informal appearance before, or an oral or written communication to, his or her state agency—or an officer or employee of the agency—for

compensation if the appearance or communication is to influence a decision on a contract, grant, loan, license, permit, or other entitlement for use.

- (b) **Public Official; Definition.** For this section, “public official” includes a member, officer, employee, or consultant of an advisory body to a state agency, whether the advisory body is created by statute or otherwise, unless the public official is representing their employing state, local, or federal agency in an appearance before, or communication to, the advisory body.

**§ 89503. Loans to Public Officials. (87460)**

- (a) **Officials Must Not Receive Loans from Agency Staff.** The following public officials must not receive a personal loan from an officer, employee, member, or consultant of the state or local government agency in which the official holds office or over which the official’s agency has direction and control during the period stated:
- (1) **Elected officials.** An elected officer of a state or local government agency is prohibited from receiving such a loan from the date of his or her election to office through the date that he or she vacates office.
  - (2) **High-level public officials.** A public official who is listed under § 89200, and a public official who is exempt from the state civil-service system under the California Constitution, Article VII, § 4(c), (d), (e), (f), and (g), is prohibited from receiving such a loan while the public official holds office. This paragraph does not apply to a loan made to a public official whose duties are solely secretarial, clerical, or manual.
- (b) **Officials Must Not Receive Loans from Agency Contractors.** The following public officials must not receive a personal loan from a person who has a contract with the state or local government agency in which the official holds office or over which the official’s agency has direction and control during the period stated. This subdivision does not apply to a loan made by a bank or financial institution or to any indebtedness created as part of a retail-installment or credit-card transaction, if the loan is made or the indebtedness created in the lender’s regular course of business on terms available to the public without regard to the official’s official status.
- (1) **Elected officials.** An elected officer of a state or local government agency is prohibited from receiving such a loan from the date of his or her election to office through the date that he or she leaves office.
  - (2) **High-level public officials.** A public official who is listed under § 89200, or a public official who is exempt from the state civil-service system under the California Constitution, Article VII, § 4(c), (d), (e), (f), and (g), is prohibited from receiving such a loan while the public official holds office. This subdivision will not apply to a loan made to a public official whose duties are solely secretarial, clerical, or manual.
- (c) **Exceptions.** This section does not apply to:
- (1) a loan made to the campaign committee of an elected officer or candidate for elective office;
  - (2) a loan made by a public official’s spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, if the person making the loan is not acting as an agent or intermediary for anyone not otherwise exempted under this section;
  - (3) aggregate loans from a person that do not exceed \$250 at any given time; or
  - (4) a loan made or offered in writing before the operative date of this section.

**§ 89504. Required Loan Terms. (87461)**

- (a) **Loans to Elected Officials Must be in Writing.** Unless set forth in (b), an elected officer of a state or local government agency must not receive a personal loan of \$500 or more from the date of his or her election to office through the date he or she vacates office unless the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, duration of the loan, date or dates when payments will be due on the loan and the amount of the payments, and the interest rate.

- (b) **Exceptions.** This section does not apply to a loan:
  - (1) made to the elected officer’s campaign committee;
  - (2) made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, if the person making the loan is not acting as an agent or intermediary for anyone not otherwise exempted under this section; or
  - (3) made or offered in writing before the operative date of this section.
- (c) **Scope.** Nothing in this section exempts anyone from any other provision of this title.

**§ 89505. Personal Loans as Gifts. (87462)**

- (a) **Personal Loan May be Considered a Gift.** Unless set forth in (b), a personal loan to a public official becomes a gift under this title in the following circumstances:
  - (1) If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
  - (2) If the loan has no defined date or dates for repayment, when one year has elapsed from the later of:
    - (A) the date the loan was made;
    - (B) the date the last payment of \$100 or more was made on the loan; or
    - (C) the date on which payments on the loan in the previous 12 months total less than \$250.
- (b) **Exceptions.** This section does not apply to a loan:
  - (1) made to the campaign committee of an elected officer or a candidate for elective office;
  - (2) that would otherwise not be a gift as defined in this title;
  - (3) that would otherwise be a gift as set forth under (a) but on which the creditor has taken reasonable action to collect the balance due;
  - (4) that would otherwise be a gift as set forth under (a) but on which the creditor, based on reasonable business considerations, has not undertaken collection action (except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this subdivision has the burden of proving that the decision to not take collection action was based on reasonable business considerations); or
  - (5) made to an official who later files for bankruptcy in which the loan is discharged.
- (c) **Scope.** Nothing in this section will exempt any person from any other provision of this title.

**Article 6. Revolving Door; Post-Governmental Employment Restrictions.**

**§ 89600. Definitions. (87400)**

Under this article, the terms below are defined as follows:

- (a) “State administrative agency” means a state office, department, division, bureau, board, or commission. “State administrative agency” does not include the Legislature, a court, or an agency in the judicial branch of government.
- (b) “State administrative official” means a member, officer, employee, or consultant of a state administrative agency whose official responsibilities include engaging in any judicial, quasi-judicial, or other proceeding in other than a purely clerical, secretarial, or ministerial capacity.
- (c) “Judicial, quasi-judicial or other proceeding” means a proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter involving a specific party or parties in a court or state administrative agency, including a proceeding governed by the Administrative Procedure Act, Chapter 5, beginning with Government Code §11500.
- (d) “Participated” means to have taken part personally and substantially through decision, approval, disapproval, formal written recommendation, rendering advice on a substantial basis, or investigation or use of confidential information as an officer or employee. “Participated” excludes giving approval,

disapproval or rendering legal advisory opinions to departmental or agency staff which do not involve a specific party or parties.

**§ 89601. Influencing Prospective Employment. (87407)**

A public official must not make, participate in making, or attempt to use his or her official position to influence a governmental decision directly relating to a person with whom the public official is negotiating, or has an arrangement for, prospective employment.

**§ 89602. Permanent Ban on Former State Officer Participating in Same Proceeding; Assisting Others. (87401, 87402)**

**Prohibitions.** A former state administrative official, after the termination of their employment or term of office, must not:

- (a) Act as an agent or attorney for, or otherwise represent, another person (other than the State of California), for compensation, before any court or state administrative agency or an officer or employee of the court or state administrative agency by making a formal or informal appearance, or by making an oral or written communication with the intent to influence, in connection with a judicial, quasi-judicial, or other proceeding if:
  - (1) the State of California is a party or has a direct and substantial interest; and
  - (2) the proceeding is one in which the former state administrative official participated.
- (b) Aid, advise, counsel, consult, or assist in representing another person (except the State of California), for compensation, in a proceeding in which the official would be prohibited from appearing under this section.

**§ 89603. Exemptions from Permanent Ban. (87403)**

The prohibitions contained in § 89602 do not apply to:

- (a) **Special Knowledge.** A former state administrative official's statement based on the official's special knowledge in a particular area, if no compensation for this statement is received other than that regularly provided for by law or regulation for witnesses; or
- (b) **Outstanding and Otherwise Unavailable Qualifications.** A former state administrative official's communications made solely to furnish information to a court or state administrative agency if the court or agency finds in writing that:
  - (1) the former state administrative official has outstanding and otherwise unavailable qualifications;
  - (2) the former state administrative official is acting on a particular matter that requires such qualifications; and
  - (3) the public interest would be served by the participation of the former state administrative official; or
- (c) **Agency Consent after Final Order.** A former state administrative official's appearance or communication in a proceeding where a court or state administrative agency has issued a final order, decree, decision, or judgment but has retained jurisdiction, if the state administrative agency of the former employment gives its consent after determining that:
  - (1) At least five years have elapsed since the termination of the former state administrative official's employment or term of office; and
  - (2) The public interest would not be harmed.

**§ 89604. Proceedings to Exclude Former State Officers. (87404)**

On the petition of an interested person or party, after notice and an opportunity for a hearing, the court or the presiding or other officer, including a hearing officer serving under Government Code § 11512, in any judicial, quasi-judicial, or other proceeding, including a proceeding under the Administrative Procedure Act in Chapter 5, beginning with § 11500, may exclude a person found to be in violation of this article from further participation, or from assisting or counseling another participant, in the pending proceeding.

**§ 89605. One-Year Ban on Appearing Before Former State Agency. (87406)**

- (a) **Title.** This section will be known, and may be cited, as the Milton Marks Post-Government Employment Restrictions Act of 1990.
- (b) **State Legislators.** A member of the Legislature must not—for one year after leaving office -- influence legislative action, by acting as agent or attorney for, or otherwise representing, another person, for compensation, through a formal or informal appearance, or through an oral or written communication, before the Legislature, any of its committees or subcommittees, any present member of the Legislature, or any officer or employee of a present member.
- (c) **Other Elected State Officers.** An elected state officer, other than a member of the Legislature, must not—for one year after leaving office -- influence an administrative action, or influence an action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property by acting as agent or attorney for, or otherwise representing, another person, for compensation, through a formal or informal appearance, or through an oral or written communication, before a state administrative agency, or an officer or employee of the agency. For this subdivision, an appearance before a state administrative agency does not include an appearance in a court of law, before an administrative law judge, or before the Workers' Compensation Appeals Board.
- (d) **State Designated Individuals.**
  - (1) A designated individual of a state administrative agency, or a member, officer, employee, or consultant of a state administrative agency who is required to file a statement of economic interests under Chapter 9, must not—for one year after leaving office or employment -- influence administrative or legislative action, or influence an action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property by acting as agent or attorney for, or otherwise representing, another person, for compensation, through a formal or informal appearance, or through an oral or written communication, before a state administrative agency, or an officer or employee of the agency, for which he or she worked or represented during the 12 months before leaving office or employment. For this paragraph, an appearance before a state administrative agency does not include an appearance in a court of law, before an administrative law judge, or before the Workers' Compensation Appeals Board.
  - (2) For (1), a state administrative agency of a designated individual of the Governor's office includes a state administrative agency subject to the direction and control of the Governor.
- (e) **Exception.** The prohibitions contained in (b), (c), and (d) do not apply to anyone subject to this section who is or becomes any of the following:
  - (1) An officer or employee of another state agency, board, or commission, if the appearance or communication is for influencing legislative or administrative action on behalf of the state agency, board, or commission.
  - (2) An official holding an elective office of a local government agency if the appearance or communication is for influencing legislative or administrative action on behalf of the local government agency.

**§ 89606. Post-Government Employment Restrictions for Air-Quality Districts and Boards. (87406.1)**

- (a) **Definitions.** For this section, “district” means an air-pollution-control district or air-quality-management district, and “district board” means the governing body of either district.
- (b) **Prohibition.** A former member of a district board, or a former officer or employee of a district who held a position that entailed the making, or participation in the making, of decisions which may foreseeably have a material effect on a financial interest, must not—for one year after leaving that office or employment—receive compensation to influence regulatory action, by acting as agent or attorney for, or otherwise representing, a person, through a formal or informal appearance before, or

through an oral or written communication to, that district board, or a committee, subcommittee, or present member of that district board, or an officer or employee of the district.

- (c) **Exception.** Subdivision (b) does not apply to anyone who is, at the time of the appearance or communication, a board member, officer, or employee of another district or an employee or representative of a public agency.
- (d) **Scope.** This section applies to members and former members of district hearing boards.

**§ 89607. Post-Governmental Employment Restrictions for Local Officials. (87406.3)**

- (a) **Prohibition.** A local elected official, chief administrative officer of a county, city manager, or general manager or chief administrator of a special district who held a position with a local government agency as defined in § 82051 must not—for one year after leaving that office or employment — influence administrative or legislative action, or influence an action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property by acting as agent or attorney for, or otherwise representing, another person, for compensation, through a formal or informal appearance before, or through an oral or written communication to, that local government agency, or a committee, subcommittee, or present member of that local government agency, or an officer or employee of the local government agency.
- (b) **Exception.** Subdivision (a) does not apply to anyone who is, at the time of the appearance or communication, a board member, officer, or employee of another local government agency or an employee or representative of a public agency and is appearing or communicating on behalf of that agency.
- (c) **More Restrictive Local Prohibition.** Nothing in this section precludes a local government agency from adopting an ordinance or policy that restricts the appearance of a former local official before that local government agency if that ordinance or policy is more restrictive than (a).
- (d) **Definitions.** Despite §§ 82001 and 82045, the following definitions apply for this section only:
  - (1) “Administrative action” means the proposal, drafting, development, consideration, amendment, enactment, or defeat by a local government agency of a matter, including a rule, regulation, or other action in a regulatory proceeding, whether quasi-legislative or quasi-judicial. Administrative action does not include an action that is solely ministerial.
  - (2) “Legislative action” means the drafting, introduction, modification, enactment, defeat, approval, or veto of any ordinance, amendment, resolution, report, nomination, or other matter by the legislative body of a local government agency or by a committee or subcommittee, or by a member or employee of the legislative body of the local government agency acting in an official capacity.

**§ 89608. Post-Governmental Employment Restrictions for Board of Administration of the Public Employees’ Retirement System. (87408, 87409, 87410)**

A member of the Board of Administration of the Public Employees’ Retirement System, anyone in a position designated in § 20098(a) or (e), or an information-technology or health-benefits manager with a career-executive-assignment designation with the Public Employees’ Retirement System, must not, for compensation:

- (a) influence administrative or legislative action, or influence an action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property by acting as an agent or attorney for, or otherwise representing, a person, except the state, through a formal or informal appearance before, or through an oral or written communication to, the Public Employees’ Retirement System, or an officer or employee of that agency, for four years after leaving that office or position.
- (b) aid, advise, consult with, or assist a business entity, as defined in § 82004 and including the entity’s parent or subsidiary, in obtaining, or negotiating a contract or contractual amendment with the Public Employees’ Retirement System, for two years after leaving that office or position.

- (c) provide services as a placement agent in connection with investments or other business of the Public Employees' Retirement System or the State Teachers' Retirement System for ten years after leaving that office or position. This subdivision does not apply to an information-technology or health-benefits manager with a career-executive-assignment designation with the Public Employees' Retirement System.

**§ 89609. Post-Governmental Employment Restrictions for the Teachers' Retirement Board. (87408, 87409, 87410)**

A member of the Teachers' Retirement Board, anyone in a position designated in Education Code § 22212.5(a) or (d), or an information-technology manager with a career-executive-assignment designation with the State Teachers' Retirement System must not, for compensation:

- (a) influence administrative or legislative action, or influence an action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property, by acting as an agent or attorney for, or otherwise representing, another person, except the state, through a formal or informal appearance before, or through an oral or written communication to, the State Teachers' Retirement System, or an officer or employee of that agency, for four years after leaving that office of position.
- (b) aid, advise, consult with, or assist a business entity, as defined in § 82004 and including the entity's parent or subsidiary, in obtaining, or negotiating a contract or contractual amendment with the State Teachers' Retirement System, for two years after leaving that office or position.
- (c) provide services as a placement agent in connection with investments or other business of the State Teachers' Retirement System or the Public Employees' Retirement System for ten years after leaving that office or position. This subdivision does not apply to an information-technology or health-benefits manager with a career-executive-assignment designation with the Public Employees' Retirement System.

**Chapter 10. Lobbyists (§ 90000–§ 90033)**

***Article 1. Registration***

**§ 90000. Registration. (86100; 18616.4)**

- (a) **Required to Register.** The following persons must register with the Secretary of State:
  - (1) lobbying firms;
  - (2) lobbyist employers under § 82050(a) who employ one or more in-house lobbyists; and
  - (3) lobbying coalitions.
- (b) **Individual Lobbyists.** Each individual lobbyist must submit a lobbyist certification under § 90005 for filing with the Secretary of State as part of the registration of the lobbying firm in which the lobbyist is a partner, owner, officer, or employee, or as part of the registration of the lobbyist employer that employs the lobbyist.
- (c) **Not Required to Register.** Lobbyist employers under § 82050(b) who contract only for a lobbying firm's services, and \$5,000 filers defined in § 90027(a)(2), are not required to register with the Secretary of State, but must:
  - (1) complete a written authorization for a lobbying firm to engage in activities on its behalf, which must be filed with the lobbying firm's registration; and
  - (2) maintain records and file quarterly reports under this chapter.

**§ 90001. Registration; Time and Method. (86101, 86100(e))**

- (a) **Time.** Every lobbying firm and lobbyist employer required to file a registration statement under this chapter must register with the Secretary of State no later than 10 days after qualifying as a lobbying firm or lobbyist employer.

- (b) **Method.** A registration statement must be filed both electronically and in paper format by submitting the original statement and one copy of the registration.

**§ 90002. Registration Fees. (86102)**

- (a) **Annual Fee.** The Secretary of State will charge each lobbying firm and lobbyist employer required to file a registration statement a fee of \$50 per year for each lobbyist it is required to list on its registration statement.
- (b) **PDATA Fund.** The Secretary of State must deposit half the money collected under this section into the Political Disclosure, Accountability, Transparency, and Access Fund (PDATA Fund) and the other half into the general fund.

**§ 90003. Lobbying Firm; Registration Requirements. (86104)**

Registration for a lobbying firm must include:

- (a) **Lobbying Firm.** The following information regarding the lobbying firm:
  - (1) the firm’s full name, business address, and telephone number;
  - (2) a list of the lobbyists who are partners, owners, officers, or employees of the lobbying firm;
  - (3) the lobbyist certification of each lobbyist in the lobbying firm; and
  - (4) the name and title of the lobbying firm’s partner, owner, or officer who is the designated individual responsible for filing statements and reports and keeping records required by this chapter on the lobbying firm’s behalf;
- (b) **Lobbying Firm’s Clients.** The following information regarding each person with whom the lobbying firm contracts to provide lobbying services:
  - (1) the person’s full name, business address, and telephone number;
  - (2) a written authorization signed by the person;
  - (3) the time period of the contract;
  - (4) information sufficient to identify the person’s nature and interests, which must include the following if the person is:
    - (A) **An individual.** The name and address of the person’s employer—or if self-employed, the person’s principal place of business—and a description of the business activity in which the person or his or her employer is engaged.
    - (B) **A business entity.** A description of the business activity in which it is engaged.
    - (C) **An industry, trade, or professional association.** A description of the industry, trade, or profession it represents, including a specific description of any part or faction of the industry, trade, or profession the association exclusively or primarily represents and, if the association has 50 or fewer members, the names of its members.
    - (D) **Other.** A statement of the person’s nature and purposes, including a description of any industry, trade, profession, or other group with a common economic interest that the person principally represents or from which its membership or financial support is principally derived.
  - (5) the person’s lobbying interests; and
  - (6) a list of the state agencies whose legislative or administrative actions the lobbying firm will attempt to influence for the person;
- (c) **Statement of Designated Responsible Individual.** A statement, signed by the designated responsible individual specified in (a)(4), that he or she has read and understands the prohibitions contained in this chapter; and
- (d) **Other Information.** Any other information required by the Commission consistent with this chapter’s purposes and provisions.

**§ 90004. Lobbyist Employer; Lobbying Coalition; Registration Requirements. (86105, 18616.4)**

Registration for a lobbyist employer of in-house lobbyists or for a lobbying coalition must include:

- (a) **Lobbyist Employer/Lobbying Coalition.** The following information regarding the lobbyist employer or coalition:
  - (1) the employer’s or coalition’s full name, business address, and telephone number;
  - (2) information sufficient to identify the filer’s nature and interests, which must include the following if the filer is:
    - (A) **An individual.** The name and address of the filer’s employer—or if self-employed, the filer’s principal place of business—and a description of the business activity in which the filer or his or her employer is engaged.
    - (B) **A business entity.** A description of the business activity in which it is engaged.
    - (C) **An industry, trade, or professional association.** A description of the industry, trade, or profession it represents, including a specific description of any part or faction of the industry, trade, or profession the association exclusively or primarily represents and, if the association has 50 or fewer members, the names of its members.
    - (D) **Other.** A statement of the filer’s nature and purposes, including a description of any industry, trade, profession, or other group with a common economic interest that the filer principally represents or from which its membership or financial support is principally derived.
  - (3) the lobbyist employer’s or coalition’s lobbying interests; and
  - (4) a list of the state agencies whose legislative or administrative actions the lobbyist employer or coalition will attempt to influence;
- (b) **In-house Lobbyist.** The following information regarding in-house lobbyists:
  - (1) a list of the lobbyists employed by the lobbyist employer or coalition; and
  - (2) the lobbyist certification of each lobbyist employed.
- (c) **Other Information.** Any other information required by the Commission consistent with this chapter’s purposes and provisions.

**§ 90005. Lobbyist Certification; Requirements. (86103)**

- (a) **Certification.** A lobbyist certification must include:
  - (1) a recent photograph of the lobbyist, in the size prescribed by the Secretary of State;
  - (2) the lobbyist’s full name, business address, and telephone number; and
  - (3) a statement that the lobbyist has read and understands the prohibitions contained in this chapter.
- (b) **Statement on Required Ethics Course.** Every lobbyist must complete the ethics course described in § 8956(b) and provide a statement regarding completion with the applicable certification as follows:
  - (1) **Previously filed lobbyist certification.** For a lobbyist who filed a completed lobbyist certification in connection with the previous regular session of the Legislature, the current certification must include a statement that either the lobbyist:
    - (A) has completed the ethics course within the previous 12 months; or
    - (B) will complete the ethics course no later than June 30 of the following year, in which case, the lobbyist certification will be accepted on a conditional basis.
  - (2) **New lobbyist certification.** In the case of a new lobbyist certification, if the lobbyist has not completed the course within the previous 12 months, the lobbyist must include a statement that the lobbyist will complete the course within 12 months. The lobbyist certification will be accepted on a conditional basis.
  - (3) **Conditional lobbyist certification.** If a certification is accepted on a conditional basis the lobbyist must timely complete the ethics course and file a new lobbyist certification that will replace the conditional lobbyist certification. If the lobbyist fails to timely complete the ethics course, the conditional lobbyist certification will be void, and the individual must not act as a lobbyist under this title until the individual completes the course and files a lobbyist certification stating the date of completion. It is a violation of this section for an individual to act as a lobbyist under this title once his or her conditional certification is void.

- (c) **Other Information.** The lobbyist must provide any other information required by the Commission consistent with this chapter's purposes and provisions.

**§ 90006. Registration Statement and Certification Renewal. (86106)**

- (a) **Registration Statement.** To continue activities that require registration, each registered lobbying firm and lobbyist employer must renew its registration by filing photographs of its lobbyists, authorizations from clients, and a registration statement between November 1 and December 31 of each even-numbered year.
- (b) **Certification.** Each lobbyist must renew his or her lobbyist certification in connection with the renewal of registration by the lobbyist's lobbying firm or employer.

**§ 90007. Registration Statement and Certification; Amendment; Termination. (86107)**

- (a) **Registration-Statement Amendments.** If information in a registration statement changes, the lobbying firm or lobbyist employer must file an appropriate amendment both electronically and in paper format by submitting the original and one copy of the amendment to the Secretary of State within 20 days after the change. But if the change includes the name of a person by whom a lobbying firm is retained, the lobbying firm's registration statement must be amended and filed to show that change before the lobbying firm attempts to influence any legislative or administrative action on behalf of that person.
- (b) **Registration-Statement Termination.** If during a regular session of the Legislature, a lobbying firm or lobbyist employer ceases all activity that required registration, it must file with the Secretary of State a notice of termination within 20 days after the cessation. If at the close of a regular session of the Legislature, a lobbying firm or lobbyist employer ceases all activity that required registration, it is not required to file a notice of termination.
- (c) **Certification Amendments and Terminations.** If information in a lobbyist certification changes, or if a lobbyist terminates all activity that required the certification, the lobbyist must submit an amended certification or notice of termination to his or her lobbying firm or lobbyist employer for filing with the Secretary of State within the time limits specified in (a) and (b). A lobbyist who, at the close of a regular session of the Legislature, ceases all activity that required certification need not file a notice of termination.
- (d) **Continuing Restriction on Gifts.** Lobbyists and lobbying firms are subject to the gift limits in § 90032 for the earlier of six months after either:
  - (1) filing a notice of termination; or
  - (2) the close of a regular session of the Legislature, if the lobbyist or lobbying firm ceased all activity that required certification or registration when the session closed.

**§ 90008. Registration Statement; Publication. (86108)**

Within 30 days after filing, the Secretary of State must make publically available, all information listed on a registration statement or on an amendment, renewal, or notice of termination

**§ 90009. Directory of Lobbyists, Lobbying Firms, and Lobbyist Employers; Online Version. (86109, 86109.5)**

- (a) **Directory.** Within 140 days after the commencement of each regular session of the Legislature, the Secretary of State will publish a directory of registered individual lobbyists, lobbying firms, and lobbyist employers. When necessary the Secretary of State will publish supplements to the directory.
- (b) **Online.** The Secretary of State must establish an online version of the directory and maintain it with weekly updates.
- (c) **Changes.** On the online directory, the Secretary of State must list the specific changes made to the directory, including new registrations and listings, additions, deletions, and other revisions, during the seven days preceding the update required by (a).

- (d) **Addresses.** Despite any other provision of this title, the online directory’s lobbying data will include the street name and building number of the persons or entity representatives listed on all documents submitted to the Secretary of State under this chapter.

**§ 90010. Lobbyist Registration Exemptions. (86300)**

This chapter does not apply to:

- (a) **State Elected Officials or State Employees Acting in Official Capacity.** An elected public official acting in his or her official capacity, or an employee of the State of California acting within the scope of his or her employment. But if an employee of the State of California, other than a legislative official, attempts to influence legislative action and would be required to register as a lobbyist except for the provisions of this subdivision, then the employee is prohibited from making gifts of more than \$10 in a calendar month to an elected state officer or legislative official.
- (b) **Media Entities.** A newspaper or other periodical of general circulation, book publisher, radio or television station (media entity), including any individual who owns, publishes, or is employed by any such media entity, that in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisement, that directly or indirectly urge legislative or administrative action, if the media entity or individual engages in no further activities in connection with urging legislative or administrative action other than to appear before a committee of the Legislature or before a state agency in support of or in opposition to such action.
- (c) **Church or Religious Representatives.** A person when representing a bona fide church or religious society solely to protect the public right to practice the doctrines of that church or society.

**Article 2. Lobbyist Recordkeeping and Reporting.**

**§ 90020. Recordkeeping. (86110)**

Lobbyists, lobbying firms, and lobbyist employers that receive payments, make payments or incur expenses, or expect to receive payments, make payments or incur expenses in connection with activities that are reportable under this chapter must keep detailed accounts, records, bills, and receipts as required by regulations adopted by the Commission to expedite the performance of all obligations imposed by this chapter.

**§ 90021. Definitions; Activity Expenses; Agency Official. (86111)**

The following definitions apply only for purposes of this chapter.

- (a) **Activity Expense.** “Activity expense” means an expense incurred or payment made by a lobbyist, lobbying firm, lobbyist employer, or \$5,000 filer (as defined under § 90027(a)(2))—or arranged by a lobbyist or lobbying firm— that benefits an elective state official, legislative official, state candidate, agency official, or a member of his or her immediate family.
- (1) **Applicable expenses.** Activity expenses include gifts, honoraria, consulting fees, salaries, and any other form of compensation.
- (2) **Excluded expenses.** Activity expenses do not include campaign contributions.
- (b) **Agency Official.** “Agency official” means an official of a state agency that a lobbyist, lobbying firm, lobbyist employer, or \$5,000 filer has attempted or is attempting to influence.

**§ 90022. Activity Expenses; Reporting. (86112)**

- (a) **Required Report.** When a person is required to report activity expenses under this article, all the following information must be provided for each activity expense:
- (1) **Date.** The date the expense was incurred or the event occurred.
- (2) **Payee.** The name and address of the vendor or person that incurred the expense or to whom payment was made.

- (3) **Reportable person.** The name and official position of each reportable person who benefited from the payment and the amount of benefit that each reportable person received.
- (4) **Description of benefit.** A description of the goods or services that each reportable person received.
- (5) **Total amount of activity.** In addition to the amount that benefited each reportable person in (3) above, the total amount paid, arranged, or incurred for the activity.
- (b) **Regulations.** Any other information required by the Commission consistent with this chapter’s purposes and provisions.

**§ 90023. Invitations to Events. (86112.3)**

- (a) **Notice of Reportable Gift Before Event.** Each person filing a report under this article who sends an invitation to an elected state officer, candidate for elective state office, legislative official, or agency official, must include on the invitation, or on a letter attached to the invitation, the following notice: “Attendance at this event by a public official will constitute acceptance of a reportable gift.” The notice must be readable in 8-point or larger Roman boldface type, in a color or print that contrasts with the background so as to be easily legible.
- (b) **Notice Not Required if No Reportable Gift.** The notice in (a) is not required if attending the event described in the invitation does not constitute acceptance of a reportable gift by an elected state officer, candidate for elective state office, legislative official, or agency official under § 89208(b).
- (c) **Penalties.** The remedies in Chapter 13, Article 3, §§ 90320–90347 constitute the exclusive penalty for a violation of this section. The remedies in §§ 90324–90331 do not apply to this section.

**§ 90024. Notification to Beneficiary of a Gift. (86112.5)**

- (a) **Notice of Reportable Gift After Event.** Each report filed under this article must contain:
  - (1) each beneficiary of a gift;
  - (2) the date and amount of each gift reportable by the beneficiary; and
  - (3) a description of the goods or services provided to the beneficiary.
- (b) **Time and Form of Notice.** The information under (a) must be provided to the beneficiary within 30 days following the end of each calendar quarter in which the gift was provided. To meet this section’s disclosure requirements, a lobbyist firm or lobbyist employer can give the beneficiary a copy of the activity, expense section of the report submitted to the Secretary of State under this article.
- (c) **Penalties.** The remedies in Chapter 13, Article 3, §§ 90320–90347 constitute the exclusive penalty for a violation of this section. The remedies in §§ 90324–90331 do not apply to this section.

**§ 90025. Periodic Reports; Lobbyists; Contents. (86113)**

- (a) **Content of Reports.** A lobbyist must complete and verify a periodic report that lists:
  - (1) All activity expenses by the lobbyist during the reporting period; and
  - (2) All contributions of \$100 or more made or delivered by the lobbyist to an elected state officer or state candidate during the reporting period.
- (b) **Report Submission and Timing.** A lobbyist must provide the original of his or her periodic report to his or her lobbyist employer or lobbying firm within two weeks after the end of each calendar quarter.

**§ 90026. Periodic Reports; Lobbying Firms; Contents. (86114)**

- (a) **Content of Reports.** Lobbying firms must file periodic reports containing all the following:
  - (1) **Firm’s information.** The lobbying firm’s full name, address, and telephone number.
  - (2) **Client’s information.** For each person who contracted with the lobbying firm for lobbying services:
    - (A) the full name, business address, and telephone number of person;
    - (B) a description of the person’s specific lobbying interests; and

- (C) the total payments, including fees and expense reimbursement received from the person for lobbying services during the reporting period.
- (3) **Payments received.** The total amount of payments received for lobbying services during the period.
- (4) **Lobbyist reports.** A periodic report completed and verified by each lobbyist in the lobbying firm under § 90025.
- (5) **Activity expenses.** Each activity expense incurred by the lobbying firm, including those reimbursed by a person who contracts with the lobbying firm for lobbying services, and a total of all activity expenses of the lobbying firm and all its lobbyists.
- (6) **Subcontractor information.** If the lobbying firm subcontracts with another lobbying firm for lobbying services:
  - (A) the subcontractor's full name, address, and telephone number;
  - (B) the name of the person for whom the subcontractor was retained to lobby; and
  - (C) the total amount of all payments made to the subcontractor during the reporting period.
- (7) **Contributions.** The date, amount, and the name of the recipient of a contribution of \$100 or more made by the filer to an elected state officer, a state candidate, a committee controlled by an elected state officer or state candidate, or a committee primarily formed to support such officers or candidates. The contribution is reported by the lobbying firm or by a committee sponsored by the lobbying firm in a campaign statement filed under Chapter 4 that is required to be filed with the Secretary of State, the filer may report only the committee's name and identification number.
- (8) **Other information.** Any other information required by the Commission consistent with this chapter's purposes and provisions.
- (b) **Lobbying Firms Without Registered Lobbyist.** In addition to the information required in (a), lobbying firms that qualify under § 82048(a)(2) must also report the name and title of each partner, owner, officer, and employee of the lobbying firm who, on at least five separate occasions during the reporting period, directly communicated with an elective state, legislative, or agency official to influence legislative or administrative action on behalf of a person contracting with the lobbying firm for lobbying services. This does not include individuals whose actions were purely clerical.

**§ 90027. Periodic Reports; Lobbyist Employers; \$5,000 Filers; Lobbying Coalitions; Contents. (86115, 86116)**

- (a) **Persons Required to Report.** Subject to the exceptions in § 90010, the following persons must file reports as required by this section:
  - (1) Lobbyist employers;
  - (2) "\$5,000 filers," meaning a person who directly or indirectly makes payments to influence legislative or administrative action of \$5,000 or more in value in a calendar quarter, unless all the payments are for activity expenses; and
  - (3) Lobbying coalitions.
- (b) **Content of Reports.** Every person described in (a) must file periodic reports containing the following information:
  - (1) **Filer's information.** The name, business address, and telephone number of the lobbyist employer or other person filing the report.
  - (2) **Payments to lobbying firms.** The total amount of payments to each lobbying firm.
  - (3) **Payments to in-house lobbyists.** The total amount of all payments to in-house lobbyists employed by the filer.
  - (4) **Lobbying interests.** A description of the filer's specific lobbying interests.
  - (5) **In-house lobbyist reports.** A periodic report under § 90025 completed and verified by each in-house lobbyist employed by the lobbyist employer.
  - (6) **Activity expenses.** Each activity expense of the filer and a total of all activity expenses of the filer.

- (7) **Contributions.** The date, amount, and the name of anyone receiving a contribution of \$100 or more made by the filer to an elected state officer, a state candidate, or a committee controlled by an elected state officer or state candidate, or a committee primarily formed to support the officer or candidate. If this contribution is reported by the filer or by a committee sponsored by the filer in a campaign statement filed under Chapter 4 that requires filing with the Secretary of State, the filer can report only the committee's name and identification number.
- (8) **Other payments to influence.** The total of all other payments to influence legislative or administrative action, unless set forth in (B).
  - (A) **Definition.** Other payments to influence include overhead expenses and all payments to employees who spend 10% or more of his or her compensated time in any one month in activities related to influencing legislative or administrative action.
  - (B) **PUC exception.** If a filer makes payments to influence a ratemaking or quasi-legislative proceeding before the Public Utilities Commission (as defined in § 82001(b)(1)–(b)(2)) the filer can report in lieu of reporting the payments under this paragraph (8), only the part of those payments made for the filer's attorneys for time spent appearing as counsel and preparing to appear as counsel, or to or for the filer's witnesses for time spent testifying and preparing to testify, in this type of Public Utilities Commission proceeding. This alternative reporting of these payments made during a calendar month need not include payments made to an attorney or witness who is an employee of the filer if less than 10% of his or her compensated time in that month was spent in appearing, testifying, or preparing to appear or testify before the Public Utilities Commission in a ratemaking or quasi-legislative proceeding. For this paragraph (8), time spent preparing to appear or preparing to testify does not include time spent preparing written testimony.
- (c) **Other Information.** Any other information required by the Commission consistent with this chapter's purposes and provisions.

**§ 90028. Periodic Reports; State and Local Government Agencies. (86116.5)**

- (a) **Additional Disclosure.** In addition to the information required under § 90027, all state and local agencies that file reports under that section must disclose, except for overhead expenses, all payments of \$250 or more made in a reporting period, including:
  - (1) goods and services used by or to support a lobbyist in connection with his or her lobbying activities;
  - (2) payments of any other expenses that would not have been incurred but for the filer's activities to influence or attempt to influence legislative or administrative action; and
  - (3) dues or similar payments made to any organization that makes expenditures to influence legislative or administrative action equal to 10% of its total expenditures or \$15,000, or more, during a calendar quarter. For purposes of this section, an organization includes a federation, confederation, or trade, labor, or membership organization.
- (b) **Form and Content of Reports.** Reports required under this section can be disclosed on a separate schedule and must include:
  - (1) the payee's name and address;
  - (2) the total payments made during the reporting period; and
  - (3) the cumulative amount paid during the calendar year.

**§ 90029. Periodic Reports; Filing; When and Where. (86117, 86118)**

- (a) **When to File.** Reports required by §§ 90026, 90027, and 90028 must be filed as follows:
  - (1) **First report; period covered; totals.** The period covered by the first report a person is required to file must begin with the first day of the calendar quarter in which the filer first registered or qualified. The total amount on the first report must be stated for the entire calendar quarter covered by the first report.

- (2) **Quarterly reports; period covered; totals.** The reports must be filed during the month following each calendar quarter. The period covered must be from the first day of January of each new biennial legislative session through the last day of the calendar quarter before the month when the report is filed, unless specified in (1), and except that the period covered must not include information reported in previous reports filed by the same person. When total amounts are required to be reported, totals must be stated both for the period covered by the statement and for the entire legislative session to date.
- (3) **Reports may be filed early.** A person may file the periodic report before the time specified in this subdivision as long as the report includes all information required for that period. If the filer engages in a reportable activity after filing the periodic report, but before the last day of the period, the filer must amend the filed report to include all such reportable activity, no later than the time specified in this subdivision.
- (b) **Where to File.** The original and one copy of each report must be filed with the Secretary of State unless §§ 84305 and 90246 do not require filing in paper format.

**§ 90030. Periodic Reports—Perjury and Verification; Amendment.**

**(81004, 81004.5)**

- (a) Reports filed under this chapter must be signed by the filer under penalty of perjury and verified by the filer in conformity with § 84400 and Civil Code § 1633.11(b).
- (b) A filer may at any time amend a reports filed under this chapter as stated in § 84402.

**Article 3. Lobbying Prohibitions.**

**§ 90031. Acts Prohibited.**

**(86205)**

Lobbyists and lobbying firms are prohibited from:

- (a) Taking action with the purpose of placing an elected state officer, legislative official, agency official, or state candidate under personal obligation to the lobbyist, the lobbying firm, or the lobbyist's or the firm's employer.
- (b) Deceiving or attempting to deceive an elected state officer, legislative official, agency official, or state candidate on a material fact pertinent to a pending or proposed legislative or administrative action.
- (c) Causing or influencing the introduction of a bill or amendment for the purpose of being employed to secure its passage or defeat.
- (d) Attempting to create a fictitious appearance of public favor or disfavor of proposed legislative or administrative action or to cause communication to be sent to an elected state officer, legislative official, agency official, or state candidate in the name of a fictitious person or in the name of a real person, unless the real person consents.
- (e) Representing falsely, either directly or indirectly, that the lobbyist or the lobbying firm can control the official action of an elected state officer, legislative official, or agency official.
- (f) Accepting or agreeing to accept payment in any way contingent on the defeat, enactment, or outcome of proposed legislative or administrative action.

**§ 90032. Restrictions on Gifts from Lobbyists and Lobbying Firms.**

**(86201, 86203, 86204)**

- (a) **Gift; Definition.** "Gift" as used in this section means a gift made directly or indirectly to:
  - (1) an state candidate, elected state officer, or legislative official; or
  - (2) an agency official of an agency required to be listed on the registration statement of the lobbying firm or the lobbyist employer of the lobbyist.
- (b) **Gift Limit.** A lobbyist or lobbying firm must not:
  - (1) make gifts to one person aggregating more than \$10 in a calendar month;

- (2) act as an agent or intermediary in the making of a gift; or
- (3) arrange for the making of any gift by another person.
- (c) **Violation by Recipient.** A person must not knowingly receive a gift from a lobbyist or lobbying firm made in violation of this section.

**§ 90033. Exemption for Placement Agent Fees. (86206)**

Nothing in this article prohibits the payment of fees for contractual services provided to an investment manager by a placement agent, as defined in § 82060, who is registered with the Securities and Exchange Commission and regulated by the Financial Industry Regulatory Authority, except the prohibition on contingent fees as provided in § 90031(f).

**Chapter 11. Ballot Pamphlet (§ 90100–§ 90109)**

**§ 90100. Responsibility. (88000)**

The Secretary of State must prepare a state ballot.

**§ 90101. Duties of Legislative Analyst. (88002.5, 88003)**

- (a) **Analysis and Description.** The Legislative Analyst must prepare an impartial analysis and description of the measure. The impartial analysis must meet the following requirements:
  - (1) **Fiscal analysis.** The analysis must include a fiscal analysis showing the amount of any increase or decrease in state or local government revenues or costs. Any estimate of increased costs to local governments must be set out in boldface print in the ballot pamphlet.
  - (2) **Plain language and adequate information.** The Analyst must use clear and concise language that the average voter can easily understand, avoiding technical terms where possible. The Analyst must provide the information necessary to enable the average voter to adequately understand the measure. The analysis may contain background information, including the measure’s effect, if adopted, on existing law or enacted legislation.
  - (3) **Preparation assistance.** To prepare an analysis that fulfills this section’s requirements, including the requirement to use language that the average voter could easily understand, the Analyst may:
    - (A) contract with professional writers, educational specialists, or other persons for assistance; and
    - (B) request assistance from a state department, agency, or official.
- (b) **Review Committee.** Before submitting the analysis to the Secretary of State, a five-person committee must review the analysis and confirm its clarity and easy comprehension to the average voter. The Analyst must draw from the public at large to appoint the five-person committee; one member must be a specialist in education, one must be bilingual, and one must be a professional writer. Committee members must be reimbursed for reasonable and necessary expenses incurred in performing their duties. Within five days after receiving the analysis, the committee must recommend changes to guarantee the average voter can easily understand the analysis. The Analyst may incorporate the committee’s recommendations as he or she considers appropriate. The Analyst is solely responsible for determining the content of the analysis required by this section.
- (c) **Summary Statements.** The Analyst is solely responsible for determining the contents of the following statements:
  - (1) If a measure’s title appears on the ballot, it must be amended to contain a summary of the Analyst’s estimate of the net state and local government financial impact.
  - (2) The Analyst must prepare the summary statements required by §90103 (a)(5).
  - (3) The Analyst’s statements are not intended to provide comprehensive information on each measure.

**§ 90102. Duties of Legislative Counsel. (88005.5)**

The Legislative Counsel must prepare and proofread all measures and the provisions that are repealed or revised.

**§ 90103. Contents. (88001, 88002.5)**

The ballot pamphlet must meet all the following requirements.

- (a) **State Measures.** For each state measure, the ballot pamphlet must contain:
  - (1) a complete copy of the measure;
  - (2) a copy of the specific constitutional or statutory provision, if any, that would be repealed or revised by state measure;
  - (3) a copy of the arguments and rebuttals for and against the measure;
  - (4) a copy of the measure's analysis; and
  - (5) a section near the front of the pamphlet that concisely summarizes the general meaning and effect of "yes" and "no" votes on each measure.
- (b) **Easy-to-Understand Design.** The ballot pamphlet must have tables of contents, indexes, art work, graphics, and other materials that the Secretary of State determines will make the ballot pamphlet easier to understand or more useful for the average voter.
- (c) **Option-to-Mail Notice.** A notice must be conspicuously printed on the ballot pamphlet's cover that a copy of the ballot pamphlet may be mailed by the county elections official on request.
- (d) **Elections Code.** The ballot pamphlet must contain the Voter Bill of Rights under Elections Code § 2300, and a written explanation of:
  - (1) the judicial retention procedure, as required by Elections Code § 9083; and
  - (2) the appropriate election procedures for party-nominated, voter-nominated, and nonpartisan offices, as required by Elections Code § 9083.5.
- (e) **U.S. Senate Candidate.** If the ballot contains an election for the office of United States Senator, it must have information on those candidates. A United States senatorial candidate may purchase space in the state ballot pamphlet for a statement that does not exceed 250 words. The statement must not refer to the candidate's opponents. A candidate must submit the statement within the Secretary of State's timeframe and procedures for preparation of the state ballot pamphlet.
- (f) **U.S. Supreme Court Justice.** If the ballot contains a question on the confirmation or retention of a Supreme Court justice, it must have information on that justice.
- (g) **U.S. President and Vice President Candidates.** If the ballot contains an election for the offices of President and Vice President of the United States, the ballot must have a notice referring voters to the Secretary of State's website for information about those candidates.
- (h) **Contributor Lists.** A written explanation of the top 10 contributor lists required by § 84205, including a description of Internet websites where those lists are available to the public.

**§ 90104. Format. (88002)**

For each state measure to be voted on, the ballot pamphlet must contain the following, in this order:

- (a) **First Page.** On the top part of the first page and not exceeding one-third of the page must appear:
  - (1) the identification of the measure by number and title;
  - (2) the Attorney General's official summary; and
  - (3) the total number of votes cast for and against the measure in both the State Senate and Assembly if the Legislature passed the measure.
- (b) **Analyst's Analysis.** Beginning at the top of the right page, the Analyst's analysis must appear if the analysis fits on a single page. If the analysis does not fit on a single page, then it must begin on the lower part of the first left page and must continue on subsequent pages until it is completed.
- (c) **Secretary of State's Website.** Immediately below the Analyst's analysis, a printed statement must appear that refers voters to the Secretary of State's website for:
  - (1) a list of committees primarily formed to support or oppose a ballot measure, and

- (2) information on how to access the committees' top 10 contributors.
- (d) **Arguments About Measures.** On the page immediately following the last page of the Analyst's analysis, arguments for and against the measure must be placed on the next left and right pages.
  - (1) The rebuttals must be placed immediately below the arguments.
  - (2) If no argument against the measure was submitted, the argument for the measure must appear on the right page facing the Analyst's analysis.
- (e) **Disclaimer.** Each measure's complete text must appear at the back of the pamphlet. The measure's text must contain the provisions of the proposed measure and the existing law that the measure repeals or revises. The provisions of the proposed measure differing from the existing law affected must be distinguished in print to facilitate comparison.
- (f) **Measure's Text.** This statement must be printed at the bottom of each page on which an argument appears: "Arguments printed on this page are the opinions of the authors and have not been checked for accuracy by any official agency."

**§ 90105. Order of Measures in Ballot Pamphlet. (88004)**

When possible, measures must be printed in the ballot pamphlet, in the same order, manner, and form as designated on the ballot.

**§ 90106. Order of Names on Ballot. (89000)**

Despite any law to the contrary, the order of candidates' names on the ballot must be determined without regard to whether the candidate is an incumbent.

**§ 90107. Printing Format of Pamphlet. (88005)**

The ballot pamphlet must be printed in the following format:

- (a) **Sizes.** Pages should be at least 8 x 11 inches in size.
- (b) **Font.** It must be printed in clear readable type, 10-point or larger, except for a measure's text, which may be in 8-point type.
- (c) **Paper.** It must be printed on a quality and weight of paper that, in the Secretary of State determines best serves voters.
- (d) **Correctness.** It must contain a certificate of correctness by the Secretary of State.

**§ 90108. Public Examination of Pamphlet. (88006)**

- (a) **Public Examination.** At least 20 days before the Secretary of State submits the copy for the ballot pamphlet to the State Printer, the Secretary must make the copy available for public examination. An elector may seek a writ of mandate requiring the copy to be amended or deleted from the ballot pamphlet.
- (b) **Writ of Mandate.** A peremptory writ of mandate may issue only if:
  - (1) Clear and convincing evidence exists that the copy in question is false, misleading, or inconsistent with the requirements of this chapter or the Elections Code; and
  - (2) Issuance of the writ will not substantially interfere with the ballot pamphlet's printing and distribution as required by law.
- (c) **Venue and Parties.** Venue for a proceeding under this section must be exclusively in Sacramento County. The Secretary of State must be named as the respondent, and the State Printer and the person or official who authored the copy in question must be named as real parties in interest. If the Secretary of State initiates the proceeding, the State Printer must be named as the respondent.

**§ 90109. Amendment of Chapter by Legislature. (88007)**

Despite § 81105, the Legislature may amend this chapter without restriction to add candidate or other information to the ballot pamphlet.

## **Chapter 12. Administration of the Act (§ 90200–§ 90249)**

### ***Article 1. Implementation.***

#### **§ 90200. Administration and Implementation of Title. (83111, 83111.5)**

- (a) The Commission has primary responsibility for implementing and administering this title impartially and effectively.
- (b) In implementing the title, the Commission must take no action that abridges constitutional guarantees of freedom of speech, deprives a person of life, liberty, or property without due process of law, or denies a person equal protection of the laws.

#### **§ 90201. Enforcement of San Bernardino County Campaign Ordinance. (83123.5, new legislation AB 2558 - 2016)**

- (a) **Primary Responsibility for Ordinance.** On mutual agreement between the Commission and the San Bernardino County’s Board of Supervisors, the Commission may assume primary responsibility for impartially and effectively implementing and administering a local campaign-finance-reform ordinance passed by San Bernardino County’s Board of Supervisors in compliance with this title.
- (b) **Enforcement.** As part of this agreement, the Commission may be the civil prosecutor responsible for the civil enforcement of that local campaign-finance-reform ordinance and may:
  - (1) investigate possible violations of that ordinance; and
  - (2) bring administrative actions under this title and the Administrative Procedure Act Chapter 5 (beginning with Government Code § 11500).
- (c) **Consultation Required.** The Board of Supervisors must consult with the Commission before adopting or amending any future campaign-finance-reform ordinance to be enforced by the Commission under this section.
- (d) **Necessary Agreements.** The Board of Supervisors and the Commission may enter into agreements necessary and appropriate to carry out this section, including agreements for reimbursing the State for costs incurred by the Commission in administering, implementing, or enforcing a local campaign-finance-reform ordinance under this section.
  - (1) Unless provided in (2), no agreement under this subdivision may contain a cancellation fee, liquidated-damages provision, or other financial disincentive to terminating the agreement under (e).
  - (2) If the Board of Supervisors terminates this agreement, the Commission may require it to pay the Commission for services rendered and any other expenditures reasonably made by the Commission in anticipation of services still to be rendered under the agreement.
- (e) **Agreement Termination.** The Board of Supervisors or the Commission may, at any time, by ordinance or resolution, terminate an agreement under this section for the Commission to administer, implement, or enforce a local campaign-finance-reform ordinance or any provision of that ordinance.

#### **§ 90202. Enforcement of City of Stockton Campaign Ordinance. (83123.6)**

- (a) **Primary Responsibility for Ordinance.** On mutual agreement between the Commission and the Stockton City Council, the Commission may assume primary responsibility for impartially and effectively implementing, administering, and enforcing a local campaign-finance-reform ordinance passed by the City Council.
- (b) **Enforcement.** As part of this agreement, the Commission may be the civil prosecutor responsible for the civil enforcement of that local campaign-finance-reform ordinance under and in compliance with this title. In this capacity, the Commission may:
  - (1) investigate possible violations of the local campaign-finance-reform ordinance; and
  - (2) bring administrative actions under this title and the Administrative Procedure Act, beginning with § 11340.

- (c) **Consultation Required.** The City Council must consult with the Commission before adopting or amending a local campaign-finance-reform ordinance that is to be enforced by the Commission under this section.
- (d) **Necessary Agreements.** The City Council and the Commission may enter into agreements necessary and appropriate to carry out this section, including agreements to reimburse state costs incurred by the Commission in administering, implementing, or enforcing a local campaign-finance-reform ordinance under this section.
  - (1) Unless provided in (2), no agreement under this subdivision may contain a cancellation fee, liquidated-damages provision, or other financial disincentive to terminating the agreement under (e).
  - (2) If the City Council terminates this agreement, the Commission may require the City Council to pay for services rendered and other expenditures reasonably made by the Commission in anticipation of services to be rendered under the agreement.
- (e) **Agreement Termination.** The City Council or the Commission may, at any time, by ordinance or resolution, terminate an agreement under this section for the Commission to administer, implement, or enforce a local campaign-finance-reform ordinance or any provision of that ordinance.
- (f) **Required Report.** Consulting with the City Council, the Commission must submit a report complying with § 9795 to the Legislature on or before January 1, 2019 on the performance of any agreement entered into under this section. The report must include:
  - (1) the agreement’s status;
  - (2) the estimated annual cost savings, if any, for Stockton;
  - (3) a summary of relevant annual performance, including measures of use, enforcement, and customer satisfaction;
  - (4) public comments submitted to the Commission or to the City of Stockton on the agreement’s operation; and
  - (5) legislative recommendations.
- (g) **Repeal.** This section will be repealed on January 1, 2020, unless a later-enacted statute extends its application.

**Article 2. Fair Political Practices Commission.**

**§ 90203. Establishment; Membership; Appointments. (83100, 83101, 83102)**

This section establishes in state government the Fair Political Practices Commission.

- (a) **Membership.** The Commission will have five members, including the chair. No more than three members of the Commission may be members of the same political party.
- (b) **Governor’s Appointees.** The Governor will appoint the chair and one additional member of the Commission. The Governor’s appointees cannot be members of the same political party.
- (c) **Other Appointees.** The Attorney General, the Secretary of State, and the Controller will each appoint one member of the Commission.
  - (1) If the Attorney General, the Secretary of State, and the Controller are all members of the same political party, the chairman of the state central committee of any other political party with more than five hundred thousand registered voters may submit to the Controller a list of at least five people who are qualified and willing to be members of the Commission.
  - (2) The list must be submitted no later than the January 2 preceding the effective date of the Controller’s appointment under this chapter.
  - (3) If the Controller receives one or more lists under this section, the Controller’s appointment must be made from one of these lists.

**§ 90204. Fair Political Practices Commission; Appropriation. (82001; 83122)**

- (a) **Appropriations for Commission.** The sum of \$500,000 is appropriated from the state’s general fund to the Fair Political Practices Commission during the fiscal year 1974–1975. The sum of

\$1,000,000, adjusted for cost-of-living changes, must be appropriated during each subsequent fiscal year. These funds are for expenses to support Commission operations under this title, subject to the normal administrative review given to other state appropriations. The Legislature may appropriate additional amounts to the Commission and other agencies as necessary to implement this title.

- (b) **Budget for Political Reform Act of 1974.** The Department of Finance, in preparing the state budget and the Budget Bill submitted to the Legislature, must include an item for support of the Political Reform Act of 1974, which must indicate:
  - (1) the amounts to be appropriated to other agencies to carry out their duties under this title and which amounts will augment the support items of these agencies;
  - (2) the additional amounts required to be appropriated by the Legislature to the Commission to carry out this title's purposes, as stated in this section; and
  - (3) in parentheses, for informational purposes, the continuing appropriation during each fiscal year of \$1,000,000, adjusted for cost-of-living changes, made to the Commission by this section.
- (c) **Adjusted for Cost-of-Living Changes; Definition.** Under this article, "adjusted for cost-of-living changes" means adjusting the amount received the previous year by an amount determined at the beginning of each fiscal year by the Director of Finance on the same basis as applied routinely to other state agencies. This amount corresponds to amounts authorized from the salary and price increase items under the Budget Act and other cost-of-living adjustments.
- (d) **Excluded Definition.** The definition of "expenditure" in § 82026 does not apply to this section.

**§ 90205. Additional Appropriation to the Fair Political Practices Commission. (85802)**

- (a) There is hereby appropriated from the state's general fund to the Fair Political Practices Commission the sum of \$500,000 annually above and beyond the appropriations established for the Commission in the fiscal year immediately prior to the effective date of this act, adjusted for cost-of-living changes, for expenditures to support the operations of the Commission pursuant to this Act.
- (b) If any provision of this act is successfully challenged, any attorney's fees and costs must be paid from the General Fund and the Commission's budget will not be reduced accordingly.

**§ 90206. Terms of Office. (83103)**

Members and the chair of the Commission will serve four-year terms, beginning on February 1 and ending on January 31 or as soon after that date as a successor has qualified. No member or chair who has been appointed at the beginning of a term is eligible for reappointment.

**§ 90207. Qualifications; Removal. (83105)**

- (a) **Qualifications.** Each Commission member must be an elector. A commission member, during his or her tenure, must not hold another public office, serve as an officer of a political party or partisan organization, participate in or contribute to an election campaign, employ or be employed as a lobbyist, or seek election to another public office.
- (b) **Removal.** A commission member may be removed by the Governor, with concurrence of the Senate, for substantial neglect of duty, gross misconduct in office, inability to discharge the powers and duties of office, or violation of this section, after written notice and the opportunity for a reply.

**§ 90208. Vacancies; Quorum. (83104)**

- (a) **Vacancies.** Vacancies on the Commission must be filled within thirty days by appointment from the same official who appointed the previous officeholder. Section 90203(c)(1)–(3), does not apply to filling vacancies. Appointments to fill vacancies will be for the unexpired term of the member or chair the appointee succeeds. A vacancy (or vacancies) does not impair the remaining members' right to exercise all the board's powers.
- (b) **Quorum.** Three members constitute a quorum.

**§ 90209. Compensation; Expenses. (83106)**

The Commission's chair will be compensated at the same rate as the Public Utilities Commission's president. Other members will be compensated \$100 for each day engaged in official duties and reimbursed for expenses incurred performing official duties.

**§ 90210. Executive Officer; Staff; Staff Compensation. (83107)**

The Commission will appoint an executive director, who must act in accordance with Commission policies and regulations and applicable law. The Commission will appoint and discharge officers, counsel, and employees, consistent with applicable civil-service laws, and prescribe the employees' duties and compensation.

**§ 90211. Delegation of Authority. (83108)**

The Commission may delegate authority to the chair or executive director to act in the Commission's name between Commission meetings.

**§ 90212. Offices; Public Meetings. (83110)**

The Commission's principal office will be in Sacramento, but it may establish offices, meet, and exercise its powers anywhere in the state. Commission meetings must be public, but the Commission may provide otherwise for discussions of personnel and litigation.

**§ 90213. Rules and Regulations. (83112, 81014)**

- (a) The Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of this title and to govern Commission procedures. These rules and regulations must be adopted under the Administrative Procedure Act, beginning at Government Code § 11371, and be consistent with this title and other applicable law.
- (b) When this title refers to a repealed or amended federal or state statute, the Commission may promulgate regulations to carry out the intent of this title as nearly as possible.

**§ 90214. Additional Duties. (83113)**

The Commission, in addition to its other duties, must:

- (a) prescribe forms for reports, statements, notices, and other documents required by this title;
- (b) prepare and publish, on its website, manuals and instructions for bookkeeping methods and preservation of records to facilitate compliance with and enforcement of this title, and for explaining the duties of persons and committees under this title;
- (c) provide help to agencies and public officials in administering this title;
- (d) maintain a central file of local campaign-contribution and -expenditure ordinances forwarded to it by local government agencies; and
- (e) publish annually on its website no later than March 1 a booklet that sets forth this title's provisions and includes other information the Commission considers pertinent to interpreting and enforcing this title.

**§ 90215. Requests for and Issuances of Opinions; Advice. (83114)**

- (a) **Opinion.** A person may ask the Commission to issue an opinion on that person's duties under this title. Within 14 days, the Commission will either issue the opinion or tell the requestor whether it will issue an opinion. No person who acts in good faith on an opinion issued to that person by the Commission may be subject to criminal or civil penalties for that action as long as the material facts are as stated in the opinion request. The Commission's opinions are public records and will be published on its website and through legal-research services.
- (b) **Written Advice.** A person may ask the Commission to provide written advice on that person's duties under this title. This advice will be provided within 21 working days of the request, but time

may be extended for good cause. The advice request will be a complete defense in an enforcement proceeding initiated by the Commission, and it will be evidence of good-faith conduct in any other civil or criminal proceeding if the requester, at least 21 working days before the alleged violation, requested written advice from the Commission in good faith, disclosed truthfully all the material facts, and committed the acts complained of either in reliance on the advice or because of the Commission's failure to provide advice within 21 days of the request or a later-extended time.

**§ 90216. Authority of Commission. (83117)**

The Commission may:

- (a) accept grants, contributions, and appropriations;
- (b) contract for services that cannot be satisfactorily performed by its employees; and
- (c) employ legal counsel. On request of the Commission, the Attorney General will provide legal advice and representation without charge to the Commission.

**§ 90217. Restriction on Receipt of a Gift. (83117.5)**

- (a) **Prohibition.** Commission members are prohibited from receiving a gift of \$10 or more per month.
- (b) **Gift; Definition.** "Gift," as used in this section, means a gift made directly or indirectly by a state candidate, an elected state officer, a legislative official, an agency official, a lobbyist, or anyone listed in § 89200.

**Article 3. General Filing and Records Requirement; Filing Officer Duties.**

**§ 90230. Duties of the Filing Officer. (81010)**

**Managing Filings.** For reports and statements filed with a filing officer under this title, the officer must:

- (a) supply the necessary forms and manuals prescribed by the Commission;
- (b) determine whether required documents have been filed and, if so, whether they facially conform with the requirements of this title;
- (c) notify promptly all persons and known committees who have failed to file a report or statement in the form and by the deadline required by this title;
- (d) report apparent violations of this title to the appropriate agencies; and
- (e) compile and maintain a current list of all reports and statements filed with this office.

**§ 90231. Filing Officers' and Filing Officials' Duties—Effect of Noncompliance on Filing and Disclosure Obligations. (18117)**

A filing officer or filing official's failure to comply with a duty or to provide notice of a filing or disclosure obligation will not affect a person's duty to file statements and reports disclosing information as required by this title or any enforceable conflict-of-interest code.

**§ 90232. Mailing of Report or Statement. (81007)**

- (a) **Date of Receipt.** Reports, statements, and copies that must be filed with an officer under this title and that have been addressed to the officer and sent by first-class mail or guaranteed-overnight-delivery service will be considered to have been received by the officer on the date of the deposit in the mail or the date received by the delivery service.
- (b) **Presumptive Date of Deposit.** The date stamped by the post office on the envelope or indicated on the delivery-service receipt is presumed to be the date that the package was deposited in the mail or received by the delivery service. That presumption may be refuted.
- (c) **Proof of Sending.** Mail not received by the filing officer will be presumed not to have been sent unless the filer possesses a post-office or delivery-service receipt establishing the date of deposit and the name and address of the officer.

**§ 90233. E-mailing or Faxing of Report or Statement. (81007.5)**

- (a) **Requirements for Transmission.** A report, statement, or copy required to be filed with an official under Chapter 3–4 (beginning with § 83100) or Chapter 10 (beginning with § 90000) may be e-mailed or faxed by the applicable deadline if the required originals or paper copies are sent by first-class mail, or guaranteed-overnight-delivery service or a personal delivery, within 24 hours of the deadline and the total number of pages of each faxed report or statement is no more than 30 pages.
- (b) **True and Correct Copy.** An e-mailed or faxed report or statement will not be considered filed if it is not a true and correct copy of the original.
- (c) **Public Access to Statements.** A filing officer who receives an e-mailed or faxed report or statement will make the report or statement available to the public as specified in § 90235. If the e-mailed or faxed report or statement is requested before receipt of the original or copy of the report or statement by the filing officer, the filing officer will notify the requester that the e-mailed or faxed report or statement will not be considered a filed report or statement if the requirements of (b) have not been met.

**§ 90234. Filing Fees Prohibition. (81006)**

No fee or charge may be collected by an officer for the filing of a report or statement or for the forms used to prepare reports or statements, unless provided in this title.

**§ 90235. Public Records; Inspection; Reproduction; Time; Charges. (81008)**

- (a) **Availability to Public.** A report and statement filed under this title is a public record and will be made available for public inspection and reproduction during regular business hours, as soon as practicable, and no later than the second business day after the day it was received.
- (b) **Unconditional Access.** No conditions may be imposed on anyone asking to inspect or reproduce reports and statements filed under this title, nor will any information or identification be required.
- (c) **Changes and Number of Requests.** Copies will be provided at a charge not to exceed ten cents per page. The filing officer may charge a retrieval fee not over five dollars per request for copies of reports and statements that are five or more years old. A request for more than one report or statement or report and statement at the same time will be considered a single request.

**§ 90236. Record Retention. (81009)**

- (a) **Original Statements of Elective State Offices.** Statements of organization, registration statements, and original campaign statements of persons holding elective state office, candidates for any such office, committees supporting any such officeholder or candidate, and committees supporting or opposing statewide measures, must be retained by filing officers indefinitely. Original statements of economic interests of persons holding statewide elective office must be retained by filing officers indefinitely.
- (b) **Original Statements of Mayors, City-Council Members, County Supervisors.** Original campaign statements of mayors, city-council members, county supervisors, candidates for any of these offices, and committees supporting any officeholder or candidate must be retained indefinitely. But original campaign statements of candidates not elected to these offices and of committees supporting candidates not elected to these offices must be retained by filing officers for at least five years.
- (c) **Original Statements for All Other Offices and Positions.** Original campaign statements of all other persons must be retained by filing officers for at least seven years. Original reports and statements not specified above in this section must be retained by filing officers for at least seven years.
- (d) **How Long to Keep Copies.** Copies of reports or statements must be retained by the officer with whom they are filed for at least four years. But a filing officer need not retain more than one copy of a report or statement.

- (e) **Copies on File More Than Two Years.** After an original report or statement or a copy has been on file for at least two years, the officer with whom it is filed may comply with this section by retaining a copy on digital media or other space-saving materials available for public inspection. On request, the officer must provide copies of these statements under § 90235.

**§ 90237. Information on Statewide Petitions. (81011.5)**

Despite any law to the contrary, the election precinct of a person signing a statewide petition is not required to appear on the petition when it is filed with the county clerk, nor is any additional information regarding a signer other than the information required to be written by the signer.

**Article 4. Administration of Online Filing.**

**§ 90240. Online Disclosure. (84600)**

This article may be known and may be cited as the Online Disclosure Act.

**§ 90241. Public Access. (84601)**

The Legislature finds and declares that:

- (a) The people of California enacted one of the nation’s most comprehensive campaign and lobbying financial-disclosure laws when they voted for Proposition 9, the Political Reform Act of 1974, an initiative statute.
- (b) Public access to campaign and lobbying disclosure information is a vital and integral component of a fully informed electorate.
- (c) Advances in technology have made it possible for disclosure statements and reports required by the Political Reform Act to be filed online and placed on the Internet, maximizing availability to the public.

**§ 90242. Secretary of State’s Duties. (84602, new legislation SB 1349 - 2016)**

- (a) To implement the Legislature’s intent, the Secretary of State, in consultation with the Commission and despite any other provision of this title, will:
  - (1) develop online and electronic filing systems for people and entities specified in § 84305 that are required to file statements and reports with the Secretary of State’s office under Chapters 3–4 (beginning with § 83100) and Chapter 10 (beginning with § 90000). Those systems will let a user comply with all the disclosure requirements of this title and will include, at a minimum, both of the following:
    - (A) a way for filers subject to this chapter to submit required filings free of charge (any means developed under this subparagraph will not provide additional or enhanced functions or services that exceed the minimum requirements necessary to fulfill this title’s disclosure provisions); and
    - (B) the definition of a nonproprietary standardized record format or formats using industry standards for the transmission of the data that is required of those persons and entities specified in § 84305 and that conforms with this title’s disclosure requirement;
  - (2) accept test files from software vendors and others wanting to file reports electronically to determine whether the file format complies with the standardized record format developed under (1) and is compatible with the Secretary of State’s system for receiving the data. A list of the software and service providers who have submitted acceptable test files will be published by the Secretary of State and made available to the public. Acceptably formatted files must be submitted by a filer to meet the requirements of this chapter;
  - (3) develop a system that provides the online or electronic transfer of the data specified in this section using technology that ensures the integrity of the data sent and that creates safeguards against efforts to tamper with or subvert the data;

- (4) make all the data filed available on the Internet in an easily understood format that provides the greatest public access. The data will be made available free of charge and will be updated as soon as possible after receipt. All late-contribution and independent-expenditure reports, as defined by §§ 84200 and 84202, respectively, will be made available on the Internet within 24 hours of receipt. That data will not contain the street name and building number of the people or entity representatives listed on the electronically filed forms or any bank-account number that this title requires to be disclosed;
  - (5) develop a procedure for filers to comply with the requirement that they sign under penalty of perjury under § 84400;
  - (6) maintain all filed data online for ten years after the date filed, and then archive the information in a secure format;
  - (7) provide help to those seeking public access to the information;
  - (8) provide appropriate technology to detect and prevent unauthorized alteration or manipulation of the data; and
  - (9) provide the Commission with necessary information to enable it to assist agencies, public officials, and others comply with and administer this title.
- (b) (1) To implement the Legislature's intent, as described in § 90241, the Secretary of State, in consultation with the Commission, shall develop an online filing and disclosure system for use by persons and entities specified in § 84305 that are required to file statements and reports with the Secretary of State's office pursuant to Chapters 3-4 and Chapter 10. The system shall enable a user to comply with all of the disclosure requirements of this title and shall include, at minimum, all of the following:
- (A) A data-driven means or method that allows filers subject to this chapter to submit required filings free of charge in a manner that facilitates public searches of the data and does all of the following:
    - (i) Enables a filer to comply with all of the disclosure requirements of this title, including by entering or uploading requisite data or by indicating that the filer had no reportable activity during a particular reporting period.
    - (ii) Retains previously submitted data so that a filer can access that data to amend disclosures or prepare future disclosures.
    - (iii) Ensures the security of data entered and stored in the system.
    - (iv) To the extent feasible, is compatible with potential future capability to accept statements from filers specified in subdivisions(a)(2)-(5), of § 84304.
  - (B) The definition of a nonproprietary standardized record format or formats using industry standards for the transmission of the data that is required of those persons and entities specified in § 84605 and that conforms with the disclosure requirements of this title.
- (2) The Secretary of State shall do all of the following with respect to the online filing and disclosure system developed pursuant to this subdivision:
- (A) Accept test files from software vendors and others wishing to file reports electronically for the purpose of determining whether the file format is in compliance with the standardized record format developed pursuant to this subdivision and is compatible with the Secretary of State's system for receiving the data. The Secretary of State shall publish and make available to the public a list of the software and service providers who have submitted acceptable test files. A filer shall submit acceptably formatted files in order to meet the requirements of this chapter.
  - (B) Make the data filed available on the Internet as follows:
    - (i) In a user-friendly, easily understandable format that provides the greatest public access, including online searches and machine-readable downloads of all data contained in the system, except as specified in clause (iii).

- (ii) Free of charge and as soon as possible after receipt, or, in the case of late contribution, late in-kind contribution, and late independent expenditure reports, as defined by §§ 84200, 84201, and 84202, respectively, within 24 hours of receipt.
  - (iii) Not containing the street name or building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed pursuant to this title.
  - (iv) In a manner that allows the public to track and aggregate contributions from the same contributor across filers using a permanent unique identifier assigned by the Secretary of State for this purpose. The Secretary of State shall assign this identifier to, at minimum, each contributor who makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to, or at the behest of, candidates or committees that file electronically with the Secretary of State pursuant to subdivision (a)(1) of § 84304 or who files with the Secretary of State as a major donor committee under subdivision (c) of § 82012.
- (C) Develop a procedure for filers to comply electronically with the requirement to sign under penalty of perjury pursuant to § 84400. The electronic signature procedure shall allow the filer to file with the Secretary of State and shall not require an original signature to be filed.
  - (D) Maintain all filed data online for at least 20 years after the date it is filed, and then archive the information in a secure format.
  - (E) Provide assistance to those seeking public access to the information.
  - (F) Implement sufficient technology to seek to prevent unauthorized alteration or manipulation of the data.
  - (G) Provide the Commission with necessary information to enable it to assist agencies, public officials, and others in complying with and administering this title.
- (3) The Secretary of State shall do all of the following with respect to developing the online filing and disclosure system and record format pursuant to this subdivision:
    - (A) Consult with the Assembly Committee on Elections and Redistricting, the Senate Committee on Elections and Constitutional Amendments, the Commission, users, filers, and other stakeholders, as appropriate, about functions of the online filing and disclosure system.
    - (B) In consultation with the Commission, and no later than July 31, 2017, hold at least one public hearing to receive input about developing the online filing and disclosure system and record format.
    - (C) No later than December 31, 2017, submit a report to the Assembly Committee on Elections and Redistricting and the Senate Committee on Elections and Constitutional Amendments that includes a plan for the online filing and disclosure system, describes how members of the public will be able to query and retrieve data from the system, and includes a plan for integrating statements as specified in clause (iv) of subparagraph (A) of paragraph (1).
  - (4) The Secretary of State shall make the online filing and disclosure system developed pursuant to this subdivision available for use no later than February 1, 2019. The Secretary of State may extend this date to a date no later than December 31, 2019, after consulting with the Assembly Committee on Elections and Redistricting and the Senate Committee on Elections and Constitutional Amendments and providing to those committees a report that explains the need for the extension and includes a plan for completion.
  - (5) The Secretary of State may accept any funds, services, equipment, or grants to further this subdivision, provided that the Secretary of State shall notify the Assembly Committee on Elections and Redistricting and the Senate Committee on Elections and Constitutional Amendments upon accepting any amount valued at one hundred thousand dollars (\$100,000) or more.
  - (6) Because the provisions of this chapter need to be implemented as expeditiously as possible, the information technology procurement requirements described in Chapter 5.6 (commencing with Section 11545) of Part 1 of Division 3 of Title 2 of this code, and in Section 12100 of the Public Contract Code, do not apply to development of the online filing and disclosure system pursuant to

this subdivision. The Secretary of State shall consult with the Department of Technology, as appropriate, in developing the online filing and disclosure system, in order to maximize project success, minimize lifecycle costs, and ensure the security of the system and its data.

(7) (A) Before making the system developed pursuant to this subdivision available for public use, the Secretary of State, in consultation with the Commission, shall test the system to ensure its functionality and then certify that the system meets all the requirements of this subdivision. The Secretary of State may consult with the Department of Technology as needed to fulfill his or her duties under this paragraph.

(B) After the system developed pursuant to this subdivision is certified, the system described in subdivision (a) shall no longer accept reports and filings, unless otherwise directed by the Secretary of State and the Commission. The system described in subdivision (a) shall continue to allow public access to past disclosures unless the Secretary of State migrates that data into the system described in this subdivision.

(c) On or before December 31, 2017, and on or before every April 15, July 15, October 15, and January 15 thereafter, the Secretary of State shall submit to the chairs of the Joint Legislative Budget Committee and the fiscal committees of the Legislature a quarterly report on the progress of the Cal-Access Project. Specifically, the Secretary of State shall certify whether he or she (1) anticipates making or has made any changes to the project's scope, schedule, or budget and (2) considers any problems to be a risk to the project's completion according to the approved project schedule and budget. This reporting requirement shall end upon the completion or termination of the Cal-Access Project.

**§ 90243. Rejection of Electronic Filing; Procedures. (84612)**

If the Secretary of State rejects a filing made under this chapter, the Secretary will immediately notify the filer by e-mail, giving the reason or reasons for rejection using plain, straightforward language, avoiding technical terms as much as possible and using a coherent and easily readable style. The notice will be written or displayed so that the meaning will be easily understood by anyone directly affected by it.

**§ 90244. Acceptance of Reports. (84603)**

Once all state-mandated development, procurement, and oversight requirements have been met, the Secretary of State will make public their availability to accept reports online or electronically. A filer may then start filing online or electronically a report or statement that is required to be filed with the Secretary of State under Chapters 3–4 (starting with § 83100) or Chapter 10 (starting with § 90000) of this title.

**§ 90245. Online Index of Identification Numbers. (84602.5)**

The Secretary of State will disclose online under this chapter an index of the identification numbers, assigned under § 83102(c), of every person, entity, or committee that is obligated to make a disclosure under Chapters 3–4. This index will be updated monthly except for the six-week period preceding any statewide regular or special election, during which the index will be updated weekly.

**§ 90246. Operation of Online System. (84606)**

The Secretary of State will determine and publicly disclose when the online- and electronic-disclosure systems are operating effectively. In making this determination, the Secretary will consult with the Commission, the Department of Information Technology, and other appropriate public or private entity. The online- or electronic-disclosure system will not become operative until the Department of Information Technology approves the system. On this determination, filers required by this chapter to file online or electronically will no longer be required to file a paper copy or with local filing officers. The date that a filer sends an online or electronic report will be the date the filed report is received by the Secretary of State.

**§ 90247. Prohibition Against Political or Campaign Use. (84607)**

Under Government Code § 8314, no employee or official of a state or local government agency may, for political or campaign purposes, use public facilities or resources to retrieve or maintain data produced by the requirements of this chapter.

**§ 90248. Political Disclosure, Accountability, Transparency, and Access Fund. (84613)**

- (a) **Description and Uses.** The Political Disclosure, Accountability, Transparency, and Access Fund is established in the State Treasury. Money collected under § 83106 and half of the money collected under § 90002 will be deposited in the Fund. Money deposited in the Fund is subject to appropriation by the Legislature and will be used to maintain, repair, and improve the online- or electronic-disclosure program implemented by the Secretary of State under this chapter. The Secretary of State may also use money deposited in the Fund to implement the act that added this section.
- (b) **Expenditures.** An expenditure of money from the Fund for the purposes described in (a) is subject to the project approval and oversight process established by the California Technology Agency under Government Code § 11546.

**§ 90249. Campaign Reports and Statements—Electronic Filing for Local Agencies. (84615)**

- (a) **Local Agency May Require Electronic Filing.** A local government agency may require an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapters 3–4 (starting with § 83100) to file those documents online or electronically with a local filing officer unless both the contributions received and the expenditures total less than \$1,000.
- (b) **System Requirements.** A local government agency that requires online or electronic filing under this section must comply with all the following:
  - (1) **Local legislative body must adopt an ordinance.** The legislative body for the local government agency must adopt an ordinance approving the use of online or electronic filing. The ordinance must include a legislative finding that the online or electronic filing system will operate securely and effectively and will not unduly burden filers. The ordinance may, at the discretion of that legislative body, specify that the electronic- or online-filing requirements apply only to specified types of filings or are triggered only by specified monetary thresholds. If the original statement, report, or other document must be filed with the Secretary of State and a copy filed with the local government agency, the ordinance may permit, but must not require, that the copy be filed online or electronically.
  - (2) **System to accept standardized record format.** The online or electronic filing system must only accept a filing in the standardized record format that is developed by the Secretary of State under § 90242(a)(2), and that is compatible with the Secretary system for receiving an online or electronic filing.
  - (3) **System ensures data integrity.** The online or electronic filing system must ensure the integrity of the data sent and must include safeguards against efforts to tamper with, manipulate, alter, or subvert the data.
  - (4) **Confirmation of receipt of filing.**
    - (A) The local filing officer will issue an electronic confirmation notifying the filer that the statement, report, or other document was received. The confirmation will include the date and time of receipt by the filing officer and instructions on how the filer can view and print the data.
    - (B) A copy retained by the filer of a statement, report, or other document that was filed online or electronically and the confirmation issued under (1) that shows the filing as timely will create a rebuttable presumption that the filer timely filed the statement, report, or other document.

- (5) **Filing date.** The date of filing for a statement, report, or other document that is filed online or electronically is the day that it is received by the local filing officer.
- (6) **Filings available on the Internet.** The local filing officer will make all the data filed available on the Internet in an easily understood format that provides the greatest public access, free of charge and as soon as possible after receipt. The data will not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms, or any bank-account number the filer is required to disclose. The local filing officer will make a complete, unredacted copy of any statement, report, or other document filed under this section, including street names, building numbers, and bank-account numbers disclosed by the filer, available to any person on request.
- (7) **Digital signature under penalty of perjury.** The online or electronic filing system will include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury under § 84400.
- (c) **No Charge to Submit Filings.** The local government agency will enable filers to complete and submit filings free of charge.
- (d) **Record Retention.** The local filing officer will maintain, for at least ten years from the date filed, a secured, official version of each online or electronic statement, report, or other document filed under this section, which will serve as the official version of that record for audits and any other legal purpose. Data that has been maintained for at least ten years may be archived in a secure format.
- (e) **No Paper Format.** Despite any law, a statement, report, or other document filed online or electronically under this section need not be filed in paper form with the local filing officer.

## **Chapter 13. Auditing and Enforcement (§ 90300 –§ 91127)**

### **Article 1. Auditing.**

#### **§ 90300. Audit and Investigation Responsibility. (90000, 90006)**

- (a) **Franchise Tax Board.** Unless provided in (b), the Franchise Tax Board will conduct audits and field investigations for the following:
  - (1) Campaign statements and reports filed with the Secretary of State under Chapter 3 (starting with § 83100), Chapter 4 (starting with § 84100), Chapter 5 (starting with § 85100), §§ 86100–86103, Chapter 7 (starting with § 87100), and Chapter 10 (starting with § 90000).
  - (2) Local candidates and their controlled committees selected for audit under § 90302(i).
- (b) **Commission.** The Commission will conduct audits and field investigations of candidates for Controller and members of the Board of Equalization, and of committees supporting these candidates.

#### **§ 90301. Auditing Guidelines and Standards. (90007)**

- (a) **Purposes.** The Commission will adopt guidelines and standards to govern audits and field investigations conducted under § 91303, formulated to ensure that the audits should:
  - (1) encourage compliance and detect violations of this title;
  - (2) be conducted most efficiently and cost effectively; and
  - (3) be as unobtrusive as possible, consistent with these purposes.
- (b) **National Guidelines and Standards.** In adopting its guidelines and standards, the Commission will consider such relevant guidelines and standards of the American Institute of Certified Public Accountants as apply and are consistent with these purposes.

#### **§ 90302. Mandatory Audits and Investigations. (90001)**

Audits and investigations will be conducted under § 90300 for the campaign statements and reports of:

- (a) **Lobbying Firms and Lobbyist Employers.** Each lobbying firm and each lobbyist employer who employs one or more lobbyists will be subject to audit on a random basis, each having a 25% chance

of being selected for audit. When a lobbying firm or lobbyist employer is audited, the individual lobbyists who are employed by the lobbying firm or the lobbyist employer will also be audited.

- (b) **Statewide, Supreme Court, Court of Appeal and Board of Equalization Candidates.** Each statewide, Supreme Court, court of appeal, or Board of Equalization candidate in a direct primary or general election with at least \$25,000 in contributions received or expenditures made, whether by the candidate or by a committee or committees controlled by the candidate or whose participation in the direct primary or general election is primarily in support of the candidacy. Each candidate whose contributions and expenditures are less than \$25,000 are subject to an audit on a random basis with each of these candidates having a 10% chance of being selected for audit.
- (c) **Legislative and Superior Court Judicial Candidates.** Each candidate for the Legislature or superior court judge in a direct primary or general election with at least \$15,000 in contributions received or expenditures made, whether by the candidate or by a committee or committees controlled by the candidate or primarily supporting the candidacy. Random selection for auditing will be made of 25% of the Senate districts, 25% of the Assembly districts, and 25% of the judicial offices contested in an election year.
- (d) **Legislative Candidates in Special Elections.** Each candidate for the Legislature in a special primary or special runoff election with at least \$15,000 in contributions made or expenditures made, whether by the candidate or by a committee or committees controlled by the candidate or primarily supporting the candidacy.
- (e) **Candidate Controlled Committees.** Each controlled committee of any candidate who is being audited under (b), (c), or (d).
- (f) **Committees Primarily Formed for or Against a Candidate.** Each committee, other than a major-donor committee specified in § 82012(c), primarily supporting or opposing a candidate who is being audited under (b), (c), or (d) if the committee has expended more than \$10,000.
- (g) **Committees Primarily Formed for or Against a State Measure.** Each committee, other than a major-donor committee specified in § 82012(c), whose participation is primarily in support of or in opposition to a state measure or state measures if the committee has expended more than \$10,000 on the measure or measures.
- (h) **Other Committees.** Each committee, other than a major-donor committee defined in § 82012(c), a controlled committee or a committee primarily supporting or opposing a state candidate or measure, if the committee has received or expended more than \$10,000 supporting or opposing state candidates or state measures during any calendar year, except that if the Commission determines from an audit report that a committee is in substantial compliance with the act, the committee will be subject to an audit on a random basis with each such committee having a 25% chance of being selected for audit.
- (i) **Local Candidates and PERS Candidates.** The Commission will promulgate regulations that provide a selection method for the following:
  - (1) Local candidates and their controlled committees.
  - (2) Candidates for the Public Employees' Retirement System's Board of Administration. The Public Employees' Retirement System must reimburse the Commission for all reasonable expenses incurred under this section.
- (j) **Procedures for Selection for Audit.** In accordance with (a), (b), (c), and (h), the Commission will randomly select by lot the persons or districts to be audited.
  - (1) For lobbying firm and lobbyist employer audits, the selection must be made in public in February of odd-numbered years.
  - (2) For campaign audits, the selection must be made in public after the last date for filing the first campaign statement or report following the general or special election for which the candidate ran, or following the election at which the measure was adopted or defeated.

**§ 90303. Audits and Investigations; Timing and Scope.**

**(90002, 18996)**

- (a) **Scope.** The scope of audits and investigations under § 90302 is as follows.

- (1) **Lobbying firms and lobbyist employers.** Audits and investigations of lobbying firms and lobbyist employers of lobbyists will be conducted biennially covering reports filed during the previous two-year period. If a lobbying firm or lobbyist employer keeps a separate account for all receipts and payments for which reporting is required by this title, the requirement of an audit under § 90302(a) will be satisfied by an audit of that account and the supporting documentation required to be maintained by § 90020.
  - (2) **Candidates, candidate-controlled committees, and committees primarily formed for or against candidates.** For campaign statements or reports of a candidate, controlled committee, or committee primarily supporting or opposing a candidate, the audit or investigation will cover all campaign statements and reports filed for the primary and general election, or a special or runoff election, as well as any previous campaign statements or reports filed since the last election for that office. The audit or investigation will not include statements or reports previously audited under § 90302 or § 90305.
  - (3) **Committees primarily formed for or against a measure.** For campaign statements or reports of a committee primarily supporting or opposing a measure, the audit or investigation will cover all campaign statements and reports filed by the committee in connection with the measure.
  - (4) **Other committees.** For all other committees, the audit or investigation will cover all campaign statements and reports filed during the previous two calendar years.
- (b) **Extensions of Time.** The audit or investigation periods may be extended to include any transaction that relates to or is connected with the election being audited or investigated or the two-year period.
  - (c) **Limitation on Scope.** An audit or investigation conducted under § 90302 will not include campaign statements or reports filed in conjunction with an election for any other office.
  - (d) **Discretionary Audit.** Nothing in this regulation will be interpreted to act as a limit on the Franchise Tax Board or the Commission in undertaking a discretionary audit under § 90305.

**§ 90304. Preelection Auditing. (90008)**

- (a) **Need for Timely Access.** The Legislature intends that the people of California have timely access to information about the campaign contributions and expenditures of all committees, corporations, and individuals, and that this information be provided before the election, when it is relevant, in accordance with this title's requirements.
- (b) **Liberal Construction.** The Legislature further intends that the Commission ensure that these disclosures are being made, that this title be liberally construed, and that any judicial process be expedited to achieve this purpose.
- (c) **Authority to Audit.** The Commission, and the Franchise Tax Board at the Commission's direction, may audit any campaign statements and reports and obtain records required to be maintained under this title to ensure compliance with this title before an election, even if the record is a report or statement that has not yet been filed.

**§ 90305. Discretionary Audits. (90003)**

In addition to the audits and investigations required by § 90302, the Franchise Tax Board and the Commission may investigate and audit campaign statements or reports required by this title.

**§ 90306. Periodic Reporting of Audit Results; Public Documents. (90004)**

- (a) **Time Period for Audit Report.** The Franchise Tax Board must complete its report of any audit conducted on a random basis under § 90302 within two years after the Commission selects the person or entity for audit.
- (b) **Public Documents Detailing Findings.** The Franchise Tax Board's reports are public documents and must contain in detail the Board's findings on the accuracy and completeness of each campaign statement or report reviewed, and its findings on any campaign statement or report that should have been filed but was not.

- (c) **Distribution of Reports.** Unless this section provides otherwise, the Franchise Tax Board will send the periodically prepared reports to the Commission, the Secretary of State, and the Attorney General.
  - (1) If the reports relate to candidates for or committees supporting or opposing candidates for the office of Attorney General, the reports will be sent to the Commission, the Secretary of State, and the District Attorneys of the Counties of Los Angeles, Sacramento, and San Francisco.
  - (2) If the reports relate to local candidates and their controlled committees, the reports will be sent to the Commission, the local filing officer with whom the candidate or committee is required to file the originals of campaign statements or reports under § 84304, and the district attorney for the candidate's county of domicile.
- (d) **Retention of Report in Filing Officer Files.** The Secretary of State and the local filing officer will place the audit reports in the appropriate campaign statement or lobbying files to be available for public inspection.

**§ 90307. Confidentiality; Exception. (90005)**

The Commission's and Franchise Tax Board's members, employees, and agents must not divulge, or make known in any manner, the particulars of any record, documents, or information received under this chapter except to facilitate the work of the Franchise Tax Board or the Commission or in connection with a court proceeding or an agency's lawful investigation.

**Article 2. Enforcement and Penalties.**

**§ 90320. Joint and Several Liability. (91006)**

If two or more persons are responsible for a violation, they are jointly and severally liable.

**§ 90321. Investigations; Notice. (83115)**

On the sworn complaint of any person, or on its own initiative, the Commission will investigate possible violations of this title relating to an agency, official, election, lobbyist, or legislative or administrative action. Within 14 days after receiving a complaint under this section, the Commission must notify in writing the person who made the complaint of any action the Commission has taken or plans to take on the complaint and the reasons for the action or nonaction. If the Commission has not decided on a response within 14 days, it must notify the person who made the complaint of the reasons for the delay and give notice when the decision is made.

**§ 90322. Subpoena Powers. (83118)**

The Commission may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence, and require by subpoena the production of books, papers, records, or other items material to the performance of the Commission's duties or exercise of its powers.

**§ 90323. Self-Incrimination. (83119)**

The Commission may refuse to excuse a person from testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the Commission's subpoena despite an objection that the testimony or evidence required may tend to incriminate that person. After claiming the right against self-incrimination, no one may be prosecuted in any manner or subjected to a penalty or forfeiture for a transaction, act, matter or thing for which the individual is compelled to testify or produce evidence except for any perjury committed in testifying. No immunity may be granted to a witness under this section unless the Commission has notified the Attorney General of its intention to grant immunity to the witness at least thirty days before, or unless the Attorney General waives this requirement.

**§ 90324. Responsibility for Enforcement. (91001, 91001.5)**

- (a) **Criminal.** The Attorney General is responsible for enforcing the criminal provisions of this title for state agencies, lobbyists, and state elections. The district attorney of a county where a violation occurs has concurrent powers and responsibilities with the Attorney General.
- (b) **Civil.** The civil prosecutor is primarily responsible for enforcing this title's civil penalties and remedies. The civil prosecutor may bring a lawsuit under this title that could be brought by a voter or resident of the jurisdiction:
  - (1) for the state or a state agency except itself, the Commission is the civil prosecutor;
  - (2) for the Commission, the Attorney General is the civil prosecutor; or
  - (3) for any other agency, the district attorneys are the civil prosecutors.
- (c) **Extended Civil Authority.** On written authorization from a district attorney of the jurisdiction, the Commission, as the civil prosecutor, may bring a lawsuit under this title that could be brought by a voter or resident of the jurisdiction. Under those circumstances, § 90329 does not apply to the Commission.
- (d) **Charter Cities.** Where a district attorney could act as the civil or criminal prosecutor under this title, the elected city attorney of any charter city may act as the civil or criminal prosecutor for any violations of this title occurring within the city.

**§ 90325. Considerations for Enforcement. (91001(c))**

Whether a violation is inadvertent, negligent, or deliberate, and the presence or absence of good faith will be considered in applying this title's remedies and sanctions.

**§ 90326. Criminal Liability and Effect of Conviction. (91000, 91002)**

- (a) **Standard.** A person who knowingly or willfully violates a provision of this title is guilty of a misdemeanor.
- (b) **Penalty.** On conviction, in addition to other penalties provided by law, a fine may be imposed for each violation in an amount up to the greater of:
  - (1) \$10,000; or
  - (2) three times the amount that was not reported properly or that was unlawfully contributed, expended, given, or received.
- (c) **Statute of Limitations.** Prosecution for violation of this title must be started within four years after the violation's date.
- (d) **Effect of Conviction.** No person convicted of a misdemeanor under this title may be a candidate for an elective office or act as a lobbyist for four years following the date of conviction unless the court at the time of the sentencing specifically determines that this provision will not apply. A plea of nolo contendere will be considered a conviction for this section. A person violating this subdivision is guilty of a felony.

**§ 90327. Civil Liability. (89521, 91004, 91005, 91005.5, 91008, 91009)**

- (a) **Reporting Violation.** A person who intentionally or negligently violates any of this title's reporting requirements will be liable in a lawsuit brought by the civil prosecutor or by a person residing within the jurisdiction for an amount up to the amount or value not properly reported.
- (b) **Unlawful Contribution, Gift, or Expenditure.** A person who makes or receives a contribution, expenditure or gift in violation of § 85100, § 85101, or § 90032, is liable in a lawsuit brought by the civil prosecutor or by a person residing within the jurisdiction for an amount up to the greater of \$1,000 or three times the amount of the unlawful contribution, expenditure or gift.
- (c) **Conflict of Interest.** A designated individual or public official specified in § 89200, except an elected state officer, who realizes an economic benefit from a violation of § 89100 or of a disqualification provision of a conflict-of-interest code is liable in a lawsuit brought by the civil

prosecutor or by a person residing within the jurisdiction for an amount up to three times the value of the benefit.

- (d) **Other Violations.** Except where a specific civil penalty is provided in (a)–(c), a person who violates a provision of this title will be liable in a lawsuit brought by the civil prosecutor under §§ 90324 and 90329, or the elected city attorney under §§ 90324(d) and § 90329, for up to \$5,000 per violation.
- (e) **Amount of Liability.** In determining the amount of liability, the court may take into account the seriousness of the violation and the degree of the defendant’s culpability.
- (f) **Distribution of Judgment.** If a judgment is entered against a defendant in an action brought under this section, the plaintiff will receive half of the amount recovered. The remaining half will be deposited in the state’s general fund. In an action brought by the civil prosecutor, the entire amount recovered will be paid to the general fund or treasury of the jurisdiction.
- (g) **One Judgment.** No more than one judgment on the merits may be obtained for a violation. Actions brought for the same violation will have precedence for trial in order of the time filed. Other such actions must be dismissed once judgment has been entered or a settlement approved by the court in a previously filed action. The court may dismiss a pending action without prejudice to any other action for failure of the plaintiff to proceed diligently and in good faith. The action may be so dismissed on motion of the civil prosecutor or a plaintiff in an action based on the same violation.

**§ 90328. Remedies for Advertisement Violations. (84510)**

- (a) **Civil or Administrative Action.** In addition to the remedies provided in this article, any person who violates the advertisement requirements under Chapter 7, Article 2 (starting with § 87200) is liable in a civil or administrative action brought by the Commission or any person for a fine up to three times the cost of the advertisement, including placement costs. These remedies also apply to a person who purposely causes another person to violate a provision of this article or who aids and abets another person in a violation.
- (b) **Division of Monetary Damages.** If a judgment is entered against a defendant in an action brought under this section, the plaintiff will receive half the amount recovered. The remaining half will be deposited in the state’s general fund. In an action brought by a local civil prosecutor, half will be deposited in the account of the agency bringing the action and half will be paid to the state’s general fund.

**§ 90329. Procedure for Civil Actions. (91007)**

- (a) **Written Request.** Before filing a lawsuit under §§ 90324 and 90327, a person must first file a written request with the civil prosecutor to bring the action with a statement of the grounds for believing a cause of action exists. The civil prosecutor must respond to the person in writing, indicating whether a lawsuit will be pursued.
  - (1) If the civil prosecutor responds in the affirmative and files suit within 120 days of receiving the written request to bring the action, no other action may be brought unless the action brought by the civil prosecutor is dismissed without prejudice as provided for in § 90307(g).
  - (2) If the civil prosecutor responds in the negative within 120 days of receiving the written request to bring the action, the person requesting the action may file a lawsuit upon receiving the response. If the civil prosecutor does not respond within 120 days, the civil prosecutor is considered to have provided a negative written response to the person requesting the action on the 120th day, and the person is considered to have received that response.
  - (3) If the suit is brought by the person who asked the civil prosecutor to sue, the time period within which a lawsuit may be brought, as set forth in § 90334, will be tolled from the date of receipt by the civil prosecutor of the written request to either:
    - (A) the date that the lawsuit is dismissed without prejudice; or
    - (B) the date of receipt of the negative response from the civil prosecutor.

- (b) **Serve the Commission.** A person filing a complaint, cross-complaint or other initial pleading in a lawsuit under § 90327 must, within 10 days of filing, serve on the Commission a copy of the complaint, cross-complaint, or initial pleading or a notice containing:
  - (1) the case’s full title and number;
  - (2) the court in which the case is pending;
  - (3) the name and address of the attorney for the person filing the complaint, cross-complaint, or other initial pleading; and
  - (4) a statement that the case raises issues under the Political Reform Act.
- (c) **Failure to Comply.** No complaint, cross-complaint, or other initial pleading may be dismissed for failure to comply with (b).

**§ 90330. Campaign Disclosure Violations; Request to Civil Prosecutor. (91010)**

No request to the civil prosecutor under § 90329 may be made or filed in connection with a report or statement required by Chapter 4 (starting with § 84100) until the time when an audit and investigation could begin under § 90303.

**§ 90331. Civil Action Precluded. (91008.5, 91005.5)**

- (a) **Orders Issued for Same Violation.** No lawsuit may be filed under § 90324, or § 90327 against a person for a violation of this title after the Commission has issued an order under §§ 90335–90339 against that person for the same violation.
- (b) **Criminal Action.** No lawsuit alleging a violation of this title may be filed against a person under this section if the criminal prosecutor is maintaining a criminal action against that person under § 90326.

**§ 90332. Injunction. (91003)**

- (a) **Who May Seek.** A person residing in the jurisdiction may sue to enjoin violations or to compel compliance with this title. The court may require a plaintiff other than the Commission to file a complaint with the Commission before seeking injunctive relief. The court may award a prevailing plaintiff or defendant the costs of litigation, including reasonable attorney’s fees.
- (b) **Official Action Related to Violation.** On a preliminary showing in an action brought by a person residing in the jurisdiction that Chapter 9, Article 1 (starting with § 89100); Chapter 9, Article 6 (starting with § 89600); § 89501; or a conflict-of-interest code’s disqualification provision has been violated, the court may restrain the execution of any official action related to the violation, pending final adjudication. If it is ultimately determined that a violation has occurred and that the official action might not otherwise have been taken or approved, the court may set aside the official action as void. The official actions covered by this subdivision include orders, permits, resolutions and contracts, but do not include the enactment of any state legislation. In considering the granting of preliminary or permanent relief under this subdivision, the court will accord due weight to any injury that innocent persons relying on the official action may suffer.

**§ 90333. Injunction to Compel Disclosure. (90009)**

- (a) **Grounds.** To further this title’s purpose, the Commission may seek injunctive relief in a superior court to compel disclosure consistent with this title.
- (b) **Expedited Review.** A court will grant expedited review to an action filed under (a):
  - (1) the court will conduct an expedited hearing with an opportunity for the defendant to respond; and
  - (2) the parties’ briefs will be required under an expedited schedule.
- (c) **Court-Ordered Stay.** A superior or appellate court may, at its discretion, grant a stay of an order granting relief under (a).

**§ 90334. Statute of Limitations; Civil Actions. (91011)**

- (a) No lawsuit alleging a violation in connection with a report or statement required by Chapter 4 (starting with § 84100) may be filed more than four years after an audit could begin as set forth in § 90302, or more than one year after the Franchise Tax Board forwards its report to the commission, under § 90306, of any audit conducted of the alleged violator, whichever period is less.
- (b) No lawsuit alleging a violation of this title, other than those described in (a), may be filed more than four years after the date the violation occurred.

**§ 90335. Liability for Violations; Administrative. (83116.5)**

- (a) **Who Is Liable.** Any person is liable under this chapter if that person has filing or reporting obligations under this title, or receives compensation for services that involve planning, organizing, or directing any activity regulated or required by this title, and that person:
  - (1) violates this title;
  - (2) purposely or negligently causes another person to violate this title; or
  - (3) aids and abets another person in violating this title.
- (b) **No Additional Violation.** A violation of this section does not constitute an additional violation under this article.

**§ 90336. Administrative Proceedings. (91000.5)**

- (a) **Time Limit.** No administrative action brought under this article alleging a violation of this title may be brought more than five years after the violation's date.
- (b) **Commencement.** Service of the probable cause hearing notice, as required by § 90337, on the person alleged to have violated this title constitutes the administrative action's commencement.
- (c) **Tolling for Fraudulent Concealment.** If the person alleged to have violated this title engages in fraudulent concealment of the person's acts or identity, the five-year period will be tolled for the period of concealment. Under this subdivision, "fraudulent concealment" means the person knows of material facts related to the person's duties under this title and knowingly conceals these facts in performing or failing to perform those duties, for the purpose of defrauding the public of information to which it is entitled under this title.
- (d) **Tolling for Failure to Produce Documents.** If, upon being ordered by a superior court to produce a document sought by a subpoena in an administrative proceeding under this article, the person alleged to have violated this title fails to produce documents under the order by the date ordered, the five-year period will be tolled for the period of delay from the date of filing of the motion to compel until the date the documents are produced.

**§ 90337. Findings of Probable Cause; Requirements. (83115.5)**

The Commission will not find probable cause to believe that this title has been violated unless, at least 21 days before the Commission's consideration of the alleged violation, the person alleged to have violated this title is notified of the violation by service of process or registered mail with return receipt requested, provided with a summary of the evidence, and informed of the right to be present in person and represented by counsel at a Commission proceeding to consider whether probable cause exists for believing the person violated this title. Notice to the alleged violator will be considered made on the date of service, the date the registered mail receipt is signed, or if the registered mail receipt is not signed, the date returned by the post office. A proceeding held to consider probable cause will be private unless the alleged violator files with the Commission a written request that the proceeding be public.

**§ 90338. Violation of Title; Administrative. (83116)**

- (a) **Probable-Cause Hearing.** When the Commission determines there is probable cause for believing that this title has been violated, it may hold a hearing to determine if a violation has occurred. Notice must be given and the hearing conducted under the Administrative Procedure Act, Chapter 5,

starting with Government Code § 11500. The Commission has all the powers granted by that chapter. If the Commission determines on the basis of the hearing that a violation has occurred, it will issue an order that may require the violator to do one or more of the following:

- (1) cease and desist violation of this title;
  - (2) file any reports, statements, or other documents or information required by this title; or
  - (3) pay a monetary penalty of up to \$5,000 per violation to the state's general fund.
- (b) **Announcement of No Violation.** When the Commission determines that no violation has occurred, it will publish a declaration so stating.

**§ 90339. Administrative Law Judge; Rejection. (86116.3)**

If the Commission rejects an administrative law judge's decision made under § 11517, the Commission must state the reasons in writing for rejecting the decision.

**§ 90340. Judicial Review. (83120)**

An interested person may seek judicial review of any Commission action.

**§ 90341. Judicial Advancement of Action. (83121)**

If judicial review is sought of a Commission action relating to a pending election, the matter must be advanced on the court's docket and put ahead of other actions. The court may, consistent with due process of law, shorten deadlines and take other steps necessary to permit a timely decision.

**§ 90342. Late Filing of Statement or Report; Fees. (91013)**

- (a) **Original Statement or Report.** If a person files an original statement or report after any deadline imposed by this act, the person will, in addition to other penalties or remedies established by this act, be liable in the amount of \$10 per day after the deadline until the statement or report is filed to the required officer.
- (1) The filing officer need not enforce liability if the filing officer determines on an impartial basis that the late filing was not willful and that enforcing the liability will not further the Act's purposes.
  - (2) No liability may be waived if, after the filing officer has sent specific written notice of the filing requirement, a statement or report is not filed within the following timeframes:
    - (A) 30 days for a statement of economic interest, other than a candidate's statement filed under § 89201;
    - (B) 5 days for a campaign statement required to be filed 12 days before an election; or
    - (C) 10 days for all other statements or reports.
- (b) **Copy of Statement or Report.** If a person files a copy of a statement or report after a deadline imposed by this act, that person will, in addition to other penalties or remedies established by this chapter, be liable in the amount of \$10 per day, starting 10 days, or five days in the case of a campaign statement required to be filed 12 days before an election, after the officer has sent specific written notice of the filing requirement and until the statement is filed.
- (c) **Collected Funds.** The officer will deposit any funds received under this section into the general fund of the officer's jurisdiction.
- (d) **Maximum Liability.** No liability under this section may exceed the cumulative amount stated in the late statement or report, or \$100, whichever is greater.

**§ 90343. Filing Officer; Collection of Penalties and Fees. (91013.5)**

- (a) **Filing a Lawsuit.** In addition to other available remedies, a filing officer may bring a lawsuit and obtain a judgment in superior court to collect unpaid monetary penalties, fees, or civil penalties imposed under this title. The action may be filed as a small-claims, limited civil, or unlimited civil

case, depending on the jurisdictional amount. The venue for this action will be in the county where the monetary penalties, fees, or civil penalties were imposed by the filing officer. To obtain a judgment in a proceeding under this section, the filing officer must show, following the procedures and rules of evidence in an ordinary lawsuit, that:

- (1) the monetary penalties, fees, or civil penalties were imposed following the procedures in this title and implementing regulations;
  - (2) the defendant or defendants in the action were notified, by actual or constructive notice, of the imposition of the monetary penalties, fees, or civil penalties; and
  - (3) a demand for payment has been made by the filing officer and full payment has not been received.
- (b) **Filing Window.** A lawsuit brought under (a) must be filed within four years after the date on which the monetary penalty, fee, or civil penalty was imposed.

**§ 90344. Commission; Collection of Penalties. (91013.7)**

- (a) **When to Seek Judgment to Collect.** If the time for judicial review of a final Commission order or decision has lapsed, or if all means of judicial review of the order or decision have been exhausted, the Commission may apply to the clerk of the court for a judgment to collect the penalties imposed by the order or decision, or the order as modified in accordance with a decision on judicial review.
- (b) **Application Requirements.** The application, which must include a certified copy of the order or decision, or the order as modified in accordance with a decision on judicial review, and proof of service of the order or decision, constitutes a sufficient showing to warrant issuing the judgment to collect the penalties. The clerk of the court must enter the judgment immediately in conformity with the application.
- (c) **Where to Apply.** An application made under this section must be made to the clerk of the superior court in the county where the monetary penalties, fees, or civil penalties were imposed by the Commission.
- (d) **Force and Effect of Judgment.** A judgment entered under this section has the same force and effect as, and is subject to all the provisions of law relating to, a judgment in a lawsuit and may be enforced in the same manner as any other judgment of the court in which it is entered.
- (e) **Time Limit.** The Commission may bring an application under this section only within four years after the date on which the monetary penalty, fee, or civil penalty was imposed.
- (f) **Other Remedies Available.** The remedy available under this section is in addition to those available under § 90343 or any other law.

**§ 90345. Costs; Attorney Fees; Bond. (91012)**

The court may award the costs of litigation, including reasonable attorney's fees to a plaintiff or defendant, other than an agency, who prevails in any action authorized by this title. On motion of any party, a court will require a private plaintiff to post a bond in a reasonable amount at any stage of the litigation to guarantee payment of costs.

**§ 90346. Conflict-of-Interest Violation. (91003.5)**

A person who violates a provision of Chapter 9, Article 2 (starting with § 89200), Article 3 (starting with § 89300), Article 4 (starting with § 89401), or § 89501 is subject to discipline by that person's agency, including dismissal, consistent with any applicable civil service or other personnel laws, regulations, and procedures.

**§ 90347. Applicability of Other State Law. (91014)**

Nothing in this chapter exempts any person from any other applicable state laws.