



**FAIR POLITICAL PRACTICES COMMISSION**

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

**To:** Chairman Schnur and Commissioners Garrett, Hodson, Montgomery, and Rotunda

**From:** Tara Stock, Legislative Coordinator

**Subject:** Legislative Report

**Date:** January 28, 2011

---

**Current Legislation**

Since the January Commission hearing, an additional bill that affects the Political Reform Act, AB 182 (Davis), was introduced in the Assembly. Summaries of all proposals and positions as recommended by staff are below.

**SB 50 (Correa)**

**Conflicts of Interest Disqualification – High Speed Rail Authority Members**

This bill would add members of the High Speed Rail Authority to the list of specified offices in Government Code Section 87200 who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly.

**Status: Senate Elections, Reapportionment & Constitutional Amendments.**

**Staff Recommended Position: Support**

**SB 19 (Blakeslee)**

**Campaign Telephone Calls**

This bill in its current form states that it is the intent of the Legislature to enact legislation regulating automated and prerecorded telephone calls regarding candidates and measures. There is no substantive language yet.

**Status: Senate Rules.**

**Staff Recommended Position: Support**

**SB 18 (Blakeslee)**

**Gifts from Lobbyist Employers**

This bill in its current form states that it is the intent of the Legislature to enact legislation that would further limit the ability of special interest groups (including lobbyist employers) to give gifts to Legislators. There is no substantive language yet.

**Status: Senate Rules.**

**Staff Recommended Position: Support**

**AB 41 (Hill)**

**Conflicts of Interest Disqualification – High Speed Rail Authority Members**

In its current form, this bill language is identical to SB 50 (Correa), above. It would add members of the High Speed Rail Authority to the list of specified offices in Government Code Section 87200 who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly.

**Status: Assembly Elections and Redistricting.**

**Staff Recommended Position: Support**

**AB 182 (Davis)**

**Statements of Economic Interests – Electronic Filing**

Existing law provides that the ongoing pilot project for electronic filing of Statements of Economic Interests by specified local agencies shall be completed by January 1, 2012. This bill extends the project to continue until December 31, 2012. Assuming the pilot project is successful, the bill also permits all filing officers, as of January 1, 2013, to accept the electronic filing of Statements of Economic Interests.

**Status: Introduced in Assembly.**

**Staff Recommended Position: Support**

**“Watch” Bills**

Staff does not feel that it is necessary for the Commission to adopt positions on the following bills, but staff will continue to track the bills through the legislative process.

**SB 46 (Correa)**

**Disclosure of Local Government Compensation**

This bill, in its current form, does not affect the Political Reform Act. It would require local officials who are required to file a Statement of Economic Interests to annually file a government compensation disclosure form, which shall be developed by the Secretary of State’s office. The filing deadline shall be the same as the deadline established for the annual Statements of Economic Interests.

**Status: Senate Governance and Finance.**

**AB 71 (Huber)**

**Lobbying Interests**

This bill amends the Political Reform Act to require the Secretary of State, within 90 days following the end of each calendar quarter, to post on its web site a list of all reported lobbying interests and a list of all lobbyist employers who reported each of those interests.

**Status: Assembly Elections and Redistricting.**

**AB 65 (Gatto)**

**Ballot Pamphlet**

This bill amends the Political Reform Act to require that, if the Legislative Analyst determines that an initiative measure on the ballot would have a fiscal impact on the State General Fund for which additional revenues in an amount that meets or exceeds the net increase in costs are not provided, a statement be included in the ballot pamphlet that the initiative will have an impact on the General Fund, which will affect the ability of the Legislature to provide funding for enumerated General Fund purposes.

**Status: Assembly Elections and Redistricting.**

**Introduced by Senator Blakeslee**

December 6, 2010

---

---

An act relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 18, as introduced, Blakeslee. Political Reform Act of 1974: gifts.

The Political Reform Act of 1974 regulates the receipt of gifts by public officials, including Members of the Legislature, and also regulates the activities of members of the lobbying industry, including lobbyist employers.

This bill would state the intent of the Legislature to enact legislation that would further limit the ability of special interest groups, including lobbyist employers, to give gifts to Members of the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. (a) The Legislature finds and declares that the
- 2 public has expressed its disapproval of the practice whereby special
- 3 interest groups provide gifts, including tickets to sporting events,
- 4 rounds of golf, spa treatments, and other recreational activities,
- 5 for the purpose of gaining access to, and influence with, Members
- 6 of the Legislature.
- 7 (b) Therefore, it is the intent of the Legislature to enact
- 8 legislation that will limit the ability of special interest groups,

- 1 including lobbyist employers, to give gifts to Members of the
- 2 Legislature.

O

**Introduced by Senator Blakeslee**

December 6, 2010

---

---

An act relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 19, as introduced, Blakeslee. Political Reform Act of 1974: campaign telephone calls.

The Political Reform Act of 1974 provides for the comprehensive regulation of political campaigns and campaign financing.

This bill would state the intent of the Legislature to enact legislation regulating automated and prerecorded telephone calls regarding candidates for public office and ballot measures.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. It is the intent of the Legislature to enact
- 2 legislation regulating automated and prerecorded telephone calls
- 3 regarding candidates for public office and ballot measures.

O

**Introduced by Senator Correa**December 15, 2010

---

---

An act to amend Section 87200 of the Government Code, relating to the Political Reform Act of 1974.

## LEGISLATIVE COUNSEL'S DIGEST

SB 50, as introduced, Correa. Conflicts of interest: disqualification.

Existing provisions of the Political Reform Act of 1974 prohibit a public official at any level of state or local government from making, participating in making, or attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know that he or she has a financial interest, as defined. Existing law also requires specified elected and appointed officers at the state and local level of government to disclose specified financial interests by filing periodic statements of economic interests. Existing law further requires public officials who hold specified offices and who have a financial interest in a decision within the meaning of the Political Reform Act of 1974 to publicly identify the financial interest giving rise to the conflict of interest or potential conflict of interest, recuse themselves from discussing and voting on the matter, and leave the room until after the discussion, vote, and other disposition of the matter is concluded, except as specified.

This bill would add members of the High-Speed Rail Authority to those specified offices who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly.

Existing law makes a violation of the Political Reform Act of 1974 subject to administrative, civil, and criminal penalties. This bill would impose a state-mandated local program by exposing these members to

potential criminal penalties for failing to make the disclosures and recuse themselves where required by this bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 87200 of the Government Code is  
2 amended to read:

3 87200. This article is applicable to elected state officers, judges  
4 and commissioners of courts of the judicial branch of government,  
5 members of the Public Utilities Commission, members of the State  
6 Energy Resources Conservation and Development Commission,  
7 members of the Fair Political Practices Commission, members of  
8 the California Coastal Commission, *members of the High-Speed*  
9 *Rail Authority*, members of planning commissions, members of  
10 the board of supervisors, district attorneys, county counsels, county  
11 treasurers, and chief administrative officers of counties, mayors,  
12 city managers, city attorneys, city treasurers, chief administrative  
13 officers and members of city councils of cities, and other public  
14 officials who manage public investments, and to candidates for  
15 any of these offices at any election.

16 SEC. 2. No reimbursement is required by this act pursuant to  
17 Section 6 of Article XIII B of the California Constitution because  
18 the only costs that may be incurred by a local agency or school  
19 district will be incurred because this act creates a new crime or  
20 infraction, eliminates a crime or infraction, or changes the penalty  
21 for a crime or infraction, within the meaning of Section 17556 of  
22 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California  
2 Constitution.  
3 SEC. 3. The Legislature finds and declares that this bill furthers  
4 the purposes of the Political Reform Act of 1974 within the  
5 meaning of subdivision (a) of Section 81012 of the Government  
6 Code.

O



**ASSEMBLY BILL**

**No. 41**

---

---

**Introduced by Assembly Member Hill**

December 6, 2010

---

---

An act to amend Section 87200 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 41, as introduced, Hill. Conflicts of interest: disqualification.

Existing provisions of the Political Reform Act of 1974 prohibit a public official at any level of state or local government from making, participating in making, or attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know that he or she has a financial interest, as defined. Existing law also requires specified elected and appointed officers at the state and local level of government to disclose specified financial interests by filing periodic statements of economic interests. Existing law further requires public officials who hold specified offices and who have a financial interest in a decision within the meaning of the Political Reform Act of 1974 to publicly identify the financial interest giving rise to the conflict of interest or potential conflict of interest, recuse themselves from discussing and voting on the matter, and leave the room until after the discussion, vote, and other disposition of the matter is concluded, except as specified.

This bill would add members of the High-Speed Rail Authority to those specified offices who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly.

Existing law makes a violation of the Political Reform Act of 1974 subject to administrative, civil, and criminal penalties. This bill would impose a state-mandated local program by exposing these members to potential criminal penalties for failing to make the disclosures and recuse themselves where required by this bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

Vote: 2/3. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 87200 of the Government Code is
- 2 amended to read:
- 3 87200. This article is applicable to elected state officers, judges
- 4 and commissioners of courts of the judicial branch of government,
- 5 members of the Public Utilities Commission, members of the State
- 6 Energy Resources Conservation and Development Commission,
- 7 members of the Fair Political Practices Commission, members of
- 8 the California Coastal Commission, *members of the High-Speed*
- 9 *Rail Authority*, members of planning commissions, members of
- 10 the board of supervisors, district attorneys, county counsels, county
- 11 treasurers, and chief administrative officers of counties, mayors,
- 12 city managers, city attorneys, city treasurers, chief administrative
- 13 officers and members of city councils of cities, and other public
- 14 officials who manage public investments, and to candidates for
- 15 any of these offices at any election.
- 16 SEC. 2. No reimbursement is required by this act pursuant to
- 17 Section 6 of Article XIII B of the California Constitution because
- 18 the only costs that may be incurred by a local agency or school
- 19 district will be incurred because this act creates a new crime or
- 20 infraction, eliminates a crime or infraction, or changes the penalty

1 for a crime or infraction, within the meaning of Section 17556 of  
2 the Government Code, or changes the definition of a crime within  
3 the meaning of Section 6 of Article XIII B of the California  
4 Constitution.

5 SEC. 3. The Legislature finds and declares that this bill furthers  
6 the purposes of the Political Reform Act of 1974 within the  
7 meaning of subdivision (a) of Section 81012 of the Government  
8 Code.

O

**ASSEMBLY BILL**

**No. 182**

---

---

**Introduced by Assembly Member Davis**

January 24, 2011

---

---

An act to amend, repeal, and add Section 87500.1 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 182, as introduced, Davis. Political Reform Act of 1974: statements of economic interests.

The Political Reform Act of 1974 regulates conflicts of interests of public officials and requires that public officials file, with specified filing officers, periodic statements of economic interests disclosing certain information regarding income, investments, and other financial data. Under the act, specified local government agencies are permitted to participate in a pilot program whereby certain officials of those agencies may file their statements of economic interests electronically. Existing law provides that the pilot program shall be completed by January 1, 2012, and the provisions of law authorizing the electronic filing of statements of economic interests will be repealed on March 1, 2012.

This bill would permit the pilot program to continue until December 31, 2012. In addition, beginning on January 1, 2013, this bill would permanently permit the filing officers of all government agencies to accept the electronic filing of statements of economic interests by all public officials required to file those statements under the act, in accordance with regulations that may be adopted by the Fair Political Practices Commission.

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

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

Vote: 2/3. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Under the Local Agency Electronic Form 700 Pilot Project,
- 4 specified local government agencies may permit certain public
- 5 officials to electronically file the statements of economic interests
- 6 required by the Political Reform Act of 1974 in lieu of filing a
- 7 paper form.
- 8 (b) The agencies participating in the pilot program have invested
- 9 considerable resources in developing or acquiring computer system
- 10 software and establishing procedures to permit electronic filing.
- 11 (c) The participating agencies report that the pilot program has
- 12 been a positive experience for both the agencies themselves and
- 13 for the officials who file their statements of economic interests
- 14 electronically under the program.
- 15 (d) Existing law requires each participating county to file a
- 16 report with the Fair Political Practices Commission by July 1,
- 17 2011, describing its experience with the pilot program and reporting
- 18 on the effectiveness of the program. The Commission is then
- 19 required to forward the reports to the Legislative Analyst’s Office
- 20 with comments, and the Legislative Analyst’s Office is required
- 21 to submit a final evaluation report to the Legislature by February
- 22 1, 2012.
- 23 (e) Existing law requires that the pilot program be completed
- 24 by January 1, 2012, and existing provisions of law providing for
- 25 the pilot program are scheduled to be repealed on March 1, 2012.
- 26 Therefore, existing law does not permit the electronic filing of
- 27 statements of economic interests to continue while the Legislature
- 28 considers the final evaluation report of the Legislative Analyst’s
- 29 Office and considers legislation to allow for electronic filing of
- 30 all statements of economic interests required by the Political

1 Reform Act of 1974. The termination of the pilot program would  
2 be disruptive to the filing processes of the participating agencies,  
3 waste the investments the participating agencies have made in their  
4 electronic filing systems and procedures, and hinder transparency  
5 and the public’s timely access to vital public information.

6 (f) An extension of the termination date of the pilot program is  
7 necessary to enable the participating agencies to continue to accept  
8 electronically filed statements of economic interests while the  
9 Legislature evaluates the efficacy of the pilot program.

10 SEC. 2. Section 87500.1 of the Government Code is amended  
11 to read:

12 87500.1. (a) The Counties of Los Angeles, Merced, Orange,  
13 Santa Clara, Stanislaus, and Ventura and the City of Long Beach  
14 may permit the electronic filing of a statement of economic  
15 interests required by Article 3 (commencing with Section 87300)  
16 in accordance with regulations adopted by the Commission. Each  
17 participating county shall use the standard form for electronic filing  
18 found online, as required by the Commission.

19 (b) A public official subject to Article 2 (commencing with  
20 Section 87200) shall not participate in the pilot program.

21 (c) A statement filed electronically—~~must~~ *shall* include an  
22 electronic transmission that is submitted under penalty of perjury  
23 and that conforms to subdivision (b) of Section 1633.11 of the  
24 Civil Code.

25 (d) (1) The filing officer shall issue to a person who  
26 electronically files his or her statement of economic interests or  
27 amendment electronic confirmation that notifies the filer that his  
28 or her statement of economic interests or amendment was received.  
29 The confirmation shall include the date and the time that the  
30 statement of economic interests *or amendment* was received by  
31 the filing officer and the method by which the filer may view and  
32 print the data received by the filing officer.

33 (2) A paper copy retained by the filer of a statement of economic  
34 interests or amendment that was electronically filed and the  
35 confirmation issued pursuant to paragraph (1) that shows that the  
36 filer timely filed his or her statement of economic interests or  
37 amendment shall create a rebuttable presumption that the filer filed  
38 his or her statement of economic interests or amendment on time.

39 (e) The filing officer shall utilize a system that includes  
40 firewalls, data encryption, secure authentication, and all necessary

1 hardware and software and industry best practices to ensure that  
2 the security and integrity of the data and information contained in  
3 the statement of economic interests are not jeopardized or  
4 compromised.

5 (f) The filing officer shall provide the public with a copy of an  
6 official's statement of economic interests upon request, in  
7 accordance with Section 81008. The paper copy of the  
8 electronically filed statement of economic interests shall be  
9 identical to the statement of economic interests published by the  
10 Commission and shall include the date that the statement was filed.

11 (g) (1) The pilot program shall commence on or after January  
12 1, 2009, and shall be completed by ~~January 1~~ *December 31*, 2012.  
13 The pilot program shall include the reporting periods of 2008  
14 through 2010. A county participating in the pilot program shall  
15 submit a report to the Commission not later than July 1, 2011. The  
16 report shall include the following:

17 (A) A listing and estimate of associated operational efficiencies  
18 and related savings.

19 (B) A listing and estimate of associated costs from implementing  
20 and operating the pilot program.

21 (C) A listing of safety, security, or privacy issues encountered  
22 and explanation of how those issues were addressed.

23 (D) Available information relating to feedback from electronic  
24 filing participants.

25 (E) Any other relevant information on the implementation of  
26 the pilot program.

27 (2) The Commission shall transmit the county reports received,  
28 as well as any comments on the reports, to the Legislative Analyst's  
29 Office not later than August 15, 2011. The Legislative Analyst's  
30 Office shall provide a report to the Legislature evaluating the pilot  
31 program not later than February 1, 2012.

32 (h) The Commission, in conjunction with the Legislative  
33 Analyst's Office, may develop additional criteria for the report to  
34 be submitted to the Commission by participating counties pursuant  
35 to paragraph (1) of subdivision (g).

36 (i) This section shall remain in effect until ~~March 1~~ *December*  
37 *31*, 2012, and as of that date is repealed, unless a later enacted  
38 statute, which is enacted before ~~March 1~~ *December 31*, 2012,  
39 deletes or extends that date.

1 SEC. 3. Section 87500.1 is added to the Government Code, to  
2 read:

3 87500.1. (a) A filing officer may permit the electronic filing  
4 of a statement of economic interests required by this chapter in  
5 accordance with regulations that may be adopted by the  
6 Commission.

7 (b) A statement filed electronically shall include an electronic  
8 transmission that is submitted under penalty of perjury and that  
9 conforms to subdivision (b) of Section 1633.11 of the Civil Code.

10 (c) (1) The filing officer shall issue to a person who  
11 electronically files his or her statement of economic interests or  
12 amendment electronic confirmation that notifies the filer that his  
13 or her statement of economic interests or amendment was received.  
14 The confirmation shall include the date and the time that the  
15 statement of economic interests or amendment was received by  
16 the filing officer and the method by which the filer may view and  
17 print the data received by the filing officer.

18 (2) A paper copy retained by the filer of a statement of economic  
19 interests or amendment that was electronically filed and the  
20 confirmation issued pursuant to paragraph (1) that shows that the  
21 filer timely filed his or her statement of economic interests or  
22 amendment shall create a rebuttable presumption that the filer filed  
23 his or her statement of economic interests or amendment on time.

24 (d) The filing officer shall utilize a system that includes  
25 firewalls, data encryption, secure authentication, and all necessary  
26 hardware and software and industry best practices to ensure that  
27 the security and integrity of the data and information contained in  
28 the statement of economic interests are not jeopardized or  
29 compromised.

30 (e) The filing officer shall provide the public with a copy of an  
31 official's statement of economic interests upon request, in  
32 accordance with Section 81008. The paper copy of the  
33 electronically filed statement of economic interests shall be  
34 identical to the statement of economic interests published by the  
35 Commission and shall include the date that the statement was filed.

36 (f) This section shall become operative on January 1, 2013.

37 SEC. 4. The Legislature finds and declares that this bill furthers  
38 the purposes of the Political Reform Act of 1974 within the



- 1 meaning of subdivision (a) of Section 81012 of the Government
- 2 Code.

O