



STATE OF CALIFORNIA  
**FAIR POLITICAL PRACTICES COMMISSION**  
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**To:** Commissioners Cardenas, Hatch, and Hayward  
**From:** Phillip Ung, Director, Legislation and External Affairs  
**Subject:** Legislation Update – June 2018  
**Date:** June 11, 2018

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Staff is currently tracking seven active bills, six of which would amend the Political Reform Act. At the May meeting, the Commission took positions on four bills. Three of the four bill positions request the Legislature to make amendments to change the Commission's position. Bill authors have engaged with staff and are open to amending legislation which is discussed further in this memorandum. Staff has added one new bill related to open meeting laws.

Legislation currently being tracked by Commission staff and other related documents can be found on the [Commission's Pending Legislation](#) page.

**Recommendations from Law and Policy Committee (#1-4)**

**1. [AB 664](#) (Steinorth): Campaign fund expenditures; fair market value**

FPPC Position: *Oppose Unless Amended*

Status: Senate Elections Committee

Fiscal Estimate: Minor and absorbable

Last Amended: January 11, 2018

Last Action: Set for Senate Elections Committee hearing on June 19

LP Committee Recommendation: Oppose Unless Amended, with additional amendment

Attachments: AB 664 Law and Policy Committee Recommended Amendments

**Summary:**

Existing law prohibits the spouse or domestic partner of an elected officer or a candidate for elective office from receiving compensation from campaign funds controlled by the elected officer or candidate.

Under the *Harden* (A-90-498) and *Tierney* (A-04-094) Advice Letters, the Commission staff has advised that the compensation from campaign funds must be fair market value or a gift may result, so long as the duties performed by a non-spouse relative are directly related to a political, legislative, or governmental purpose.

This bill would prohibit compensation above fair market value to a parent, grandparent, sibling, child, or grandchild of an elected officer or a candidate or elective office from a controlled committee of the elected officer or candidate for elective office. The bill would additionally prohibit compensation above fair market value to any business majority-owned or controlled by

any spouse, domestic partners, or above named relatives. The bill further states that nothing in the bill authorizes a controlled committee to pay campaign funds in excess of fair market value in exchange for goods, services, facilities, or anything of value, to any person or vendor.

Staff Comments:

On May 25, Commission staff delivered an “oppose unless amended” letter to Assembly Member Steinorth’s office. Staff has sent a mock of amendments that address the Commission’s concerns as described in the May 25 letter. The Law and Policy Committee has recommended an additional amendment shown in the attachment “AB 664 Law and Policy Committee Recommended Amendments.” AB 664 will be heard in Senate Elections Committee on June 19.

**2. [AB 2155](#) (Mullin): Campaign disclosure**

FPPC Position: *Support if Amended*

Sponsor: California Clean Money Campaign

Status: Senate Elections Committee

Fiscal Estimate: No costs to the Commission

Last Amended: April 30, 2018

Last Action: Referred to Senate Elections Committee; set for June 19 hearing

LP Committee Recommendation: Support if Amended

Attachment: AB 2155 Law and Policy Committee Recommended Amendments

Summary:

The Act requires advertisements, as defined, to disclose, among other things, the advertisement’s funding source, including independent expenditures, and the names of the top contributors to the committee paying for the advertisement. The Act further requires that an advertisement supporting or opposing a candidate that is paid for by an independent expenditure include a statement that it was not authorized by a candidate or a committee controlled by a candidate. The Act further permits the Commission to adopt, amend, or rescind rules and regulations to carry out the purposes of the title.

This bill would exempt two additional types of communications from the Act’s definition of advertisement. This bill would limit the Commission’s regulatory authority for determining what types of communications are not advertisements. The bill prohibits the Commission from adopting regulations to change or insert quantity thresholds, as specified. The bill makes various formatting amendments required for television, video, print, and electronic media advertisements paid for by a committee not controlled by a political party or is not a candidate controlled committee established for an elective office of the controlling candidate.

Staff Comments:

Commission staff delivered a “support if amended” letter to Assembly Member Mullin’s office on May 25. The bill sponsor contacted Commission staff to discuss possible amendments. The sponsor agreed to narrow the regulatory restriction to sections adopted or amended by Assembly Bill 249 (2017). The Law and Policy Committee has recommended amendments shown in the attachment “AB 2155 Law and Policy Committee Recommended Amendments.” AB 2155 will

be heard in Senate Elections Committee on June 19.

**3. [AB 2880](#) (Harper): Political Reform Act; local enforcement**

FPPC Position: *Support if Amended*

Sponsor: California Common Cause

Status: Senate Elections Committee

Fiscal Estimate: Costs to the FPPC in the tens of thousands for each individual jurisdiction, reimbursed by the jurisdictions. Minor and absorbable costs to the FPPC to make the required report.

Last Amended: April 17, 2018

Last Action: Set for June 19 hearing of Senate Elections Committee.

LP Committee Recommendation: Support if Amended, with specific language

Attachment: AB 2880 Law and Policy Committee Recommended Amendments

Summary:

Existing law authorizes the Fair Political Practices Commission, upon mutual agreement between the Commission and the Board of Supervisors of the County of San Bernardino, to have primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance reform ordinance of the County of San Bernardino, as specified. Existing law also authorizes the Fair Political Practices Commission to enter such agreements with the City Council of the City of Stockton and the City Council of the City of Sacramento, respectively.

This bill would repeal those provisions and would instead generally authorize the governing body of a local government agency to contract with the Commission for the administration, implementation, and enforcement of a local campaign finance or government ethics law. The authorization is limited to jurisdictions with a population of less than 3,000,000. This bill would also clarify that any agreement with one of the cities enumerated above that was in effect on December 31, 2018, is deemed to comply with this provision. The authorization will sunset January 1, 2026. The Commission would be required to produce a report to the Legislature regarding the performance of any agreements on or before January 1, 2025.

Staff Comments:

Commission staff delivered a “support if amended” letter to Assembly Member Harper’s office on May 25. The sponsor and Commissioner Hatch negotiated amendments prior to the Law and Policy Committee meeting. The compromise was recommended by the Law and Policy Committee and shown in the attachment “AB 2880 Law and Policy Committee Recommended Amendments.” AB 2880 will be heard in Senate Elections Committee on June 19.

4. **SB 1239 (Hertzberg): Campaign disclosure: online filing system**

FPPC Position: *Support*

Sponsor: Secretary of State Alex Padilla

Status: Assembly Elections Committee

Fiscal Estimate: No costs to the Commission, potential minor cost savings.

Last Amended: April 24, 2018

Last Action: Set for June 27 hearing of Assembly Elections Committee

Attachment: Secretary of State's Mock Up Amendments

Summary:

The Political Reform Act of 1974 generally requires elected officials, candidates for elective office, and committees formed primarily to support or oppose a candidate for public office or a ballot measure, along with other entities, to file periodic campaign statements and certain reports concerning campaign finances and related matters. The act generally provides for the filing of campaign statements and reports by various means, including personal delivery, guaranteed overnight delivery, facsimile transmission, and online transmission. The act requires the Secretary of State, in consultation with the Fair Political Practices Commission, to develop online and electronic filing processes for persons and entities that are required to file statements and reports with the Secretary of State's office. The act requires certain persons and entities to file online or electronically with the Secretary of State if their political contributions, expenditures, or loans reach specified monetary thresholds. The Act requires each committee that is required to file a statement of organization to pay the Secretary of State a fee of \$50 by January 15 of each year until the committee is terminated. The Act subjects a committee that fails to pay the fee on time to a penalty equal to three times the amount of the fee.

This bill would generally recast certain provisions governing the processing of campaign reports and statements to provide for the filing, verification, delivery, amendment, retention, and inspection of those documents online or electronically, as prescribed. The bill would repeal the above-mentioned monetary thresholds, thereby making the online and electronic filing requirements applicable to all specified filers. The bill would also repeal various obsolete or extraneous provisions of the act, and would make conforming and other technical, nonsubstantive changes. The bill would change the deadline for payment of the annual fee to April 30 of each year. The bill also makes other technical, non-substantive changes.

Staff comments:

On May 25, the Commission's position letter was sent to Senator Hertzberg's office, copied to the Secretary of State. The Secretary's office informed staff that they will be making additional amendments to SB 1239 shown in attachment "Secretary of State's Mock Up Amendments." After reviewing the Secretary's mock up, the Law and Policy Committee recommended additional amendments to SB 1239 be communicated to the Secretary of State without changing the Commission's current "support" position.

**Active Political Reform Bills (#5-6)**

**5. [AB 2188](#) (Mullin): Campaign disclosure**

FPPC Position: *None currently*

Sponsor: California Clean Money Campaign

Status: Senate Rules Committee (for assignment)

Fiscal Estimate: \$192,800 first year, \$183,000 ongoing

Last Amended: May 9, 2018

Last Action: Passed by the Assembly and sent to the Senate

**Summary:**

Among other things, the Act requires an electronic media advertisement, other than an Internet Web site, paid for by a committee, other than a political party committee or a candidate controlled committee established for an elective office of the controlling candidate, to include the text “Who funded this ad?” and a hyperlink to an Internet Web site containing specified disclosures. However, the act requires that an advertisement made via a form of electronic media that allows users to engage in discourse and post content, or any other type of social media, only include specified disclosures in a contrasting color and in no less than 8 point font on the committee’s profile, landing page, or similar location, and not on each individual post, comment, or other similar communication.

This bill would require the disclosures on the committee’s profile, landing page, or similar location to be on the cover or header photo of the committee’s profile, landing page, or similar location and in no less than 10 point font. The bill would require the disclosures to be fully visible on the cover or header photo when the profile, landing page, or similar location is viewed from any electronic device that is commonly used to view this form of electronic media.

This bill would require an online platform, as defined, to display a hyperlink with the text “Who funded this ad?” on an advertisement paid for by a committee. The bill would require an online platform to maintain and make available a complete record of any request to purchase an advertisement on the online platform made by a committee that purchased \$500 or more in advertisements on the online platform during the preceding 12 months. The bill would require an online platform to display a prominent button, tab, or hyperlink near the top of a profile, landing page, or similar location of the committee that links to a page clearly showing the records of any request made by the committee to purchase an advertisement on the online platform. The bill would make a person who intentionally violates these provisions for the purpose of avoiding disclosure 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.

This bill would require an electronic media advertisement, other than a mass electronic mailing, that is paid for by a political party or a candidate controlled committee established for an elective office of the controlling candidate, and that does not support or oppose a ballot measure and is not paid for by an independent expenditure, to include a specified disclosure regarding who paid for the advertisement.

6. **AB 2689 (Gray): Gift and contribution prohibition; Governor's appointments**

FPPC Position: *None currently*

Status: Senate Elections Committee

Last Amended: April 17, 2018

Fiscal Estimate: Minor and absorbable

Last Action: Set for June 19 hearing of Senate Elections Committee

Summary:

The Political Reform Act establishes limits on gifts that a person or group can give to a candidate or state elective officer and limits how much a candidate or state elective officer can accept in a calendar year. The Act also establishes limits on contributions that a person or group can contribute to a candidate for state elective office and limits how much a candidate for state elective office can accept per election.

This bill would prohibit a person appointed by the Governor to an office subject to Senate or Assembly confirmation from making to a Senator or Assembly Member or a controlled committee of the Senator or Assembly Member, a gift or contribution during the period between the appointment or reappointment by the Governor and confirmation by the Senate. The bill would also apply this prohibition to candidates for the Senate or Assembly, as specified.

**Miscellaneous Bills (#7)**

7. **AB 2958 (Quirk): State Bodies; meetings; teleconference**

Status: Senate Government Organizations Committee

Last Amended: April 25, 2018

Last Action: Referred to Senate Government Organizations Committee

Summary:

Existing law, the Bagley-Keene Open Meeting Act, requires, with specified exceptions, that all meetings of a state body, as defined, be open and public, and all persons be permitted to attend any meeting of a state body, except as provided. Existing law does not prohibit a state body from holding an open or closed meeting by teleconference for the benefit of the public and state body. Existing law, among other things, requires a state body that elects to conduct a meeting or proceeding by teleconference to post agendas at all teleconference locations, to identify each teleconference location in the notice and agenda, and to make each teleconference location accessible to the public. Existing law requires the agenda to provide an opportunity for members of the public to address the state body directly at each teleconference location, as specified.

This bill, for an advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body that does not have rulemaking or voting authority, would instead require a member of a state body participating by teleconference to be listed in the meeting minutes. The bill would require a state body that meets this description to designate a primary physical meeting location where a quorum of the members of the state body will attend and where participants may physically attend the meeting and participate. The bill would require that the agenda include the teleconference phone number and, if applicable, the

Internet Web site or other information indicating how the public can access the meeting remotely. The bill would require these state bodies, on and after January 1, 2019, to adopt teleconferencing guidelines, as specified, before holding a meeting by teleconference pursuant to these provisions.

Staff Comments:

After consulting with Legal Division, staff has added AB 2958 to the tracking list for the information of the Commission because of previous discussions regarding the requirements of the Bagley-Keene Open Meeting Act and how it affects advisory committees.

**Budget Bill (#8)**

**8. SB 840 (Mitchell): Budget Act of 2018**

Status: In Conference Committee

Last Amended: June 10, 2018

8620-001-0001—For support of Fair Political Practices Commission  
.....6,923,000

Provisions:

1. Not later than January 10 of each year, the Fair Political Practices Commission shall report workload metrics to the fiscal committees of the Legislature, the Legislative Analyst’s Office, and the Department of Finance. When possible, the report shall provide data for the past five fiscal years and distinguish workload by division. The report shall include, but not be limited to, the following:
  - (a) Data collected regarding enforcement of the Political Reform Act of 1974. These data shall include, but not be limited to, the number of complaints received, the number of referrals received, the number of cases opened, the number of cases with resolutions approved by the commission (distinguished by streamline, mainline, and default cases approved by the commission), total fines imposed by the commission, the number of warning letters issued, the number of administrative terminations, the number of cases closed with violations found, the number of advisory letters issued, the number of no action closure letters issued, and the average case pendency by category of violations under the act.
  - (b) Data collected from the advice phone system. These data shall include, but not be limited to, the average amount of time people wait on the phone before their call is answered and the average length of accepted calls.
  - (c) Data regarding informal advice issued by email. These data shall include, but not be limited to, the number of emails received, the number of advice emails responded to within 24 hours from receipt, and the number of advice emails responded to after more than 24 hours from receipt.
  - (d) Data regarding responsiveness to public demand for information. These data shall include, but not be limited to, the number of workshops or presentations requested by the public or a public agency and the number of workshops or presentations performed.

- (e) Data regarding advice letters issued pursuant to Section 83114 of the Government Code. These data shall include, but not be limited to, the number of advice letters issued and the number of instances where it took the commission longer than 21 days to issue an advice letter.
- (f) Data regarding advice letters issued pursuant to Section 1090 of the Government Code. These data shall include, but not be limited to, the number of advice letters issued, the number of instances where it took the commission longer than 30 days to issue an advice letter, and the number of instances where it took the commission longer than 90 days to issue an advice letter.

Staff Comments:

The Governor's proposed budget includes \$5,265,000 from Unscheduled Items of Appropriation that are not included in the Budget Bill adopted by the Legislature each fiscal year.

**ATTACHMENT 1: AB 664 STAFF PROPOSED AMENDMENTS**

1 AB 664 - (A) Amends the Law

2

3 SECTION 1. Section 84307.5 of the Government Code is amended to read:

4

5 84307.5. (a) A spouse or domestic partner of an elected officer or a candidate for elective office shall not receive, in  
6 exchange for services rendered, compensation from campaign funds held by a controlled committee of the elected  
7 officer or candidate for elective office.

8 (b) A parent, grandparent, sibling, child, or grandchild of an elected officer or a candidate for elective office shall  
9 not receive, in exchange for furnished or promised<sup>1</sup> goods, services, facilities, or anything of value, compensation  
10 from campaign funds held by a controlled committee of the elected officer or candidate for elective office that  
11 exceeds the fair market value, as defined in Section 82025.5, of the exchanged item.

12 (c) Financial or material compensation from campaign funds held by a controlled committee of an elected officer or  
13 candidate for elective office shall not be paid beyond fair market value, as defined in Section 82025.5, in exchange  
14 for services rendered, to a vendor if the <sup>2</sup>parent, grandparent, sibling, child, or grandchild of that officer or candidate  
15 has an interest in or is employed by the vendor.<sup>3</sup>

16 (d) Nothing in subdivision (b) or (c) shall be construed to authorize a controlled committee to pay campaign funds in  
17 excess of fair market value, as defined in Section 82025.5, in exchange for goods, services, facilities, or anything of  
18 value, to any person or vendor.

19

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

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<sup>1</sup> Amendment recommended by Law and Policy Committee on Friday, June 8.

<sup>2</sup> Spouse or domestic partner are removed because their addition would conflict with (a) which prohibits a spouse or domestic partner from being compensated by a controlled committee which includes a spouse's interest in a vendor.

<sup>3</sup> By making it a general interest rather than a majority-owned interest, it would include situations where a relative has a minority interest in the vendor or is employed by the vendor.

**ATTACHMENT 1: AB 664 STAFF PROPOSED AMENDMENTS**

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

## ATTACHMENT 1: AB 2155 STAFF PROPOSED AMENDMENTS

1 **AB 2155 - (A) Amends the Law**

2 **SECTION 1.**

3 Section 84501 of the Government Code is amended to read:

4 **84501.**

5 For purposes of this article, the following definitions apply:

6 (a) (1) "Advertisement" means any general or public communication that is authorized and paid for by a committee  
7 for the purpose of supporting or opposing a candidate or candidates for elective office or a ballot measure or ballot  
8 measures.

9 (2) "Advertisement" does not include any of the following:

10 (A) A communication from an organization, other than a political party, to its members.

11 (B) An electronic media communication addressed to recipients, such as email messages or text messages, from an  
12 organization to persons who have opted in or asked to receive messages from the organization.

13 (C) Any communication that was solicited by the recipient, including, but not limited to, acknowledgments for  
14 contributions or information that the recipient communicated to the organization.

15 (D) A campaign button smaller than 10 inches in diameter; a bumper sticker smaller than 60 square inches; or a  
16 small tangible promotional item, such as a pen, pin, or key chain, upon which the disclosure required cannot be  
17 conveniently printed or displayed.

18 (E) Wearing apparel.

19 (F) Sky writing.

20 (G) An electronic media communication for which inclusion of the disclosures required by Section 84502, 84503,  
21 or 84506.5, is impracticable or would severely interfere with the committee's ability to convey the intended message  
22 because of the nature of the technology used to make the communication.

23 (H) Any other type of communication, as determined by regulations of the Commission, for which inclusion of the  
24 disclosures required by Section 84502, 84503, or 84506.5 is impracticable or would severely interfere with the  
25 committee's ability to convey the intended message due to the nature of the technology used to make the  
26 communication. The Commission shall not, by regulations, change or insert any quantity thresholds set forth in

## ATTACHMENT 1: AB 2155 STAFF PROPOSED AMENDMENTS

1 Government Code Sections 82025, 84305, 84310, 84501 through 84505, inclusive, 84506.5, 84509 through 84511,  
2 inclusive, and 85704 .

3 (b) “Cumulative contributions” means the cumulative amount of contributions received by a committee beginning  
4 12 months before the date of the expenditure and ending seven days before the time the advertisement is sent to the  
5 printer or broadcaster.

6 (c) (1) “Top contributors” means the persons from whom the committee paying for an advertisement has received its  
7 three highest cumulative contributions of fifty thousand dollars (\$50,000) or more.

8 (2) If two or more contributors of identical amounts qualify as top contributors, the most recent contributor of that  
9 amount shall be listed as the top contributor in any disclosure required by Section 84503.

10 (3) If a committee primarily formed to support or oppose a state candidate or ballot measure contributes funds to  
11 another committee primarily formed to support or oppose the same state candidate or ballot measure and the funds  
12 used for the contribution were earmarked to support or oppose that candidate or ballot measure, the committee  
13 receiving the earmarked contribution shall disclose the contributors who earmarked their funds as the top contributor  
14 or contributors on the advertisement if the definition of top contributor provided for in paragraph (1) is otherwise  
15 met. If the committee receiving the earmarked contribution contributes any portion of the contribution to another  
16 committee primarily formed to support or oppose the specifically identified ballot measure or candidate, that  
17 committee shall disclose the true source of the contribution to the new committee receiving the earmarked funds.  
18 The new committee shall disclose the contributor on the new committee’s advertisements if the definition of top  
19 contributor provided for in paragraph (1) is otherwise met.

20 (A) The primarily formed committee making the earmarked contribution shall provide the primarily formed  
21 committee receiving the earmarked contribution with the name and address of the contributor or contributors who  
22 earmarked their funds and the amount of the earmarked contribution from each contributor at the time the  
23 contribution is made. If the committee making the contribution received earmarked contributions that exceed the  
24 amount contributed or received contributions that were not earmarked, the committee making the contribution shall  
25 use a reasonable accounting method to determine which top contributors to identify pursuant to this subparagraph,  
26 but in no case shall the same contribution be disclosed more than one time to avoid disclosure of additional  
27 contributors who earmarked their funds.

**ATTACHMENT 1: AB 2155 STAFF PROPOSED AMENDMENTS**

1 (B) The committee receiving the earmarked contribution may rely on the information provided pursuant to  
2 subparagraph (A) for purposes of complying with the disclosure required by Section 84503 and shall be considered  
3 in compliance with Section 84503 if the information provided pursuant to subparagraph (A) is disclosed as  
4 otherwise required.

5 (C) For purposes of this paragraph, funds are considered “earmarked” if any of the circumstances described in  
6 subdivision (b) of Section 85704 apply.

## AB 2880 – Law and Policy Committee Proposed Amendments

1 AB 2880 - Amends the Law

2 SEC. 2. Section 83123.6 is added to the Government Code, to read:

3

4 83123.6. (a) (1) Upon mutual agreement between the Commission and the governing body of a local government  
5 agency, the Commission may assume primary responsibility for the impartial, effective administration,  
6 implementation, and enforcement of a local campaign finance or government ethics law passed by the local  
7 government agency.

8 (2) (A) Upon approval of an agreement pursuant to paragraph (1), the Commission shall be the civil prosecutor  
9 responsible for the civil enforcement of the local campaign finance or government ethics law of the local  
10 government agency in accordance with this title.

11 (B) As the civil prosecutor, the Commission may do all of the following with respect to the local campaign finance  
12 or government ethics law:

13 (i) Provide advice.

14 (ii) Investigate possible violations.

15 (iii) Bring administrative actions in accordance with this title and Chapter 5 (commencing with Section 11500) of  
16 Part 1 of Division 3 of Title 2.

17 (iv) Bring civil actions.

18 (C) The Commission shall not be required to obtain authorization from the local government agency to bring an  
19 administrative or civil action pursuant to subparagraph (B).

20 (b) A local campaign finance or government ethics law of the local government agency enforced by the Commission  
21 pursuant to this section shall comply with this title.

22 (c) The governing body of the local government agency shall consult with the Commission before adopting and  
23 amending any local campaign finance or government ethics law that is subsequently enforced by the Commission  
24 pursuant to this section.

25 (d) (1) The governing body of the local government agency and the Commission shall enter into any agreements  
26 necessary and appropriate to carry out the provisions of paragraph (1) of subdivision (a), including agreements  
27 pertaining to any necessary local reimbursement of direct and indirect costs incurred by the Commission in  
28 administering, implementing, or enforcing a local campaign finance or government ethics law pursuant to this

## AB 2880 – Law and Policy Committee Proposed Amendments

1 section. Before approving an agreement for local reimbursement, the Commission shall submit the proposed  
2 agreement to the Department of General Services for its review. The Commission may approve the agreement 90  
3 days after submitting the proposed agreement to the Department of General Services or after receiving the  
4 Department of General Services' written review of the agreement, whichever occurs first. Any agreement approved  
5 by the Commission, along with any review of the agreement by the Department of General Services, shall be  
6 submitted to the Department of Finance.

7 (2) An agreement entered into pursuant to this subdivision shall not contain a cancellation fee, a liquidated damages  
8 provision, or other financial disincentive to terminate the agreement pursuant to subdivision (e), except that, if the  
9 local government agency terminates the agreement, the Commission may require the governing body of the local  
10 government agency to pay the Commission for services rendered and any other expenditures reasonably made by the  
11 Commission in anticipation of services to be rendered pursuant to the agreement.

12 (e) The governing body of the local government agency or the Commission may, at any time, by ordinance or  
13 resolution, terminate an agreement made pursuant to this section for the Commission to administer, implement, or  
14 enforce a local campaign finance ordinance or any provision thereof. The termination shall be effective 90 days after  
15 the enactment of the ordinance or resolution unless, by agreement between the local government agency and the  
16 Commission, a longer period is required.

17 (f) The Commission shall conspicuously post on its Internet Web site a list of every local government agency that it  
18 has entered into agreement with pursuant to this section.

19 (g) An agreement for the enforcement of a local campaign finance or government ethics law between the  
20 Commission and the City of Stockton, or the City of Sacramento that was in effect on December 31, 2018, shall be  
21 deemed to comply with this section.

22 (h) If an agreement is entered into pursuant to this section, the Commission shall report to the Legislature regarding  
23 the performance of that agreement on or before January 1, 2025, and shall submit that report in compliance with  
24 Section 9795. The Commission shall develop the report in consultation with the governing body of the local  
25 government agency. The report shall include, but not be limited to, all of the following:

26 (1) The status of the agreement.

27 (2) The estimated annual cost savings, if any, for the local government agency.

## **AB 2880 – Law and Policy Committee Proposed Amendments**

- 1 (3) A summary of relevant annual performance metrics, including measures of use, enforcement, and customer  
2 satisfaction.
- 3 (4) Public comments submitted to the Commission or the local government agency relative to the operation of the  
4 agreement.
- 5 (5) Legislative recommendations.
- 6 (i) This section does not apply to a jurisdiction with a population of 3,000,000 or more or to the County of San  
7 Bernardino.
- 8 (j) This section shall remain in effect only until January 1, 2026, and as of that date is repealed, unless a later  
9 enacted statute, that is enacted before January 1, 2026, deletes or extends that date.

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Secretary of State Proposed Amendments 5/24/18

Date Published: 04/24/2018 09:00 PM

BILL START

AMENDED IN SENATE APRIL 24, 2018

AMENDED IN SENATE APRIL 09, 2018

AMENDED IN SENATE MARCH 21, 2018

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

**SENATE BILL**

**No. 1239**

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**Introduced by Senator Hertzberg**

**February 15, 2018**

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An act to amend Sections 81004, 81007, 81007.5, 81008, 81009, 81010, 82006, 84101, 84101.5, 84102, 84103, 84108, 84200.8, 84203, 84204, 84204.5, 84211, 84213, 84215, 84219, 84223, [84504.2](#), 84602, 84605, 84606, 84612, 84615, [85200](#), 86100, 86103, 86104, 86105, 86107, 86108, 86109.5, [86114](#), [86116](#) and 86118 of, and to repeal Sections 84217 and 86109 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 1239, as amended, Hertzberg. Political Reform Act of 1974: online and electronic disclosures.

The Political Reform Act of 1974 generally requires elected officials, candidates for elective office, and committees formed primarily to support or oppose a candidate for public office or a ballot measure, along with other entities, to file periodic campaign statements and certain reports concerning campaign finances and related matters. The act generally provides for the filing of campaign statements and reports by various means, including personal delivery, guaranteed overnight delivery, facsimile transmission, and online transmission. The act requires the Secretary of State, in consultation with the Fair Political Practices Commission, to develop online and electronic filing processes for persons and entities that are required to file statements and reports with the Secretary of State's office. The act requires certain persons and entities to file online or electronically with the Secretary of State if their political contributions, expenditures, or loans reach specified monetary thresholds.

This bill would generally recast certain provisions governing the processing of campaign reports and statements to provide for the filing, verification, delivery, amendment, retention, and inspection of those documents online or electronically, as prescribed. The bill would repeal the above-mentioned monetary thresholds, thereby making the online and electronic filing requirements applicable to all specified filers. The bill would also repeal various obsolete or extraneous provisions of the act, and would make conforming and other technical, nonsubstantive changes.

The act requires each committee that is required to file a statement of organization to pay the Secretary of State a fee of \$50 by January 15 of each year until the committee is terminated. The act subjects a committee that fails to pay the fee on time to a penalty equal to three times the amount of the fee.

This bill would change the deadline for payment of the annual fee to April 30 of each year. The bill would delete obsolete provisions and would make other technical, nonsubstantive changes.

A violation of the act is punishable as a misdemeanor, and reports and statements filed under the act are required to be signed under the penalty of perjury. By expanding the scope of existing crimes, this bill would impose a state-mandated local program.

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 of the Legislature and compliance with specified procedural requirements.

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

## DIGEST KEY

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

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## BILL TEXT

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

## **SECTION 1.**

Section 81004 of the Government Code is amended to read:

### **81004.**

(a) All reports and statements filed under this title shall be signed under penalty of perjury and verified by the filer in compliance with this section and Section 84213, as applicable. The verification shall state that the filer has used all reasonable diligence in its preparation, and that to the best of the filer's knowledge it is true and complete.

(b) A report or statement filed by a committee which qualifies under subdivision (a) of Section 82013 shall be signed and verified by the treasurer, and a report or statement filed by any other person shall be signed and verified by the filer. If the filer is an entity other than an individual, the report or statement shall be signed and verified by a responsible officer of the entity or by an attorney or a certified public accountant acting as agent for the entity. Every person who signs and verifies any report or statement required to be filed under this title which contains material matter which he knows to be false is guilty of perjury.

(c) A report or statement filed online or electronically shall include a secure electronic signature that is submitted under penalty of perjury and that conforms to subdivision (a) of this section and subdivision (b) of Section 1633.11 of the Civil Code.

(d) A filing made on behalf of a filer by a vendor or service provider authorized by the filer to make such filings is presumed filed under penalty of perjury by the filer.

## **SEC. 2.**

Section 81007 of the Government Code is amended to read:

### **81007.**

When a report or statement or copies thereof required to be filed in paper format with any officer under this title has been sent by first-class mail or by any other guaranteed overnight delivery service addressed to the officer, it shall for purposes of any deadline be deemed to have been received by the officer on the date of the deposit in the mail or of receipt by that delivery service. It shall be presumed until the contrary is established that any date stamped by the post office on the envelope or contained on the delivery service receipt containing the report or statement is the date it was deposited in the mail or received by the delivery service. Mail that is not received by the filing officer shall 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 addressee.

## **SEC. 3.**

Section 81007.5 of the Government Code is amended to read:

### **81007.5.**

(a) Any report or statement or copies thereof required to be filed in a paper format with any city or county official under Chapter 4 (commencing with Section 84100) or Chapter 7 (commencing with Section 87100) may be emailed or faxed by the applicable deadline, provided that the required originals or paper copies are sent by first-class mail or by any other personal delivery or guaranteed overnight delivery service within 24 hours of the applicable deadline and provided that the total number of pages of each report or statement emailed or faxed is no more than 30 pages.

(b) An emailed or faxed report or statement shall not be considered filed if the emailed or faxed report or statement is not a true and correct copy of the original.

(c) A filing officer who receives an emailed or faxed report or statement shall make the report or statement available to the public in the same manner as provided in Section 81008.

#### **SEC. 4.**

Section 81008 of the Government Code is amended to read:

##### **81008.**

A report or statement filed pursuant to this title is a public record open for public inspection and reproduction during the filing officer's regular business hours, commencing as soon as practicable, and no later than the second business day after the day it was received. A filing officer shall make electronically filed data publicly available on the Internet as soon as possible after it is received in compliance with Sections 84602 and 84615. Conditions shall not be imposed upon persons asking to inspect or reproduce reports and statements filed under this title, and information or identification shall not be required from these persons. Copies ~~or print-outs~~ shall be provided at a charge not to exceed ten cents (\$0.10) per page. In addition, the filing officer may charge a retrieval fee not to exceed five dollars (\$5) per request for copies of reports and statements which are five or more years old. A request for more than one report or statement or report and statement at the same time shall be considered a single request.

#### **SEC. 5.**

Section 81009 of the Government Code is amended to read:

##### **81009.**

(a) 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, shall be retained by filing officers indefinitely.

(b) Original campaign statements of mayors, city council members, county supervisors, candidates for any of these offices, and committees supporting any officeholder or candidate shall be retained indefinitely, except that original campaign statements of candidates not elected to these offices and of committees supporting candidates not elected to these offices shall be retained by filing officers for a period of at least five years.

(c) Original campaign statements of all other persons shall be retained by filing officers for at least seven years.

(d) Original statements of economic interests of persons holding statewide elective office shall be retained by filing officers indefinitely.

(e) Original reports and statements not specified above in this section shall be retained by filing officers for at least seven years.

(f) Copies of reports or statements shall be retained by the officer with whom they are filed for at least four years, provided, however, that a filing officer is not required to retain more than one copy of a report or statement.

(g) After an original report or statement or a copy filed in a paper format has been on file for at least two years, the officer with whom it is filed may comply with this section by retaining ~~a scanned or archived~~ an electronic copy available for public inspection instead of the original report or statement or copy. Upon request, the officer shall provide copies of such statements pursuant to

Section 81008. ~~Data~~ [Reports and statements](#) filed online or electronically under this title shall be retained and archived pursuant to this Section and Sections 84602 or 84615.

## **SEC. 6.**

Section 81010 of the Government Code is amended to read:

### **81010.**

For reports and statements filed with a filing officer pursuant to this title, the filing officer shall do all of the following:

- (a) Supply the necessary forms and manuals prescribed by the Commission.
- (b) Determine whether required documents have been filed and, if so, whether they conform on their face 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 at the time required by this title.
- (d) Report apparent violations of this title to the appropriate agencies.
- (e) Compile and maintain a current list of all reports and statements filed with this office.

## **SEC. 7.**

Section 82006 of the Government Code is amended to read:

### **82006.**

“Campaign statement” means an itemized report that is prepared on a form or in a manner prescribed by the Commission and that provides the information required by Chapters 4 and 5 of this title.

## **SEC. 8.**

Section 84101 of the Government Code is amended to read:

### **84101.**

(a) A committee that is a committee by virtue of subdivision (a) of Section 82013 shall file a statement of organization. The committee shall file the original of the statement of organization online or electronically with the Secretary of State and shall also file a copy of the statement of organization with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215. The original and copy of the statement of organization shall be filed within 10 days after the committee has qualified as a committee. The Secretary of State shall assign a number to each committee that files a statement of organization and shall notify the committee of the number. The Secretary of State shall email or send a copy of statements filed pursuant to this section to the county elections official of each county that he or she deems appropriate. A county elections official who receives a copy of a statement of organization from the Secretary of State pursuant to this section shall email or send a copy of the statement to the clerk of each city in the county that he or she deems appropriate.

(b) In addition to filing the statement of organization as required by subdivision (a), if a committee qualifies as a committee under subdivision (a) of Section 82013 within 16 days before the date of an election in connection with which the committee is required to file preelection statements, the committee shall file, within 24 hours of qualifying as a committee, the original of its statement of organization online or electronically with the Secretary of State, and a copy with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports

pursuant to Section 84215 by email, fax, online transmission, guaranteed overnight delivery, or personal delivery.

(c) If an independent expenditure committee qualifies as a committee pursuant to subdivision (a) of Section 82013 during the time period described in Section 82036.5 and makes independent expenditures of one thousand dollars (\$1,000) or more to support or oppose a candidate or candidates for office, the committee shall file, ~~by facsimile transmission, online transmission, guaranteed overnight delivery, or personal delivery~~ within 24 hours of qualifying as a committee, ~~the information required to be reported in the statement of organization. The information required by this section shall be filed~~ the original of its statement of organization online or electronically with the Secretary of State. The committee shall also file a copy of its statement of organization with the filing officer with whom the committee is required to file the original of its campaign reports pursuant to Section 84215, and ~~shall be filed~~ at all locations required for the candidate or candidates supported or opposed by the independent expenditures, by email, fax, online transmission, guaranteed overnight delivery, or personal delivery. The filings required by this section are in addition to filings that may be required by Section 84204.

(d) For purposes of this section, in calculating whether two thousand dollars (\$2,000) in contributions has been received, payments for a filing fee or for a statement of qualifications to appear in a sample ballot shall not be included if these payments have been made from the candidate's personal funds.

## **SEC. 9.**

Section 84101.5 of the Government Code is amended to read:

### **84101.5.**

(a) Notwithstanding Section 81006, the Secretary of State shall charge each committee that is required to file a statement of organization pursuant to subdivision (a) of Section 84101, and each committee that is required to file a statement of organization pursuant to subdivision (a) of Section 84101 shall pay, a fee of fifty dollars (\$50) per year until the committee is terminated pursuant to Section 84214.

(b) A committee shall pay the fee prescribed in subdivision (a) no later than 15 days after filing its statement of organization.

(c) (1) A committee annually shall pay the fee prescribed in subdivision (a) no later than April 30 of each year.

(2) A committee that is created and pays the initial fee pursuant to subdivision (b) in October, November, or December of a calendar year is not subject to the annual fee pursuant to paragraph (1) for the following calendar year.

(d) (1) A committee that fails to timely pay a fee required by this section is subject to a penalty equal to three times the amount of the fee.

(2) The Commission shall enforce the requirements of this section.

## **SEC. 10.**

Section 84102 of the Government Code is amended to read:

### **84102.**

The statement of organization required by Section 84101 shall include all of the following:

(a) The name, street address, email address, and telephone number, if any, of the committee. In the case of a sponsored committee, the name of the committee shall 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, a term identifying that industry or group shall be included in the name of the committee.

(b) In the case of a sponsored committee, the name, street address, ~~email address~~, and telephone number of each sponsor.

(c) The full name, street address, email address, and telephone number, of the treasurer and any other principal officers.

(1) A committee with more than one principal officer shall identify its principal officers as follows:

(A) A committee with three or fewer principal officers shall identify all principal officers.

(B) A committee with more than three principal officers shall identify no fewer than three principal officers.

(2) If no individual other than the treasurer is a principal officer, the treasurer shall be identified as both the treasurer and the principal officer.

(d) The full name and office sought by a candidate, 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 one or more candidates or ballot measures as its primary activity shall provide a brief description of its political activities, including whether it supports or opposes candidates or measures and whether such candidates or measures have common characteristics, such as a political party preference.

(e) A statement whether the committee is independent or controlled and, if it is controlled, the name of each candidate or state measure proponent by which it is controlled, or the name of any controlled committee with which it acts jointly. If a committee is controlled by a candidate for partisan or voter-nominated office, the controlled committee shall indicate the political party, if any, for which the candidate has disclosed a preference.

(f) For a committee that is a committee by virtue of subdivision (a) or (b) of Section 82013, the name and address of the financial institution in which the committee has established an account and the account number.

(g) Other information as shall be required by the rules or regulations of the Commission consistent with the purposes and provisions of this chapter.

## **SEC. 11.**

Section 84103 of the Government Code is amended to read:

### **84103.**

(a) If there is a change in any of the information contained in a statement of organization, an amendment shall be filed within 10 days to reflect the change. The committee shall file the original of the amendment online or electronically with the Secretary of State and shall also file a copy of the amendment with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215.

(b) In addition to filing an amendment to a statement of organization as required by subdivision (a), a committee as defined in subdivision (a) of Section 82013 shall file an amendment to its statement of organization within 24 hours if the change requiring the amendment occurs within 16 days

before the date of the election in connection with which the committee is required to file a preelection statement, and if any of the following information is changed:

- (1) The name of the committee.
- (2) The name of the treasurer or other principal officers.
- (3) The name of any candidate or committee by which the committee is controlled or with which it acts jointly.

The amendment shall include the changed information, the date of the change, and the committee's name and identification number.

The committee shall file the original of the amendment online or electronically with the Secretary of State and a copy with the local filing officer, if any, with whom the committee is required to file the original of its campaign reports, by email, fax, online transmission, guaranteed overnight delivery, or personal delivery.

## **SEC. 12.**

Section 84108 of the Government Code is amended to read:

### **84108.**

(a) Every slate mailer organization shall comply with the requirements of Sections 84100, 84101, 84103, and 84104.

(b) The statement of organization of a slate mailer organization shall include:

(1) The name, street address, email address, and telephone number of the organization. In the case of an individual or business entity that qualifies as a slate mailer organization, the name of the slate mailer organization shall include the name by which the individual or entity is identified for legal purposes. Whenever identification of a slate mailer organization is required by this title, the identification shall include the full name of the slate mailer organization as contained in its statement of organization.

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

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

(c) The statement of organization shall be filed online or electronically with the Secretary of State within 10 days after the slate mailer organization receives or is promised five hundred dollars (\$500) or more for producing one or more slate mailers. However, if an entity qualifies as a slate mailer organization within 16 days before the date of an election in which it is required to file preelection statements, the slate mailer organization shall file the statement of organization online or electronically with the Secretary of State within 24 hours of qualifying as a slate mailer organization.

## **SEC. 13.**

Section 84200.8 of the Government Code is amended to read:

### **84200.8.**

Preelection statements shall be filed under this section as follows:

(a) For the period ending 45 days before the election, the statement shall be filed no later than 40 days before the election.

(b) For the period ending 17 days before the election, the statement shall 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 shall 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 formed primarily to support or oppose a candidate or measure being voted on in that election shall file the statement due 12 days before the election in subdivisions (b) and (c) online or electronically, if required or, for a city or county committee filing in paper format, by guaranteed overnight delivery service or personal delivery.

## **SEC. 14.**

Section 84203 of the Government Code is amended to read:

### **84203.**

(a) Each candidate or committee that makes or receives a late contribution, as defined in Section 82036, shall report the late contribution to each office with which the candidate or committee is required to file its next campaign statement pursuant to Section 84215.

(1) The candidate or committee that makes the late contribution shall report his or her full name and street address and the full name and street address of the person to whom the late contribution has been made, 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 the date and amount of the late contribution, ~~and the cumulative amount of contributions.~~

(2) The recipient of the late contribution shall report his or her full name and street address, the date and amount of the late contribution, whether the contribution was a monetary contribution, in-kind contribution of goods or services, or a loan, the cumulative amount of contributions, and whether the contribution was for the primary, general or other election, if required. The recipient shall also report the full name of the contributor, his or her street address, occupation, and the name of his or her employer, or if self-employed, the name of the business.

(b) A late contribution shall be reported within 24 hours of the time it is made in the case of the candidate or committee that makes the contribution and within 24 hours of the time it is received in the case of the recipient. A late contribution shall be reported ~~by~~ online or electronically, ~~transmission,~~ if required, or for a city or county committee filing in paper format, by email, fax, guaranteed overnight delivery, or personal delivery. If a late contribution is required to be reported to the Secretary of State, the report to the Secretary of State shall be by online or electronic transmission only. A late contribution shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section.

(c) A late contribution need not be reported nor shall it be deemed accepted if it is not cashed, negotiated, or deposited and is returned to the contributor within 24 hours of its receipt.

(d) A report filed pursuant to this section shall be in addition to any other campaign statement required to be filed by this chapter.

(e) The report required pursuant to this section is not required to be filed by a candidate or committee that has disclosed the late contribution pursuant to subdivision (a) or (b) of Section 85309.

## **SEC. 15.**

Section 84204 of the Government Code is amended to read:

### **84204.**

(a) A committee that makes a late independent expenditure, as defined in Section 82036.5, shall report the late independent expenditure within 24 hours of the time it is made. A late independent expenditure shall be reported ~~by~~ online or electronically, ~~transmission,~~ if required, or if filing in a paper format, by email, fax, guaranteed overnight delivery, or personal delivery. If a late independent expenditure is required to be reported to the Secretary of State, the report to the Secretary of State shall be by online or electronic transmission only. A late independent expenditure shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section.

(b) A committee that makes a late independent expenditure shall report its full name and street address, as well as the name, office, and district of the candidate if the report is related to a candidate, or if the report is related to a measure, the number or letter of the measure, whether the expenditure was made to support or oppose the candidate or ballot measure, the jurisdiction in which the measure is to be voted upon, and the amount and the date, as well as a description of goods or services for which the late independent expenditure was made. In addition to the information required by this subdivision, a committee that makes a late independent expenditure shall include with its late independent expenditure report the information required by paragraphs (1) to ~~(6), (5),~~ inclusive, of subdivision (f) of Section 84211, 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 the previous January 1 to the date of the late independent expenditure. Information required by paragraphs (1) to ~~(6), (5),~~ inclusive, of subdivision (f) of Section 84211 that is required to be reported with a late independent expenditure report by this subdivision is not required to be reported on more than one late independent expenditure report.

(c) A committee that makes a late independent expenditure shall file a late independent expenditure report in the places where it would be required to file campaign statements under this article as if it were formed or existing primarily to support or oppose the candidate or measure for or against which it is making the late independent expenditure.

(d) A report filed pursuant to this section shall be in addition to any other campaign statement required to be filed by this article.

(e) Expenditures that have been disclosed by candidates and committees pursuant to Section 85500 are not required to be disclosed pursuant to this section.

## **SEC. 16.**

Section 84204.5 of the Government Code is amended to read:

### **84204.5.**

(a) In addition to any other report required by this title, a committee pursuant to subdivision (a) of Section 82013 that is required to file reports pursuant to Section 84605 shall file online or electronically with the Secretary of State each time it makes contributions totaling five thousand dollars (\$5,000) or more or each time it makes independent expenditures totaling five thousand dollars (\$5,000) or more to support or oppose the qualification or passage of a single state ballot

measure. The report shall be filed within 10 business days of making the contributions or independent expenditures and shall contain all of the following:

(1) The full name, street address, and identification number of the committee.

(2) The number or letter of the measure if the measure has qualified for the ballot and has been assigned a number or letter; the title of the measure if the measure has not been assigned a number or letter but has been issued a title by the Attorney General; or the subject of the measure if the measure has not been assigned a number or letter and has not been issued a title by the Attorney General.

(3) In the case of a contribution, the date and amount of the contribution and the name, address, and identification number of the committee to whom the contribution was made. In addition, the report shall include the information required by paragraphs (1) to ~~(6)~~, (5), inclusive, of subdivision (f) of Section 84211, regarding 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. The information described in paragraphs (1) to ~~(6)~~, (5), inclusive, of subdivision (f) of Section 84211 that is required to be reported pursuant to this subdivision is not 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 subdivision (f) of Section 84211.

(4) In the case of an independent expenditure, the date, amount, and a description of the goods or services for which the expenditure was made. In addition, the report shall include the information required by paragraphs (1) to ~~(6)~~, (5), inclusive, of subdivision (f) of Section 84211 regarding 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. The information described in paragraphs (1) to ~~(6)~~, (5), inclusive, of subdivision (f) of Section 84211 that is required to be reported pursuant to this subdivision is not 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 subdivision (f) of Section 84211.

(b) In addition to any other report required by this title, a committee pursuant to subdivision (a) of Section 82013 shall file a report each time it makes contributions totaling five thousand dollars (\$5,000) or more or independent expenditures aggregating five thousand dollars (\$5,000) or more to support or oppose the qualification of a single local initiative or referendum ballot measure. A committee that is required to file a report under this subdivision shall file the report in the places where it would be required to file campaign statements under this article as if it were formed or existing primarily to support or oppose the local initiative or referendum ballot measure. The report shall be filed within 10 business days of reaching the aggregate dollar threshold and shall contain all of the following:

(1) The full name, street address, and identification number of the committee.

(2) The name or subject of the measure.

(3) In the case of an independent expenditure, the date, amount, and a description of the goods or services for which the expenditure was made. In the case of a contribution, the date and amount of the contribution and the name, address, and identification number of the committee to which the

contribution was made. In addition, the report shall include the information required by paragraphs (1) to ~~(6)~~, (5), inclusive, of subdivision (f) of Section 84211 regarding 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 or 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 contribution or expenditure. The information described in paragraphs (1) to ~~(6)~~, (5), inclusive, of subdivision (f) of Section 84211 that is required to be reported pursuant to this subdivision is not 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 subdivision (f) of Section 84211.

(c) Reports required by this section are not required to be filed by a committee primarily formed to support or oppose the qualification or passage of a state ballot measure or the qualification of a local initiative or referendum ballot measure for expenditures made on behalf of the ballot measure or measures for which it is formed.

(d) Independent expenditures that have been disclosed by a committee pursuant to Section 84204 or 85500 are not required to be disclosed pursuant to this section.

## **SEC. 17.**

Section 84211 of the Government Code is amended to read:

### **84211.**

Each campaign statement required by this article shall contain all of the following information:

(a) The total amount of contributions received during the period covered by the campaign statement and the total cumulative amount of contributions received.

(b) The total amount of expenditures made during the period covered by the campaign statement and the total cumulative amount of expenditures made.

(c) The total amount of contributions received during the period covered by the campaign statement from persons who have given a cumulative amount of one hundred dollars (\$100) or more.

(d) The total amount of contributions received during the period covered by the campaign statement from persons who have given a cumulative amount of less than one hundred dollars (\$100).

(e) The balance of cash and cash equivalents on hand at the beginning and the end of the period covered by the campaign statement.

(f) If the cumulative amount of contributions (including loans) received from a person is one hundred dollars (\$100) or more and a contribution or loan has been received from that person during the period covered by the campaign statement, all of the following:

(1) His or her full name.

(2) His or her street address.

(3) His or her occupation.

(4) The name of his or her employer, or if self-employed, the name of the business.

(5) The date and amount received for each contribution received during the period covered by the campaign statement and whether the contribution was made in the form of a monetary contribution, in-kind contribution of goods or services, or a loan.

(6) The cumulative amount of contributions.

(g) If the cumulative amount of loans received from or made to a person is one hundred dollars (\$100) or more, and a loan has been received from or made to a person during the period covered by the campaign statement, or is outstanding during the period covered by the campaign statement, all of the following:

(1) His or her full name.

(2) His or her street address.

(3) His or her occupation.

(4) The name of his or her 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 balance outstanding at the end of the reporting period.

(9) The cumulative amount of contributions.

(h) 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 of the following:

(1) His or her full name.

(2) His or her street address.

(3) His or her occupation.

(4) The name of his or her employer, or if self-employed, the name of the business.

(5) The amount of his or her maximum liability outstanding.

(i) The total amount of expenditures made during the period covered by the campaign statement to persons who have received one hundred dollars (\$100) or more.

(j) The total amount of expenditures made during the period covered by the campaign statement to persons who have received less than one hundred dollars (\$100).

(k) For each person to whom an expenditure of one hundred dollars (\$100) or more has been made during the period covered by the campaign statement, all of the following:

(1) His or her full name.

(2) His or her street address.

(3) The date and amount of each expenditure.

(4) A brief description of the consideration for which each expenditure was made.

(5) In the case of an expenditure which is a contribution to a candidate, elected officer, or committee or an independent expenditure to support or oppose a candidate or measure, in addition to the information required in paragraphs (1) to (4) above, the date of the contribution or independent expenditure, the cumulative amount of contributions made to a candidate, elected officer, or committee, or the cumulative amount of independent expenditures made relative to a candidate or measure; 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 the jurisdiction in which the measure or candidate is voted upon.

(6) The information required in paragraphs (1) to (4), inclusive, for each person, if different from the payee, who has provided consideration for an expenditure of five hundred dollars (\$500) or more during the period covered by the campaign statement.

For purposes of subdivisions (i), (j), and (k) only, the terms “expenditure” or “expenditures” mean any 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.

(l) In the case of a controlled committee, an official committee of a political party, or an organization formed or existing primarily for political purposes, the amount and source of any miscellaneous receipt.

(m) If a committee is listed pursuant to subdivision (f), (g), (h), (k), (l), or (q), the number assigned to the committee by the Secretary of State shall be listed, or if a number has not been assigned, the full name and street address of the treasurer of the committee.

(n) In a campaign statement filed by a candidate who is a candidate in both a state primary and general election, his or her 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 for the period January 1 through June 30 and the total amount of contributions received and expenditures made for the period July 1 through December 31.

(o) The full name, residential or business address, email address, and telephone number of the filer, or in the case of a campaign statement filed by a committee defined by subdivision (a) of Section 82013, the name, street address, email address, and telephone number of the committee and of the committee treasurer. In the case of a committee defined by subdivision (b) or (c) of Section 82013, the name that the filer uses on campaign statements shall be the name by which the filer is identified for other legal purposes or any name by which the filer is commonly known to the public.

(p) If the campaign statement is filed by a candidate, the name, street address, and treasurer of any committee of which he or she has knowledge which has received contributions or made expenditures on behalf of his or her candidacy and whether the committee is controlled by the candidate.

(q) A contribution need not be reported nor shall it be deemed 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 the contribution would otherwise be reported.

(r) If a committee primarily formed for the qualification or support of, or opposition to, an initiative or ballot measure is required to report an expenditure to a business entity pursuant to subdivision (k) and 50 percent 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 shall also contain, in addition to the information required by

subdivision (k), 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.

(s) If a committee primarily formed for the qualification or support of, or opposition to, an initiative or ballot measure is required to report an expenditure to a business entity pursuant to subdivision (k), and 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 shall also contain, in addition to the information required by subdivision (k), 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) If the campaign statement is filed by a committee, as defined in subdivision (b) or (c) of Section 82013, information sufficient to identify the nature and interests of the filer, including:

(1) If the filer is an individual, the name and address of the filer's employer, if any, or his or her principal place of business if the filer is self-employed, and a description of the business activity in which the filer or his or her employer is engaged.

(2) If the filer is a business entity, a description of the business activity in which it is engaged.

(3) If the filer is an industry, trade, or professional association, a description of the industry, trade, or profession which it represents, including a specific description of any portion or faction of the industry, trade, or profession which the association exclusively or primarily represents.

(4) If the filer is not an individual, business entity, or industry, trade, or professional association, 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 which the person principally represents or from which its membership or financial support is principally derived.

## **SEC. 18.**

Section 84213 of the Government Code is amended to read:

### **84213.**

(a) A candidate and state measure proponent shall verify his or her campaign statement and the campaign statement of each committee subject to his or her control. The verification shall be in accordance with the provisions of Section 81004 except that it shall state that to the best of his or her knowledge the treasurer of each controlled committee used all reasonable diligence in the preparation of the committee's statement. This section does not relieve the treasurer of any committee from the obligation to verify each campaign statement filed by the committee pursuant to Section 81004.

(b) If a committee is required to file a campaign statement or report disclosing an independent expenditure pursuant to 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 shall ~~attest on the campaign statement or report as to the independence of the expenditures. The verification~~ sign a verification on the campaign statement or report which shall 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.

## **SEC. 19.**

Section 84215 of the Government Code is amended to read:

### **84215.**

Campaign statements shall be filed at the following places:

(a) 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 formed or existing primarily 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 subdivisions (b) to (e), inclusive, shall file a campaign statement with the Secretary of State by online or electronic means, as specified in Section 84605.

(b) 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 formed or existing primarily to support or oppose candidates or local measures to be voted upon in one of these jurisdictions shall file the original and, if the filing is in paper format, one copy with the elections official of the county with the largest number of registered voters in the jurisdiction. Elected officers, candidates for these offices, and their controlled committees shall also file a copy of their campaign statements with the elections official of the county in which the elected officer or candidate is domiciled, as defined in subdivision (b) of Section 349 of the Elections Code.

(c) County elected officers, candidates for these offices, their controlled committees, committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in any number of jurisdictions within one county, other than those specified in subdivision (d), and county general purpose committees shall file the original and, if the filing is in paper format, one copy with the elections official of the county.

(d) City elected officers, candidates for city office, their controlled committees, committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in one city, and city general purpose committees shall file the original and, if the filing is in paper format, one copy with the clerk of the city.

(e) 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 formed or existing primarily to support or oppose these candidates or elected members shall file the original ~~and one copy~~ with the Secretary of State, and a copy shall be filed at the relevant board's office in Sacramento.

(f) Notwithstanding any other provision of this section, a committee, candidate, or elected officer is not required to file more than the original and one copy, or one copy, of a campaign statement with any one county elections official or city clerk or with the Secretary of State.

(g) If a committee is required to file campaign statements required by Section 84200 or 84200.5 in places designated in subdivisions (a) to (d), inclusive, it shall continue to file these statements in those places, in addition to any other places required by this title, until the end of the calendar year.

## **SEC. 20.**

Section 84217 of the Government Code is repealed.

## **SEC. 21.**

Section 84219 of the Government Code is amended to read:

**84219.**

Whenever a slate mailer organization is required to file campaign reports pursuant to Section 84218, the campaign report shall include the following information:

(a) The total amount of receipts during the period covered by the campaign statement and the total cumulative amount of receipts. For purposes of this section only, "receipts" means payments received by a slate mailer organization for production and distribution of slate mailers.

(b) The total amount of disbursements made during the period covered by the campaign statement and the total cumulative amount of disbursements. For purposes of this section only, "disbursements" means payment made by a slate mailer organization for the production or distribution of slate mailers.

(c) For each candidate or committee that is a source of receipts totaling one hundred dollars (\$100) or more during the period covered by the campaign statement:

(1) The name of the candidate or committee, identification of 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 received for each receipt totaling one hundred dollars (\$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) For each person other than a candidate or committee who is a source of receipts totaling one hundred dollars (\$100) or more during the period covered by the campaign statement:

(1) Identification of 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 of the source of receipts.

(3) The date and amount received for each receipt totaling one hundred dollars (\$100) or more during the period covered by the campaign statement.

(4) The cumulative amount of receipts on behalf of or in opposition to the candidate or measure.

(e) For each candidate or ballot measure not reported pursuant to subdivision (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, identification of jurisdiction, office or ballot measure, and name of the candidate or measure who was supported or opposed.

(f) The total amount of disbursements made during the period covered by the campaign statement to persons who have received one hundred dollars (\$100) or more.

(g) The total amount of disbursements made during the period covered by the campaign statement to persons who have received less than one hundred dollars (\$100).

(h) For each person to whom a disbursement of one hundred dollars (\$100) or more has been made during the period covered by the campaign statement:

- (1) His or her full name.
- (2) His or her street address.
- (3) The date and amount of each disbursement.
- (4) A brief description of the consideration for which each disbursement was made.
- (5) The information required in paragraphs (1) to (4), inclusive, for each person, if different from the payee, who has provided consideration for a disbursement of five hundred dollars (\$500) or more during the period covered by the campaign statement.
  - (i) Cumulative disbursements, totaling one thousand dollars (\$1,000) or more, made directly or indirectly to any person listed in the slate mailer organization's statement of organization. For purposes of 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, consultant, or holds any position of management or in which the person or member of the person's immediate family has an investment of one thousand dollars (\$1,000) or more. This subdivision shall not apply to any disbursement made to a business entity whose securities are publicly traded.
  - (j) The full name, street address, email address, and telephone number of the slate mailer organization and of the treasurer.
  - (k) Whenever a slate mailer organization also qualifies as a general purpose committee pursuant to Section 82027.5, the campaign report shall include, in addition to the information required by this section, the information required by Section 84211.

## **SEC. 22.**

Section 84223 of the Government Code is amended to read:

### **84223.**

(a) For a committee primarily formed to support or oppose a state ballot measure or state candidate that raises one million dollars (\$1,000,000) or more for an election, the Secretary of [State](#) ~~State's Cal-Access Replacement System~~ shall ~~calculate and~~ maintain an accurate list of the committee's top 10 contributors, as specified by Commission regulations. The list shall be based on the filer's campaign statements and reports. A current list of the top 10 contributors shall be posted on the Secretary of State's Internet Web site, as provided in subdivision (c).

(b) (1) Except as provided in paragraph (4), the list of top 10 contributors shall identify the names of the 10 persons who have made the largest cumulative contributions to the committee, the total amount of each person's contributions, the city and state of the person, the person's committee identification number, if any, and any other information deemed necessary by the Commission. If any of the top 10 contributors identified on the list are committees pursuant to subdivision (a) of Section 82013, the Commission may require, by regulation, that the list also identify the top 10 contributors to those contributing committees.

(2) (A) For a committee primarily formed to support or oppose a state ballot measure, ~~the Cal-Access Replacement System shall count~~ the cumulative amount of contributions received by the committee from a person for the period beginning 12 months prior to the date the committee made its first expenditure to qualify, support, or oppose the measure and ending with the current date shall be counted.

(B) For a committee primarily formed to support or oppose a state candidate, ~~the Cal Access Replacement System shall count~~ the cumulative amount of contributions received by the committee from a person for the primary and general elections combined shall be counted.

(3) The aggregation rules of Section 85311 and any implementing regulations adopted by the Commission shall apply in identifying the persons who have made the top 10 cumulative contributions to a committee.

(4) A person who makes contributions to a committee in a cumulative amount of less than ten thousand dollars (\$10,000) shall not be identified or disclosed as a top 10 contributor to a committee pursuant to this section.

(c) (1) The Commission shall adopt regulations to govern the manner in which the Secretary of State shall display top 10 contributor lists provided by a committee that is subject to this section, and the Secretary of State shall post the top 10 contributor lists on its Internet Web site in the manner prescribed by those regulations.

(2) A committee's top 10 contributor list shall be updated when any of the following occurs:

(A) A new person qualifies as a top 10 contributor to the committee.

(B) A person who is an existing top 10 contributor makes additional contributions to the committee.

(C) A change occurs that alters the relative ranking order of the top 10 contributors.

(3) The 10 persons who have made the largest cumulative contributions to a committee shall be listed in order from largest contribution amount to smallest amount. If two or more contributors of identical amounts meet the threshold for inclusion in the list of top 10 contributors, the order of disclosure shall be made beginning with the most recent contributor of that amount.

(4) The Secretary of State ~~State's Cal Access Replacement System~~ shall post or update a top 10 contributor list within five business days or, during the 16 days before the election, within 48 hours of receiving data of a contributor qualifying for the list or of any change to the list.

~~(d) In listing the top 10 contributors, reasonable efforts shall be made to identify and state the actual individuals or corporations that are the true sources of the contributions made to the committee from other persons or committees.~~

~~(e)~~ (d) In addition to any other lists that the Secretary of State is required to post on its Internet Web site, the Secretary of State shall compile, maintain, and display on its Internet Web site a current list of the top 10 contributors supporting and opposing each state ballot measure, as prescribed by Commission regulations.

## **Section 84504.2 added:**

### **§ 84504.2. Disclaimer; Print Ads.**

(a) A print advertisement paid for by a committee, other than a political party committee or a candidate controlled committee established for an elective office of the controlling candidate, shall include the disclosures required by Sections 84502, 84503, and 84506.5, displayed as follows:

(1) The disclosure area shall have a solid white background and shall be in a printed or drawn box on the bottom of at least one page that is set apart from any other printed matter. All text in the disclosure area shall be in contrasting color.

(2) The text shall be in an Arial equivalent type with a type size of at least 10-point for printed advertisements designed to be individually distributed, including, but not limited to, mailers, flyers, and door hangers.

(3) The top contributors, if any, shall each be disclosed on a separate horizontal line, in descending order, beginning with the top contributor who made the largest cumulative contributions on the first line. The name of each of the top contributors shall be centered horizontally in the disclosure area.

(4) Immediately below the text described in paragraph (3), committees subject to Section 84223 shall include the text "Funding Details At ~~[insert Commission Internet Web site].~~" [\[insert Secretary of State Internet webpage with Top 10 Contributor Lists\].](#)" The text shall be in an Arial equivalent type with a type size of at least 10-point for printed advertisements designed to be individually distributed, including, but not limited to, mailers, flyers, and door hangers.

(b) Notwithstanding paragraphs (2) and (4) of subdivision (a), the disclosures required by Sections 84502, 84503, and 84506.5 on a printed advertisement that is larger than those designed to be individually distributed, including, but not limited to, yard signs or billboards, shall be in Arial equivalent type with a total height of at least five percent of the height of the advertisement, and printed on a solid background with sufficient contrast that is easily readable by the average viewer. The text may be adjusted so it does not appear on separate horizontal lines, with the top contributors separated by a comma.

(c) Notwithstanding the definition of "top contributors" in paragraph (1) of subdivision (c) of Section 84501, newspaper, magazine, or other public print advertisements that are 20 square inches or less shall be required to disclose only the single top contributor of fifty thousand dollars (\$50,000) or more.

## **SEC. 23.**

Section 84602 of the Government Code is amended to read:

### **84602.**

(a) To implement the Legislature's intent, the Secretary of State, in consultation with the Commission, notwithstanding any other provision of this code, shall do all of the following:

(1) Develop online and electronic filing processes for use by persons and entities specified in Section 84605 that are required to file statements and reports with the Secretary of State's office pursuant to Chapter 4 (commencing with Section 84100), Chapter 5 (commencing with Section 85100), and Chapter 6 (commencing with Section 86100). Those processes shall each enable a user to comply with all of the disclosure requirements of this title and shall include, at a minimum, both of the following:

(A) A means or method whereby filers subject to this chapter may submit required filings free of charge. Any means or method developed pursuant to this subparagraph shall not provide any additional or enhanced functions or services that exceed the minimum requirements necessary to fulfill the disclosure provisions of this title. At least one means or method shall be made available no later than December 31, 2002.

(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 Section 84605 and that conforms with the disclosure requirements of this title. The Secretary of State shall hold public hearings before development of the record format or formats as a means to ensure that affected entities have an opportunity to provide input into the development process. The format or formats shall be made public no later than July 1, 1999, to ensure sufficient time to comply with this chapter.

(2) 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 paragraph (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 shall be published by the Secretary of State and made available to the public. Acceptably formatted files shall be submitted by a filer in order to meet the requirements of this chapter.

(3) Develop a system that provides for the online or electronic transfer of the data specified in this section using telecommunications technology that ensures the integrity of the data transmitted 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 shall be made available free of charge and as soon as possible after receipt. All late contribution and late independent expenditure reports, as defined by Sections 84203 and 84204, respectively, shall be made available on the Internet within 24 hours of receipt. The data made available on the Internet shall 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 required to be disclosed pursuant to this title.

(5) Develop a procedure for filers to comply with the requirement that they sign under penalty of perjury pursuant to Section 81004.

(6) Maintain all filed data online for 10 years after the date it is filed, and then archive the information in a secure format.

(7) Provide assistance to those seeking public access to the information.

(8) Implement sufficient technology to seek to prevent unauthorized alteration or manipulation of the data.

(9) Provide the Commission with necessary information to enable it to assist agencies, public officials, and others with the compliance with, and administration of, this title.

(10) Report to the Legislature on the implementation and development of the online and electronic filing and disclosure requirements of this chapter. The report shall include an examination of system security, private security issues, software availability, compliance costs to filers, use of the filing system and software provided by the Secretary of State, and other issues relating to this chapter, and shall recommend appropriate changes if necessary. In preparing the report, the Commission may present to the Secretary of State and the Legislature its comments regarding this chapter as it relates to the duties of the Commission and suggest appropriate changes if necessary. There shall be one report due before the system is operational as set forth in Section 84603, one report due no later than June 1, 2002, and one report due no later than January 31, 2003.

(11) Review the current filing and disclosure requirements of this chapter and report to the Legislature, no later than June 1, 2005, recommendations on revising these requirements so as to promote greater reliance on electronic and online submissions.

(b) (1) To implement the Legislature's intent, as described in Section 84601, 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 Section 84605 that are required to file statements and reports with the Secretary of State's office pursuant to Chapter 4 (commencing with Section 84100), Chapter 5 (commencing with Section 85100), and Chapter 6 (commencing with Section 86100). 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. The system shall permit a filer to enter a contribution or independent expenditure transaction once and have the transaction appear on both a transactional report required by Section 84203, 84204, 84204.5, 84309 or 85500, as well as a periodic campaign statement required by this title.

(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 (b) to (e), inclusive, of Section 84215.

(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 Section 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 Sections 84203, 84203.3, and 84204, 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, except that a nonresidential address of a committee under Section 82013 may be made available on the Internet.

(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) of Section 84215 or who files with the Secretary of State as a major donor committee under subdivision (c) of Section 82013.

(C) Develop a procedure for filers to comply electronically with the requirement to sign under penalty of perjury pursuant to Section 81004. 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 and produce reports analyzing the campaign finance and lobbying data~~ 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. [To facilitate data conversion from the old system to the new system, the Secretary of State may make minor technical modifications or corrections to the data being migrated.](#)

(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.

## **SEC. 24.**

Section 84605 of the Government Code is amended to read:

### **84605.**

(a) The following persons shall file online or electronically with the Secretary of State:

(1) Any candidate, including superior court, appellate court, and Supreme Court candidates and officeholders, committee, or other persons who are required, pursuant to Chapter 4 (commencing with Section 84100) and Chapter 5 (commencing with Section 85100), to file statements, reports, or other documents in connection with a state elective office or state measure.

(2) Any state general purpose committees, as defined in Section 82027.5, including the general purpose committees of political parties, [as defined in Section 85205.](#) and small contributor committees, as defined in Section 85203.

(3) Any 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.

(4) Any lobbyist, lobbying firm, lobbyist employer, or other persons required, pursuant to Chapter 6 (commencing with Section 86100), to file statements, reports, or other documents.

(b) The Secretary of State shall also disclose on the Internet any late contribution or late independent expenditure report, as defined by Sections 84203 and 84204, respectively, not covered by paragraph (1), (2), or (3) of subdivision (a) or any other provision of law.

~~(c) Committees and other persons that are not required to file online or electronically by this section may do so voluntarily.~~

~~(d) Once a person or entity is required to file online or electronically, subject to subdivision (a) or (c), the person or entity shall be required to file all subsequent reports online or electronically.~~

~~(e)~~ (c) It shall be presumed that online or electronic filers file under penalty of perjury.

~~(f)~~ (d) The Secretary of State shall maintain at all times a secured, official version of all original online and electronically filed statements and reports required by this chapter, which shall be the official version for audit and other legal purposes.

~~(g)~~ (e) Except for statements related to a local elective office or a local ballot measure filed by a candidate for local elective office who is also a candidate for elective state office, a copy of a statement, report, or other document filed by online or electronic means with the Secretary of State shall not be filed with a local filing officer.

## **SEC. 25.**

Section 84606 of the Government Code is amended to read:

### **84606.**

The date that a filer transmits an online or electronic report shall be the date the filed report is received by the Secretary of State.

## **SEC. 26.**

Section 84612 of the Government Code is amended to read:

### **84612.**

If the Secretary of State rejects a filing made under this chapter, the Secretary of State shall immediately notify the filer, by ~~electronic mail~~, *email*, of 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 shall be written or displayed so that the meaning will be easily understood by those persons directly affected by it. The Cal-Access Replacement System may contain ~~mandatory fields for certain required information on statements and reports~~, required fields where information must be entered in order to submit a report or statement, as determined by the Secretary of State ~~and~~ or the Commission.

## **SEC. 27.**

Section 84615 of the Government Code is amended to read:

### **84615.**

A local government agency may require an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 (commencing with Section 84100), except an elected officer, candidate, committee, or other person who receives contributions totaling less than two thousand dollars (\$2,000), and makes expenditures totaling less than ~~one~~ two thousand dollars ~~(\$1,000)~~, (\$2,000), in a calendar year, to file those statements, reports, or other documents online or electronically with a local filing officer. A local government

agency that requires online or electronic filing pursuant to this section shall comply with all of the following:

(a) The legislative body for the local government agency shall adopt an ordinance approving the use of online or electronic filing, which shall include a legislative finding that the online or electronic filing system will operate securely and effectively and would not unduly burden filers. The ordinance adopted by the legislative body for the local government agency may, at the discretion of that legislative body, specify that the electronic or online filing requirements apply only to specifically identified types of filings or are triggered only by identified monetary thresholds. In any instance in which the original statement, report, or other document is required to be filed with the Secretary of State and a copy of that statement, report, or other document is required to be filed with the local government agency, the ordinance may permit, but shall not require, that the copy be filed online or electronically.

(b) The online or electronic filing system shall accept a filing in the standardized record format that was developed by the Secretary of State pursuant to paragraph (2) of subdivision (a) of Section 84602, or the local government agency may transition to the Cal-Access Replacement System format, and then the system shall accept a filing in the new standardized record format developed by the Secretary of State pursuant to subdivision (b) of Section 84602, and that is compatible with the Secretary of State's system for receiving an online or electronic filing.

(c) The online or electronic filing system shall ensure the integrity of the data transmitted and shall include safeguards against efforts to tamper with, manipulate, alter, or subvert the data.

(d) (1) The local filing officer shall issue to a person who files a statement, report, or other document online or electronically an electronic confirmation that notifies the filer that the statement, report, or other document was received. The confirmation shall include the date and the time that the statement, report, or other document was received by the filing officer and the method by which the filer may view and print the data received by the filing officer.

(2) A copy retained by the filer of a statement, report, or other document that was filed online or electronically and the confirmation issued pursuant to paragraph (1) that shows the filer timely filed the statement, report, or other document shall create a rebuttable presumption that the filer timely filed the statement, report, or other document.

(e) The date of filing for a statement, report, or other document that is filed online or electronically shall be the day that it is received by the local filing officer.

(f) The local filing officer shall make all the data filed available on the Internet in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. The data made available on the Internet shall 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 required to be disclosed by the filer. The local filing officer shall make a complete, unredacted copy of any statement, report, or other document filed pursuant to this section, including any street names, building numbers, and bank account numbers disclosed by the filer, available to any person upon request.

(g) The online or electronic filing system shall include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury pursuant to Section 81004.

(h) The local government agency shall enable filers to complete and submit filings free of charge.

(i) The local filing officer shall maintain, for a period of at least 10 years commencing from the date filed, a secured, official version of each online or electronic statement, report, or other document filed pursuant to this section, which shall serve as the official version of that record for purpose of audits and any other legal purpose. Data that has been maintained for at least 10 years may then be archived in a secure format.

(j) Notwithstanding any other provision of law, any statement, report, or other document filed online or electronically pursuant to this section shall not be required to be filed with the local filing officer in paper format.

### **Section 85200 added:**

#### **§ 85200. Statement of Intention to be a Candidate.**

Prior to the solicitation or receipt of any contribution or loan, an individual who intends to be a candidate for an elective state office, as that term is defined by Section 82024, shall file [online or electronically](#) with the Secretary of State an original statement, signed under penalty of perjury, of intention to be a candidate for a specific office.

An individual who intends to be a candidate for any other elective office shall file the statement of intention with the same filing officer and in the same location as the individual would file an original campaign statement pursuant to subdivisions (b), (c), and (d) of Section 84215.

For purposes of this section, “contribution” and “loan” do not include any payments from the candidate’s personal funds for a candidate filing fee or a candidate statement of qualifications fee.

### **SEC. 28.**

Section 86100 of the Government Code is amended to read:

#### **86100.**

(a) Individual lobbyists shall prepare lobbyist certifications pursuant to Section 86103 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 by which the lobbyist is employed.

(b) Lobbying firms shall register with the Secretary of State.

(c) Lobbyist employers as defined in subdivision (a) of Section 82039.5 shall register with the Secretary of State.

(d) Lobbyist employers as defined in subdivision (b) of Section 82039.5 and persons described in subdivision (b) of Section 86115 are not required to register with the Secretary of State but shall file statements pursuant to this article.

(e) A registration statement shall be filed by online or electronic means.

### **SEC. 29.**

Section 86103 of the Government Code is amended to read:

#### **86103.**

A lobbyist certification shall include all of the following:

- (a) A recent photograph of the lobbyist, in a size prescribed by the Secretary of State.
- (b) The lobbyist's full name, business address, email address, and telephone number.
- (c) A statement that the lobbyist has read and understands the prohibitions contained in Sections 86203 and 86205.
- (d) A statement regarding the lobbyist's completion of the ethics course described in subdivision (b) of Section 8956 as follows:
  - (1) For a lobbyist who filed a completed lobbyist certification in connection with the last regular session of the Legislature, either of the following statements:
    - (A) That the lobbyist has completed the ethics course within the previous 12 months.
    - (B) That the lobbyist will complete the ethics course no later than June 30 of the following year, in which case the certification shall be accepted on a conditional basis.
  - (2) In the case of a new lobbyist certification, if the lobbyist has not completed the course within the previous 12 months, the lobbyist certification shall include a statement that the lobbyist will complete the course within 12 months. The lobbyist certification shall be accepted on a conditional basis.
  - (3) If a lobbyist certification is accepted on a conditional basis, the lobbyist shall timely complete the ethics course and file a new lobbyist certification to replace the conditional lobbyist certification. If the lobbyist fails to timely complete the ethics course, the conditional lobbyist certification shall be void and the individual shall 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 any individual to act as a lobbyist under this title once his or her conditional certification is void.
  - (4) The date and confirmation that an individual has completed the ethics course may be transmitted to the Secretary of State by the legislative ethics committee.
- (e) Any other information required by the commission consistent with the purposes and provisions of this chapter.
- (f) Registration fees required by Section 86102 shall be paid online at the time a lobbyist certification is submitted for registration to be active.

### **SEC. 30.**

Section 86104 of the Government Code is amended to read:

#### **86104.**

The registration of a lobbying firm shall include:

- (a) The full name, business address, email address, and telephone number of the lobbying firm.
- (b) A list of the lobbyists who are partners, owners, officers, or employees of the lobbying firm.
- (c) The lobbyist certification of each lobbyist in the lobbying firm.
- (d) The following information regarding each person with whom the lobbying firm contracts to provide lobbying services:
  - (1) The full name, business address, email address, and telephone number of the person.

- (2) ~~A written authorization signed or~~ An authorization electronically confirmed by the person.
- (3) The time period of the contract.
- (4) Information sufficient to identify the nature and interests of the person including:
  - (A) For an individual, the name and address of his or her employer, if any, or if self-employed, his or her principal place of business, and a description of the business activity in which the person or his or her employer is engaged.
  - (B) For a business entity, a description of the business activity in which it is engaged.
  - (C) ~~If the person is~~ For 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 the members.
  - (D) For other persons, 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 lobbying interests of the person.
- (6) A list of the state agencies whose legislative or administrative actions the lobbying firm will attempt to influence for the person.
- (e) The name and title of a partner, owner, or officer of the lobbying firm who is responsible for filing statements and reports and keeping records required by this chapter on behalf of the lobbying firm, and a statement signed by the designated responsible person that he or she has read and understands the prohibitions contained in Sections 86203 and 86205.
- (f) Any other information required by the commission consistent with the purposes and provisions of this chapter.

### **SEC. 31.**

Section 86105 of the Government Code is amended to read:

#### **86105.**

The registration of a lobbyist employer shall include:

- (a) The full name, business address, email address, and telephone number of the lobbyist employer.
- (b) A list of the lobbyists who are employed by the lobbyist employer.
- (c) The lobbyist certification of each lobbyist employed by the lobbyist employer, ~~which may be~~ included by electronic link.
- (d) Information sufficient to identify the nature and interests of the filer, including:
  - (1) For an individual, the name and address of the filer's employer, if any, or if self-employed, his or her principal place of business, and a description of the business activity in which the filer or his or her employer is engaged.
  - (2) For a business entity, a description of the business activity in which it is engaged.
  - (3) For 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 that the association exclusively or primarily represents and, if the association has 50 or fewer members, the names of the members.

(4) For other persons, 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.

(e) The lobbying interests of the lobbyist employer, and a list of the state agencies whose legislative or administrative actions the lobbyist employer will attempt to influence.

(f) Any other information required by the commission consistent with the purposes and provisions of this chapter.

## **SEC. 32.**

Section 86107 of the Government Code is amended to read:

### **86107.**

(a) If any information in a registration statement changes, an appropriate amendment shall be filed online or electronically with the Secretary of State within 20 days after the change. However, if the change includes the name of a person by whom a lobbying firm is retained, the registration statement of the lobbying firm shall be amended and filed to show that change prior to the lobbying firm's attempting to influence any legislative or administrative action on behalf of that person. Lobbying firms and lobbyist employers that, during a regular session of the Legislature, cease all activity that required registration shall file a notice of termination within 20 days after the cessation. Lobbying firms and lobbyist employers that, at the close of a regular session of the Legislature, cease all activity that required registration are not required to file a notice of termination.

(b) If any information in a lobbyist certification changes, or if a lobbyist terminates all activity that required the certification, the lobbyist shall 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 subdivision (a). A lobbyist who, at the close of a regular session of the Legislature, ceases all activity that required certification is not required to file a notice of termination.

(c) Lobbyists and lobbying firms are subject to the gift limits in Section 86203 for the earlier of six months after either of the following:

(1) The filing of a notice of termination.

(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.

## **SEC. 33.**

Section 86108 of the Government Code is amended to read:

### **86108.**

The Secretary of State shall make all information listed on any registration statement and on any amendment, renewal, or notice of termination publicly available on the Internet as soon as possible after receipt.

## **SEC. 34.**

Section 86109 of the Government Code is repealed.

## SEC. 35.

Section 86109.5 of the Government Code is amended to read:

### 86109.5.

(a) The Secretary of State shall establish and maintain on the Internet an online listing of lobbyists, lobbying firms, and lobbyist employers. The Secretary of State shall update the listing as soon as possible when new information is received.

~~(b) The Secretary of State shall also display on the Internet new registrations and listings, additions, deletions, and other revisions.~~

~~(c)~~ (b) Notwithstanding any other provision of this title, the lobbying data made available on the Internet shall include the street name and building number of the persons or entity representatives listed on all the documents submitted to the Secretary of State pursuant to Chapter 6 (commencing with Section 86100).

### Sections 86114 and 86116 added:

#### **§ 86114. Periodic Reports; Lobbying Firms; Contents.**

(a) Lobbying firms shall file periodic reports containing all of the following:

(1) The full name, address, [email address](#) and telephone number of the lobbying firm.

(2) The full name, business address, and telephone number of each person who contracted with the lobbying firm for lobbying services, a description of the specific lobbying interests of the person, and the total payments, including fees and the reimbursement of expenses, received from the person for lobbying services during the reporting period.

(3) The total amount of payments received for lobbying services during the period.

(4) A periodic report completed and verified by each lobbyist in the lobbying firm pursuant to Section 86113.

(5) Each activity expense incurred by the lobbying firm including those reimbursed by a person who contracts with the lobbying firm for lobbying services. A total of all activity expenses of the lobbying firm and all of its lobbyists shall be included.

(6) If the lobbying firm subcontracts with another lobbying firm for lobbying services:

(A) The full name, address, [email address](#) and telephone number of the subcontractor.

(B) The name of the person for whom the subcontractor was retained to lobby.

(C) The total amount of all payments made to the subcontractor.

(7) The date, amount, and the name of the recipient of any contribution of one hundred dollars (\$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 [or oppose](#) such officers or candidates. If this contribution is reported by the lobbying firm or by a committee sponsored by the lobbying firm in a campaign statement filed pursuant to Chapter 4 which is required to be filed with the Secretary of State, the filer may report only the name of the committee and the identification number of the committee.

(8) Any other information required by the Commission consistent with the purposes and provisions of this chapter.

(b) In addition to the information required by subdivision (a), lobbying firms which qualify pursuant to paragraph (2) of subdivision (a) of Section 82038.5 shall 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, engaged in direct communication with any elective state official, legislative official, or agency official, for the purpose of influencing legislative or administrative action on behalf of a person who contracts with the lobbying firm for lobbying services. This does not include individuals whose actions were purely clerical.

### **§ 86116. Periodic Reports; Employers and Others; Contents.**

Every person described in Section 86115 shall file periodic reports containing the following information:

- (a) The name, business address, [email address](#) and telephone number of the lobbyist employer or other person filing the report.
- (b) The total amount of payments to each lobbying firm.
- (c) The total amount of all payments to lobbyists employed by the filer.
- (d) A description of the specific lobbying interests of the filer.
- (e) A periodic report completed and verified by each lobbyist employed by a lobbyist employer pursuant to Section 86113.
- (f) Each activity expense of the filer. A total of all activity expenses of the filer shall be included.
- (g) The date, amount, and the name of the recipient of any contribution of one hundred dollars (\$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 [or oppose](#) 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 pursuant to Chapter 4 which is required to be filed with the Secretary of State, the filer may report only the name of the committee, and the identification number of the committee.
- (h) (1) Except as set forth in paragraph (2), the total of all other payments to influence legislative or administrative action including overhead expenses and all payments to employees who spend 10 percent or more of their compensated time in any one month in activities related to influencing legislative or administrative action.
- (2) A filer that makes payments to influence a ratemaking or quasi-legislative proceeding before the Public Utilities Commission, as defined in subdivision (b) or (c), respectively, of Section 82002, may, in lieu of reporting those payments pursuant to paragraph (1), report only the portion of those payments made to or 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 is not required to include payments made to an attorney or witness who is an employee of the filer if less than 10 percent 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 the purposes of this paragraph, time spent preparing to appear or preparing to testify does not include time spent preparing written testimony.

(i) Any other information required by the commission consistent with the purposes and provisions of this chapter.

### **SEC. 36.**

Section 86118 of the Government Code is amended to read:

#### **86118.**

Reports required by Sections 86114 and 86116 shall be filed [online or electronically](#) with the Secretary of State.

### **SEC. 37.**

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

### **SEC. 38.**

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

### **SEC. 39.**

This act shall not become operative until the Secretary of State certifies an online filing and disclosure system pursuant to paragraph (7) of subdivision (b) of Section 84602 of the Government Code.



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
1102 Q Street • Suite 3000 • Sacramento, CA 95811  
(916) 322-5660 • Fax (916) 322-0886

The Honorable Marc Steinorth  
California State Assembly  
State Capitol, Room 5128  
Sacramento, CA 95811

**RE: Assembly Bill 664 (as amended January 11) – Oppose Unless Amended**

Dear Assembly Member Steinorth,

At the May 17, 2018 meeting of the bipartisan Fair Political Practices Commission, the FPPC voted to take an Oppose Unless Amended position on Assembly Bill 664, a bill that would amend the Political Reform Act.

AB 664 would prohibit a parent, grandparent, sibling, child, or grandchild of an elected officer or a candidate for elective office from receiving, in exchange for goods, services, facilities, or anything of value other than money rendered, value, compensation from campaign funds held by a controlled committee of that officer or candidate which exceeds the fair market value of that item. The bill would also prohibit the payment of financial or material compensation beyond fair market value from campaign funds held by a controlled committee of an elected officer or candidate for elective office, in exchange for services rendered, to any vendor that is majority-owned or controlled by any spouse or domestic partner, parent, grandparent, sibling, child, or grandchild of that officer or candidate.

The Commission expressed opposition to a loophole implied in subsection (c). The bill appears to permit payments greater than fair market value in situations where a family member may be a minority-owner of a vendor or an employee of a vendor. Additionally, subsection (c) permits a spouse or domestic partner to receive payments from campaign funds controlled by a candidate spouse which is in direct conflict with subsection (a). Subsection (a) prohibits any compensation to spouse or domestic partner from a spouse's controlled committee.

For these reasons, the FPPC has an Oppose Unless Amended position on AB 664. If you have any questions, please contact me at (916) 322-7635 or [pung@fppc.ca.gov](mailto:pung@fppc.ca.gov).

Sincerely,

Phillip R. Ung  
Director, Legislation and External Affairs



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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The Honorable Kevin Mullin  
California State Assembly  
State Capitol, Room 3160  
Sacramento, CA 95811

**RE: Assembly Bill 2155 (as amended May 30) – Support if Amended**

Dear Assembly Member Mullin,

At the May 17, 2018 meeting of the bipartisan Fair Political Practices Commission, the FPPC voted to take a Support If Amended position on Assembly Bill 2155, a bill that would amend the Political Reform Act.

AB 2155 would exclude additional types of communications from the definition of advertisement, including certain electronic media communications requested by the recipient, communications solicited by the recipient, or communications for which inclusion of disclosures would be impracticable or severely interfere with the committee's ability to convey the intended message, as determined by regulations of the Fair Political Practices Commission. The bill would make specified changes to the formatting requirements for disclosures included in advertisements that are disseminated as a video, print advertisements, and electronic media advertisements. The bill would exclude email messages from the disclosure and disclosure formatting requirements applicable to electronic media, except for requirements relating to the size, placement, and color of specified disclosures.

The Commission recommends Section 84501(a)(1)(H) be redrafted to express the Legislature's intent regarding quantity thresholds narrowly directed to issues or provisions related to advertising. The Commission believes current language in the May 30 version of AB 2155 is over-inclusive, capturing all quantity thresholds or potential thresholds throughout Chapter 4 of the Political Reform Act which could lead to unintended consequences. Chapter 4 includes Articles related to the organization of committees, filing of campaign statements, prohibitions, exemptions, and advertisements.

At the December 2017 and March 2018 Commission meetings, Trent Lange, president of the California Clean Money Campaign, raised concerns about the Commission adopting a threshold related to recently chaptered AB 249 (2017) related to advertising. The Commission urged Mr. Lange return to the Legislature to clarify the issue in statute or have the Legislature express its intent in legislation.

It is my understanding that Mr. Lange has been working with your office on AB 2155 to address the issues presented at the December 2017 and March 2018 Commission meetings. The

Commission continues to believe the Legislature could clearly express its intent related to AB 249 (2017) without capturing issues and topics in Chapter 4 that are unrelated to advertising.

For these reasons, the FPPC has a Support If Amended position on AB 2155 and look forward to working with you and your staff. If you have any questions, please contact me at (916) 322-7635 or [pung@fppc.ca.gov](mailto:pung@fppc.ca.gov).

Sincerely,

A handwritten signature in black ink that reads "Phillip U". The signature is written in a cursive style with a prominent underline.

Phillip R. Ung  
Director, Legislation and External Affairs



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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The Honorable Matthew Harper  
California State Assembly  
State Capitol, Room 3149  
Sacramento, CA 95811

**RE: Assembly Bill 2880 (as amended April 17) – Support if Amended**

Dear Assembly Member Harper:

I am pleased to inform you that at the May 17, 2018 meeting of the bipartisan Fair Political Practices Commission, the Commission voted to take a Support if Amended position on your bill, Assembly Bill 2880, which would amend the Political Reform Act.

AB 2880 would authorize the governing body of a local government agency to contract with the Commission for the impartial administration, implementation, and enforcement of a local campaign finance or government ethics laws limited to jurisdictions of less than 3,000,000 residents. The bill would further clarify that the contracts with the City of Sacramento and County of San Bernardino will continue as contracted. Lastly, the bill would require a report to the Legislature by January 1, 2025.

The Commission recommends three amendments be added to AB 2880:

- 1) The Commission is requesting an addition to subsection (d) that the terms of any agreement between a local government agency and the Commission include full reimbursement for all direct and indirect costs.
- 2) The Commission is requesting an addition to subsection (e) requiring 180-day notice be provided when a local government agency or the Commission wishes to terminate an agreement.
- 3) Lastly, the Commission is requesting an addition to the bill that requires the financial terms of any agreement between a local government agency and the Commission be approved by the Director of the Department of Finance.

For these reasons, the Commission has a Support if Amended position on AB 2880. If you have any questions, please contact me at (916) 322-7635 or [pung@fppc.ca.gov](mailto:pung@fppc.ca.gov).

Sincerely,

Phillip R. Ung  
Director, Legislation and External Affairs



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The Honorable Bob Hertzberg  
California State Senate  
State Capitol, Room 4038  
Sacramento, CA 95811

**RE: Senate Bill 1239 – Support**

Dear Senator Hertzberg:

I am pleased to inform you that at the May 17, 2018, hearing, the bipartisan Fair Political Practices Commission voted to support your bill, SB 1239, which would amend the Political Reform Act.

SB 1239 is a follow up bill to SB 1349 (2016) that requires the Secretary of State, in consultation with the FPPC, to develop a certify a new online filing and disclosure system for campaigns and lobbying entities. SB 1239 would recast certain provisions governing the processing of campaign reports and statements to provide for the filing, verification, delivery, amendment, retention, and inspection of those documents online or electronically. The bill would also clean up the Political Reform Act by repealing various obsolete or extraneous provisions and make other conforming and technical changes. Lastly, the bill would change the deadline for payment of the annual fee to April 30 of each year.

Senate Bill 1239 furthers the important work of the Secretary of State to modernize the Political Reform Act's online filing and disclosure system to improve compliance with the Act and public access to campaign and lobbying information.

For these reasons, we support SB 1239. If you have any questions, please contact me at (916) 322-7635 or [pung@fppc.ca.gov](mailto:pung@fppc.ca.gov).

Sincerely,

Phillip R. Ung  
Director, Legislation and External Affairs