



FAIR POLITICAL PRACTICES COMMISSION
428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

To: Chair Ravel and Commissioners Eskovitz, Garrett, Montgomery, and Rotunda
From: Tara Stock, Legislative Coordinator
Subject: Legislative Report
Date: August 6, 2012

The deadline for each house to pass bills is August 31, 2012. The last day for the Governor to sign or veto bills is September 30, 2012.

Legislation Approved by the Legislature and Signed by Governor
Effective January 1, 2013

AB 2452 (Ammiano), Chapter 126, Statutes of 2012

Campaign Statements – Electronic Filing for Local Agencies

This bill, with certain exceptions, authorizes a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements or reports to file online or electronically with a local filing officer. The bill prescribes criteria that must be satisfied by a local government agency in order to require electronic filing, including that the agency's system must be compatible with the Secretary of State's electronic filing system.

AB 2146 (Cook), Chapter 169, Statutes of 2012

Enforcement of San Bernardino County Campaign Ordinance

This bill, upon mutual agreement between the Commission and the Board of Supervisors of the County of San Bernardino, authorizes the Commission to have primary responsibility for the impartial, effective administration, implementation, and enforcement of the local campaign reform ordinance of the County of San Bernardino. The Commission is authorized to be the civil prosecutor of the ordinance and may investigate possible violations and bring administrative actions. Costs incurred by the Commission shall be reimbursed by the County.

Pending Legislation – Positions Previously Adopted by Commission

SB 1553 (Lowenthal)

City of Long Beach – Pilot Program for Electronic Filing of Campaign Statements

This bill would create a pilot program for the 2013 and 2014 reporting periods that authorizes the City of Long Beach to permit city elected officers, candidates, their controlled committees, committees formed primarily to support or oppose a city candidate or ballot measure, and city general purpose committees to file electronically.

Status: Assembly Appropriations Committee. Hearing is scheduled for August 8, 2012.

Commission Position: Support (adopted at May 17, 2012 hearing)

SB 1426 (Blakeslee)

Gifts from Lobbying Entities

This bill would prohibit all lobbying entities (lobbyists, lobbying firms, and lobbyist employers) from giving to an elected state officer or a member of the officer's immediate family, and prohibit an elected state officer from accepting, the following gifts: 1) A theme park or amusement park ticket; 2) A professional sporting event ticket; 3) A collegiate or other amateur sporting event ticket with a face value exceeding \$25; 4) A theater, concert, or other entertainment ticket with a face value exceeding \$25; 5) A racetrack ticket; 6) A spa treatment, or other beauty or cosmetic service; 7) A golf, skiing, hunting, or fishing trip, or other recreational outing or vacation; and, 8) A gift card. The prohibitions would not apply to a fundraising event for a bona fide charitable organization.

Status: Assembly Appropriations Committee. Hearing is scheduled for August 8, 2012.

Commission Position: Oppose (adopted at May 17, 2012 hearing)

SB 1001 (Yee)

Lobbyist Registration Fees

This bill would require the Secretary of State to charge lobbying firms and lobbyist employers a fee of \$50 per year for each lobbyist required to be listed on its registration statement and would require the Secretary of State to charge each recipient committee a \$50 per year fee until the committee is terminated. The bill also establishes the Political Disclosure, Accountability, Transparency, and Access Fund in the State Treasury. One-half of the fees collected from lobbyist registration and all of the fees collected from recipient committees would be deposited in the fund for purposes of the maintenance, repair, and improvement of the online disclosure program implemented by the Secretary of State.

Status: Assembly Appropriations Committee. Hearing is scheduled for August 8, 2012.

Commission Position: Support (adopted at May 17, 2012 hearing)

SB 31 (Correa)

Post-Employment Restrictions – Local Officials

This bill would expand the current one year post-employment restrictions to public officials serving as members of local governing boards or commissions with decisionmaking authority.

Status: Assembly Appropriations Committee. Hearing is scheduled for August 8, 2012.

Commission Position: Support if funded (adopted at April 5, 2012 hearing)

AB 2691 (Assembly Elections)

Clean Up Bill

This bill repeals three provisions of the Act, which are now obsolete – 84604, 84609, and 84610.

Status: Senate Floor.

Commission Position: Support (adopted at April 5, 2012 hearing)

AB 2609 (Hueso)

Fish and Game Commission Members – Full Disclosure and Disqualification

This bill would add members of the Fish and Game Commission to the officials specified in Section 87200, which would subject the members to full disclosure and specified conflict of interest disqualification procedures.

Status: Senate Appropriations Committee. Hearing is scheduled for August 6, 2012.

Commission Position: Support PRA provision only (adopted at May 17, 2012 hearing)

AB 2220 (Gatto)

Ballot Pamphlets

This bill would require, except as specified, that if a fiscal analysis prepared by the Legislative Analyst determines that a measure would provide an increase in revenues to fund new or existing programs, that specified language be added at the end of the “yes” and “no” summary statement in the ballot pamphlet, advising that unless changed by a future measure approved by the voters, the initiative would forever dedicate the revenue to program identified in the initiative.

Status: Senate Floor (third reading).

Commission Position: None

AB 2191 (Norby)

County Central Committee Members

The bill would exempt an elected member of, or a candidate for election to, a county central committee of qualified political party who receives contributions of less than \$1,000 and who makes expenditures of less than \$1,000 in a calendar year from the requirements to file campaign statements. The bill would prohibit a local agency from imposing any filing requirements on such candidates and members and would prohibit a local jurisdiction from imposing any contribution limits or prohibitions on such candidates or members.

Status: Senate Floor (third reading).

Commission Position: Neutral (adopted at April 5, 2012 hearing)

AB 2162 (Portantino)

Statements of Economic Interests (SEI) – Fair Market Value Ranges

This bill would revise the fair market value ranges on the Statement of Economic Interest (Form 700) to provide 8 options for investments and real property interests and 10 options for reporting “gross income received.”

Status: Senate Appropriations Committee. Hearing is scheduled for August 6, 2012.

Commission Position: Neutral (adopted at April 5, 2012 hearing)

AB 2062 (Davis)

Statements of Economic Interests – Electronic Filing

This bill contains an urgency clause so, if approved, the provisions will be effective immediately. It would allow all filing officers to permit the electronic filing of SEIs upon system approval and certification from the Commission. In order to offset estimated costs to the Commission, the bill was amended to require each agency to submit a fee of \$1,000 with the proposed electronic filing system description.

Status: Senate Appropriations Committee. Hearing is scheduled for August 6, 2012.

Commission Position: Support (adopted at April 5, 2012 hearing)

AB 1648 (Brownley)

Advertisement Disclosure

This bill contains an urgency clause so, if approved, the provisions will be effective immediately. The bill makes several significant changes to the advertisement disclosure rules.

Status: Assembly Floor (third reading).

Commission Position: Neutral (adopted at April 5, 2012 hearing)

AB 1509 (Hayashi)

Statements of Economic Interests (SEIs) – Local Agencies Posting Website Notification

This bill would require a city or county clerk who maintains a website to post a notification with specified information related to SEIs.

Status: Senate Appropriations Committee. Hearing is scheduled for August 6, 2012.

Commission Position: Support (adopted at April 5, 2012 hearing)

AB 481 (Gordon)

Independent Expenditures

This Commission sponsored bill amends the Act to include: 1) 24-hour reporting of independent expenditures made in the 90 days prior to an election (state and local); 2) Disclosure of the top two contributors of \$50,000 on *all* advertisements paid for by an independent expenditure; 3) Verification by the principal officer, or in the case of a controlled committee, the candidate or state measure proponent who controls the committee, that he/she has not received any unreported money or reimbursement to make the independent expenditures; 4) Principal officer liability for violations of the Act; and, 5) Disclosure of the cumulative total amount a committee or entity has spent on independent expenditures on a candidate for measure on the Form 496 (Independent Expenditure Report).

Status: Senate Appropriations Committee. Hearing is scheduled for August 6, 2012.

Commission Position: Support (adopted on legislative proposals at April 5, 2012, hearing)

AB 41 (Hill)

High Speed Rail Authority Members – Disqualification

This bill contains an urgency clause so, if approved, the provisions will be effective immediately.

The bill would add members of the High Speed Rail Authority to the officials specified in Section 87200 who are required to follow specified conflict of interest disqualification procedures.

Status: Senate Floor (third reading).

Commission Position: Support (adopted at February 11, 2011 hearing)

Inactive Legislation

SB 1296 (Fuller)

Ballot Pamphlets

This bill would require the Legislative Analyst, instead of the Attorney General, to prepare the ballot title and summary for all measures submitted to the voters.

Status: Failed passage in the Senate Committee on Elections, Reapportionment and Constitutional Amendments.

Commission Position: None

AB 2503 (Norby) – spot bill

Income

This bill in its current form makes nonsubstantive changes to the Act's definition of "income."

Status: Assembly

Commission Position: None

AB 2256 (Portantino)

California Legislature Whistleblower Protection Act

This bill would enact, and would require the Commission to administer, the California Legislature Whistleblower Protection Act (LWPA).

Status: Failed passage in the Assembly Judiciary Committee.

Commission Position: Oppose (adopted at April 5, 2012 hearing)

AB 1881 (Donnelly)

Disclosure Threshold for Non-Candidate Controlled Committees

This bill would prohibit a committee (not controlled by a candidate) from disclosing in a campaign statement the name and address of a person whose cumulative contributions to that committee are less than \$5,000.

Status: Failed passage in the Assembly Elections and Redistricting Committee.

Commission Position: Oppose (adopted at April 5, 2012 hearing)

AB 1730 (Olsen)

Legislative Transparency Act

This bill would require a Member of the Legislature or a controlled committee of a Member to report within 24 hours a contribution of \$100 or more received within the seven days prior to specified legislative deadlines for a regular session of the Legislature.

Status: Failed passage in the Assembly Elections and Redistricting Committee.

Commission Position: Support PRA provision only (adopted at April 5, 2012 hearing)

AB 1146 (Norby)

Repeals Campaign Contribution Limits and Requires 24-Hour Reporting for Contributions and Expenditures of \$200 or More

If this bill is passed by the Legislature and approved by the Governor, it shall be submitted to the voters for approval at a statewide election. The bill would repeal limitations on contributions that may be made to, or accepted by, candidates for elective state office. It would also repeal the requirements for most existing campaign filing requirements and would instead require a candidate or committee that makes or receives a contribution of \$200 or more report the contribution to specified filing officers within 24 hours. An expenditure of \$200 or more made by a candidate or committee is also required to be reported within 24 hours and if the expenditure is a contribution or an independent expenditure, the report shall also include the cumulative amount of contributions or independent expenditures made relative to a candidate or ballot measure.

Status: Failed passage in the Senate Committee on Elections, Reapportionment and Constitutional Amendments.

Commission Position: Oppose (adopted on AB 2239 at May 17, 2012 hearing)

Assembly Bill No. 2146

CHAPTER 169

An act to add and repeal Section 83123.5 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 24, 2012. Filed with
Secretary of State July 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2146, Cook. Political Reform Act of 1974: local campaign reform: County of San Bernardino.

The Political Reform Act of 1974 establishes the Fair Political Practices Commission, which has the primary responsibility for the impartial, effective administration and implementation of the act, including acting as the civil prosecutor responsible for the enforcement of the penalty provisions of the act.

This bill would, upon mutual agreement between the Fair Political Practices Commission and the Board of Supervisors of the County of San Bernardino, authorize the Commission 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. The bill would authorize the Commission to investigate possible violations of the local county campaign finance reform ordinance and bring administrative actions against persons who violate the ordinance, as specified. The bill would require the Board of Supervisors of the County of San Bernardino to consult with the Commission prior to adopting and amending any local campaign finance reform ordinance that is subsequently enforced by the Commission. The bill would specify that the Board of Supervisors of the County of San Bernardino and the Commission may enter into any agreements necessary and appropriate for the operation of these provisions, including agreements for reimbursement of state costs with county funds, as specified. The bill would provide that the Board of Supervisors of the County of San Bernardino or the Commission may, at any time, by ordinance or resolution, terminate any agreement for the Commission to administer, implement, or enforce the local campaign finance reform ordinance or any provision thereof.

The bill would require the Commission to report to the Legislature with specified information on or before January 1, 2017, if the Commission enters into an agreement with the Board of Supervisors of the County of San Bernardino.

This bill would repeal its provisions on January 1, 2018, as specified.

The bill would make legislative findings and declarations concerning the need for special legislation.

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

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

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

SECTION 1. Section 83123.5 is added to the Government Code, to read:

83123.5. (a) Upon mutual agreement between the Commission and the Board of Supervisors of the County of San Bernardino, the Commission is authorized to assume primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance reform ordinance passed by the Board of Supervisors of the County of San Bernardino. The Commission is authorized to be the civil prosecutor responsible for the civil enforcement of that local campaign finance reform ordinance in accordance with this title. As the civil prosecutor of the County of San Bernardino's local campaign finance reform ordinance, the Commission may do both of the following:

(1) Investigate possible violations of the local campaign finance reform ordinance.

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

(b) Any local campaign finance reform ordinance of the County of San Bernardino enforced by the Commission pursuant to this section shall comply with this title.

(c) The Board of Supervisors of the County of San Bernardino shall consult with the Commission prior to adopting and amending any local campaign finance reform ordinance that is subsequently enforced by the Commission pursuant to this section.

(d) (1) The Board of Supervisors of the County of San Bernardino and the Commission may enter into any agreements necessary and appropriate to carry out the provisions of this section, including agreements pertaining to any necessary reimbursement of state costs with county funds for costs incurred by the Commission in administering, implementing, or enforcing a local campaign finance reform ordinance pursuant to this section.

(2) An agreement entered into pursuant to this subdivision shall not contain any form of a cancellation fee, a liquidated damages provision, or other financial disincentive to the exercise of the right to terminate the agreement pursuant to subdivision (e), except that the Commission may require the Board of Supervisors of the County of San Bernardino to pay the Commission for services rendered and any other expenditures reasonably made by the Commission in anticipation of services to be rendered pursuant to the agreement in the event that the Board of Supervisors of the County of San Bernardino terminates the agreement.

(e) The Board of Supervisors of the County of San Bernardino or the Commission may, at any time, by ordinance or resolution, terminate any

agreement made pursuant to this section for the Commission to administer, implement, or enforce a local campaign finance reform ordinance or any provision thereof.

(f) If an agreement is entered into pursuant to this section, the Commission shall report to the Legislature regarding the performance of that agreement on or before January 1, 2017, and shall submit that report in compliance with Section 9795. The Commission shall develop the report in consultation with the County of San Bernardino. The report shall include, but not be limited to, all of the following:

(1) The status of the agreement.

(2) The estimated annual cost savings, if any, for the County of San Bernardino.

(3) A summary of relevant annual performance metrics, including measures of utilization, enforcement, and customer satisfaction.

(4) Any public comments submitted to the Commission or the County of San Bernardino relative to the operation of the agreement.

(5) Any legislative recommendations.

(g) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the necessity to avoid an appearance of corruption in the County of San Bernardino's electoral process. The proposed local campaign finance reform ordinance is intended to make it more difficult for candidates and influential individuals and entities to engage in quid pro quo corruption, make the financing of campaigns for elective county offices more transparent, and to make more information, especially financial information, regarding candidates and their supporters available to voters. Enforcement of the local campaign finance reform ordinance by the Commission is needed to ensure the integrity of the ordinance.

SEC. 3. 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.

Assembly Bill No. 2452

CHAPTER 126

An act to add Section 84615 to the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 13, 2012. Filed with
Secretary of State July 13, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2452, Ammiano. Political Reform Act of 1974: online disclosure.

The Political Reform Act of 1974 requires specified candidates, committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers to file campaign statements and reports online or electronically with the Secretary of State, as specified. The act requires certain of these entities to also file campaign statements and reports with local filing officers, as specified.

This bill, with certain exceptions, would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury.

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

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

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

SECTION 1. Section 84615 is added to the Government Code, 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 one thousand dollars (\$1,000), and makes expenditures totaling less than one thousand dollars (\$1,000), 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 only accept a filing in the standardized record format that is developed by the Secretary of State pursuant to paragraph (2) of subdivision (a) 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.

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