



FAIR POLITICAL PRACTICES COMMISSION
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To: Vice Chair Eskovitz and Commissioners Casher, Wasserman and Wynne

From: Erin V. Peth, Executive Director
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Subject: Legislative Update

Date: October 31, 2013

The legislature went into recess on September 13, 2013 and will reconvene on January 6, 2014. The Governor signed four Political Reform Act Bills including three FPCC sponsored bills (AB 409, AB 552, and AB 1090) and vetoed one Political Reform Act bill (SB 3). Because this year was the first year in a two-year legislative session, all bills from this year can still be taken up next year. This report includes a summary of bills signed, vetoed or pending before the Legislature that would impact the Political Reform Act (the "Act").

Bills Signed By the Governor

AB 409 (Quirk-Silva)

Existing Law

The Act regulates conflicts of interest of public officials and requires that public officials file periodic statements of economic interests disclosing certain information regarding income, investments, and other financial data with specified filing officers.

Proposed Law

This bill allows for the future development by the Commission of a secure online system capable of electronically collecting Form 700s and presenting the data in an understandable and searchable format. The Commission is mandated to provide access to Form 700s no later than the second business day after receiving the forms. When the Commission receives a request for Form 700s that are not already maintained in electronic format, staff must manually retrieve the forms from our file room, make copies and either provide hard copies or email the copies to the requestor.

The secure online system, once developed, would reduce personnel costs arising from the collection and transfer of data, increase the accuracy of reported data, simplify compliance for public officials subject to the reporting requirements, streamline the filing of Form 700s into one central location, and provide all Form 700 data to the public in a searchable format that would help inform the electorate and encourage trust in government.

Staff believes this bill is an important step towards more efficient and effective disclosure for the public officials and will provide better access to the public itself. Currently, a tremendous amount of staff time and effort is spent collecting and reviewing Form 700s. Implementing an electronic filing system will make collection more efficient, will provide filers with a fast and easy way to file and will provide the public with a more efficient way to access important information.

Status: Chaptered.

Commission Adopted Position: Sponsor.

Fiscal Impact: Provision is optional for Commission.

AB 552 (Fong)

Existing Law

The Act currently requires the Commission to commence a civil action and obtain a judgment in a superior court to collect any unpaid fines imposed under the Act.

Proposed Law

This bill authorizes the Commission to apply to the clerk of the superior court for a judgment enforcing a monetary penalty or fee, and would require the clerk of the court to enter a judgment immediately in conformity with the application under specified circumstances, rather than requiring the Commission to institute a formal civil action.

Staff believes the amendments proposed by this bill would increase efficiencies in the Commission's Enforcement Division by simplifying the procedure for collecting unpaid penalties. Rather than having to proceed with a full civil action to judgment in order to collect, this bill would allow the Commission to take advantage of a streamlined procedure for obtaining a judgment. The procedure established by this bill for the collection of unpaid penalties is similar to procedures that currently exist for a number of other government agencies, including the Department of Conservation (pursuant to Section 14591.5 of the Public Resources Code) and the Department of Forestry and Fire Protection (pursuant to Section 4601.3 of the Public Resources Code).

Status: Chaptered.

Commission Adopted Position: Sponsor.

Fiscal Impact: Minor and absorbable.

AB 1090 (Fong)

Existing Law

Existing law (Government Code Section 1090) prohibits Members of the Legislature, state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Existing law makes a willful violation of this prohibition a crime. Currently enforcement of this law is under the authority of the Attorney General and district attorneys. These prohibitions are outside of the Act and are not enforced by the Commission. Nor can the Commission advise public officials on Section 1090 issues, as only the Attorney General has the authority to formally advise on such matters.

Proposed Law

This bill authorizes the Commission to bring a civil or administrative action to enforce these prohibitions in a manner similar to that provided for under the Act. Criminal enforcement will remain with the Attorney General and district attorneys. This bill will prohibit the Commission from bringing an action against an individual if a criminal action is proceeding. The bill also authorizes the Commission to provide advice to those subject to the prohibitions of Section 1090, in a manner concurrent with the authority of the Attorney General's Office.

Staff has worked with the author of this bill to address concerns formally expressed by various water districts throughout California. The districts noted that Section 1090 presents unique issues for contracts for public services entered into by a special district that requires a person to be a landowner or a representative of a landowner to serve on the board of which the officer or employee is a member. The amendments expand upon the existing list of interests that are not subject to the law's provisions by including such special district board members when public service contracts are at issue.

The Commission has a unique expertise in advising upon, investigating, and prosecuting civil ethics violations, such as conflicts of interest, under the Act. In fact, the prohibitions set forth in Section 1090 are quite similar to the conflict-of-interest prohibitions contained in the Act. Indeed, as the California Supreme Court has recognized, "Section 1090 is the principal California statute governing conflicts of interest in the making of government contracts. In turn, the Political Reform Act is the principal California law governing conflicts of interest in the making of all government decisions. It is well established that these two acts are in pari materia" (*Lexin v. Superior Court* (2010) 47 Cal.4th 1050, 1091). Under the Act, conflicts of interest are subject to criminal, civil or administrative prosecution. This results in accounting for the full range of conduct that can be a violation of the Act, even if the conduct does not meet the intent requirements for criminal prosecution. Section 1090 does not currently have a similar range of penalties, even though it is very similar to the Act's conflicts-of-interest provisions. This bill would bring conformity to both prohibitions. Moreover, the Commission is well-suited to assist the Attorney General and district attorneys by having civil and administrative enforcement authority over Section 1090 conflicts.

Additionally, often times, when staff is advising or investigating public officials, a potential 1090 issue is spotted in the fact pattern. However, because Section 1090 falls outside the Act, staff is forced to simply refer the individual or the matter to either the Attorney General or district attorney. Staff is informed that individuals are often unable to obtain timely advice regarding Section 1090 issues. Staff believes that authorizing the Commission to formally and informally advise officials on Section 1090 matters would bring much needed clarity to this area of the law and enable public officials to more effectively carry out their public duties. Staff further believes that authorizing the Commission to bring civil or administrative actions under Section 1090 would result in more enforcement and, ultimately, more compliance with Section 1090, thus ensuring public officials conduct the public's business free from improper personal financial interests.

Status: Chaptered.

Commission Adopted Position: Sponsor.

Fiscal Impact: Minor and absorbable.

AB 1418 (Fong)

Existing Law

Each campaign committee is required to file a statement of organization. For a campaign committee that does not support or oppose one or more candidates or ballot measures as its primary activity, the statement of organization must include, among other things, a brief description of the committee's political activities. This includes whether it supports or opposes candidates or measures, and whether such candidates or measures have common characteristics, such as a political party affiliation. The Act requires a committee that is controlled by a candidate for partisan office to provide a statement indicating the political party with which the candidate is affiliated. Campaign statements are required to be open for public inspection and reproduction on the Saturday preceding a statewide primary or general election at the Secretary of State, Registrar-Recorder of Los Angeles County, Registrar of Voters of San Diego County, and Registrar of Voters of the City and County of San Francisco.

Proposed Law

This bill will repeal the requirement that campaign statements be open for public inspection and reproduction on the Saturday preceding a statewide primary or general election at the Secretary of State, Registrar-Recorder of Los Angeles County, Registrar of Voters of San Diego County, and Registrar of Voters of the City and County of San Francisco.

This bill will require a committee that does not support or oppose one or more candidates as its primary activity to state on its statement of organization whether it supports or opposes candidates or measures and whether such candidates or measures have common characteristics, such as a political party "preference" instead of "affiliation."

This bill will require committees controlled by a candidate for partisan office to indicate the political party the candidate "has disclosed a preference" for instead of "is affiliated" with.

The bill will also require committees that are controlled by a candidate for “voter nominated office” to indicate the political party for which the candidate has disclosed a preference.

Staff has been informed that the reason for the elimination of the Saturday opening for campaign report inspection is because the public has not been so inspecting such records at those offices on that Saturday. Therefore, this requirement serves no useful purpose. Eliminating this requirement would help cut costs for the affected agencies. The other provisions would make minor changes that could result in voters obtaining more accurate information concerning the covered committees and those candidates, measures, or political parties they support.

Status: Chaptered.

Commission Adopted Position: Neutral.

Fiscal Impact: Minor and absorbable.

Bills Vetoed by the Governor

SB 3 (Yee and Lieu)

Existing Law

The Act currently refers to contributions and independent expenditures made or received during the last 90 days before an election as “late contributions” and “late independent expenditures.” The Act currently refers to nonmonetary contributions as “in-kind contributions.” The Act requires the Secretary of State, in consultation with the Commission, to develop online and electronic filing processes for specified entities. The Act requires each committee to have a designated treasurer who is identified in the statement of organization. A committee may not make an expenditure without the authorization of the treasurer.

Proposed Law

The bill would have revised the terms “late contribution” and “late independent expenditure” to “election-cycle contribution” and “election-cycle independent expenditure.” The bill would have also replaced the term “in-kind contribution” with “nonmonetary contribution.”

The bill would have increased fines from \$10 per day to \$30 per day for campaign statements and reports that are filed late, not to exceed 150 percent of the cumulative amount stated in the late statement or \$1,000, whichever is greater.

The bill would have required the Secretary of State to complete a feasibility study for an electronic filing system by December 31, 2014.

This bill would have required campaign committee treasurers to complete an online training course, designed and administered by the Commission. The Commission would have been

allowed to charge a fee of up to \$50 for this course and must have the course completed and ready by December 31, 2014. This bill previously required the training course for treasurers for committees that have made cumulative contributions or expenditures of \$250,000 or more, but no longer had this dollar threshold requirement. All committee treasurers would have been required to take this course.

Staff believed that the treasurer training required to be developed by the Commission would not have been a productive use of the Commission's limited resources, and would likely only have proven beneficial to a small percentage of treasurers – mainly those volunteer treasurers with little or no experience with the Act. Moreover, it is difficult to estimate whether the authorized fee to be charged by the Commission would have covered the costs incurred in developing and providing the training. Additionally, the Commission would likely need funding in advance to create the training, which the bill did not provide.

Staff is neutral with regard to changing the terms “late contribution,” “late independent expenditure,” and “in-kind contribution” as was proposed. Staff has been in the process of moving away from use of those first two terms in reports, instead referring to them as “24-hour Reports.” Staff would have incurred costs if these changes to the terms were made to the Act, as multiple regulations, manuals, forms, and fact sheets would have to be amended to reflect the changes. While Staff believes that a new electronic filing system is necessary, staff has no opinion on whether using the State's resources to conduct a feasibility study is the best method for achieving that goal.

Status: Vetoed by Governor.

Commission Adopted Position: Neutral.

Fiscal Impact: \$209,196 one-time costs and \$137,960 for ongoing legal, technical assistance and technology costs.

Commission Sponsored Bills Still Pending

SB 27 (Correa)

Existing Law

The Act provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures. Regulations previously adopted by the Commission require nonprofit organizations to disclose the sources of funds behind their campaign expenditures when donors have made donations to the organization in response to a solicitation that indicates the organization's intent to use such funds to make contributions or expenditures, or when such organizations have previously made contributions or independent expenditures from their general treasuries of \$1,000 or more during the calendar year, or the previous four years.

The Act also requires a candidate or a committee that receives contributions of \$5,000 or more from any person to inform the contributor within two weeks that he or she may be subject to the Act's reporting requirements as a major donor.

Proposed Law

As amended, this bill would require multipurpose organizations that meet specified criteria to comply with the registration and campaign reporting requirements of the Act, including disclosure of information relating to the organization's donors. The bill would create a definition for the term multipurpose organization under the Act and a multipurpose organization would qualify as a recipient committee and have to disclose its donors if:

- (1) It is a federal or out of state political action committee that makes contributions or expenditures on California candidates or measures of \$1,000 or more.
- (2) It solicits and receives contributions from donors for the purpose of making contributions or expenditures on California candidates or measures.
- (3) It makes contributions or expenditures of \$50,000 or more in a 12 month period or makes contributions or expenditures of \$100,000 in a four-year period. Such a multipurpose organization that makes contributions or expenditures from nondonor funds (investment income, earned income, sale of assets, etc.) would not be required to disclose donors.

A donor identified and reported by a multipurpose organization as a source of funds that is also a multipurpose organization that receives contributions would be required to disclose its donors as well. Also, a donor who has specified that their donation shall not be used to make contributions or expenditures would not be required to be disclosed.

In addition to the existing major donor notice requirements, this bill would require that a candidate or committee notify a contributor within one week of making a contribution of \$10,000 or more during the late contribution reporting period that they are subject to the Act's reporting requirements. The bill would also require the notifications to reference the reporting requirements for multipurpose organizations.

This bill would also require ballot measure committees and candidate committees that raise \$1,000,000 or more for an election to maintain an accurate list of the committee's top 10 contributors, which would be posted on the FPPC's Internet website and the Committee's Internet website.

The amendments proposed by this bill will result in more timely and accurate disclosure of the identity of the actual source of funds being spent on California elections, rather than just the name of a multipurpose organization which often provides little, and sometimes misleading, information about the interest behind the expenditure. This bill would increase accountability for those who attempt to avoid disclosure of their identities by channeling funds used to influence California elections through other committees or nonprofits.

The recent amendments to this bill create direct, bright-line reporting requirements for multipurpose organizations whose primary activity is not making contributions or expenditures, but who ultimately do so with donor funds. As amended, this bill no longer contains the presumptions in the previous version or the so-called “first bite of the apple” exception of current law, but sets contribution and expenditure thresholds that trigger the duty to report the source of funds used. The goal is still to increase disclosure by these organizations through more clear requirements.

The Supreme Court has repeatedly held that the identity of the source of funds spent on elections provides valuable information to voters, and staff believes that timely pre-election disclosure of such information increases its value to voters when it matters most.

Status: Assembly Inactive File.

Commission Adopted Position: Sponsor.

Fiscal Impact: Minor and absorbable. (\$10,000)

AB 914 (Gordon)

Existing Law

The Act provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures by nonprofit organizations, and imposes other reporting and recordkeeping requirements on campaign committees. Regulations previously adopted by the Commission require nonprofit organizations such as charities (501(c)(3)) and social welfare organizations (501(c)(4)) to disclose the sources of funds behind their campaign expenditures when donors have made donations to the organization in response to a solicitation that indicates the organization’s intent to use such funds to make campaign contributions or expenditures or when such organizations have previously made contributions or independent expenditures from their general treasuries of \$1,000 or more during the calendar year, or the previous four years, in California.

Proposed Law

This bill would require nonprofit organizations that make campaign contributions, expenditures or independent expenditures in California to file an annual report with the Commission, disclosing the total percentage of their funds that were used to make contributions, expenditures and independent expenditures during each fiscal year the entity spends at least \$50,000 on such activities. If the total amount spent on such activities exceeds 10 percent of the entity’s total expenses during the fiscal year, the entity would be required to disclose information related to each contribution, expenditure and independent expenditure, including the amount, date, name and address of the recipient, and a description of the purpose for the contribution, expenditure or independent expenditure. The names of each donor to the nonprofit organization of \$10,000 or more would also have to be disclosed, unless the organization makes all of its campaign expenditures from a separate account used for political expenditures. If all campaign contributions, expenditures and independent expenditures are made from a separate account, only donors whose funds were deposited into the separate account would be required to be

disclosed. The bill would allow exemptions from disclosing the identities of donors in limited circumstances.

Staff believes this bill would provide the public with much needed disclosure that in some cases can be nonexistent. Since the Supreme Court decided *Citizens United* in 2010, there has been an unprecedented amount of campaign activity conducted by nonprofit organizations. Many of these organizations receive large sums of money from individuals and corporations and, under Federal law, are not required to disclose their donors. In the last election, a nonprofit organization contributed a large sum of money, which it apparently obtained from a number of other nonprofit organizations, to a committee in California prior to the election for use on ballot measure campaigns. Only the nonprofit in California was disclosed as the source of the funds. The FPPC brought legal action against them seeking to obtain the true source of the funds. This occurred just a few days before the election. This legislation would simply require nonprofits to know who their donors are and to disclose who is actually funding their campaign activities. This basic disclosure also would provide the public and other government agencies with valuable information regarding the amount of campaign activity conducted by the nonprofit in relation to its activities as a whole.

Status: Senate Inactive File.

Commission Adopted Position: Sponsor.

Fiscal Impact: Minor and absorbable.

Commission Supported Bills Still Pending

SB 2 (Lieu and Yee)

Existing Law

The Act provides for the comprehensive regulation of campaign financing by requiring the reporting of campaign contributions and expenditures, and imposing other reporting and recordkeeping requirements on campaign committees.

The Act also regulates advertisements, which are defined as any general or public advertisement that is authorized and paid for by a person or committee for the purpose of supporting or opposing a candidate for elective office or a ballot measure. The Act places certain disclosure requirements on advertisements for or against any ballot measure, including that the advertisement disclose up to two persons who have made cumulative contributions of \$50,000 or more. The Act places more specific disclosure requirements on broadcast or mass mailing advertisements that are paid for by independent expenditures that support or oppose a candidate or ballot measure. In addition to other penalties imposed by the Act, a fine of up to triple the amount of the cost of an advertisement can be imposed on a person who violates the disclosure requirements for advertisements.

The Act regulates mass mailings, known as slate mailers that support or oppose multiple candidates or ballot measures for an election. The Act requires that each slate mailer identify the

slate mailer organization, or committee primarily formed to support or oppose one or more ballot measures, that is sending the slate mailer. Slate mailers must contain other specified information in specified formatting. The Act requires that each candidate and each ballot measure proponent that has paid to appear in the slate mailer be designated by an asterisk.

Proposed Law

This bill would require that television, video, or audio broadcast advertisements that are authorized by a candidate include a specified disclosure statement made by the candidate. The bill would increase the maximum penalty for a violation of the advertisement provisions to six times the amount of the costs of the advertisement. The bill would also increase fine ceilings for other violations of the Act.

This bill would require that a candidate or ballot measure appearing in a slate mailer as a result of a payment made by a third party be designated by an “@” and would require the notice to voters included on a slate mailer be revised to describe this new requirement.

This bill would require that a slate mailer that is produced in a language other than English provide the required notice to voters in that same language. The bill would require that a slate mailer provide the notice in both English and another language if a substantial portion of a slate mailer is produced in the other language.

This bill would reduce the amount of time within which a ballot measure committee must reference itself as a committee for or against a numbered proposition to within ten days of the designation of the numerical order of propositions by the Secretary of State.

Previously, staff recommended the Commission support this bill if the audit provisions were amended in a way that did not conflict with audit language in AB 800 because the bill’s other provisions further the purposes of the Act by requiring that candidates make disclosure statements on their own advertisements and increasing disclosure on slate mailers by informing voters when a third party has paid for a candidate or ballot measure to appear on a slate mailer. Staff recommended the Commission support this bill if amended, and the bill has been amended to reflect staff’s concerns. The Commission adopted staff’s recommendation at its June 2013 meeting.

Status: Assembly Inactive File.

Staff Recommended Position: Support.

Fiscal Impact: Minor and absorbable.

SB 26 (Correa)

Existing Law

The Act regulates mass mailings known as slate mailers that support or oppose multiple candidates or ballot measures for an election. The Act requires that each slate mailer identify the slate mailer organization, or committee primarily formed to support or oppose one or more ballot

measures, that is sending the slate mailer, and to contain other information in specified formatting. The Act also requires a notice to voters in a specified type and color or print consisting of a prescribed statement included on a side or surface of the slate mailer.

Proposed Law

This bill would change the font size for slate mailer name, street address, city, and disclaimer from 8pt. to 10 pt. These items would be required to be written in black ink against a solid white background. The disclaimer would be required to appear on each side or surface where any candidate or ballot measure has paid to appear, instead of the top or bottom of the front side or surface of a postcard mailer or insert.

Staff believes that this bill will provide greater disclosure to the public by making important information about the identity of the organization sending the mailer and whether a candidate or ballot measure has paid to appear in the mailer more noticeable and readable for the recipients.

Status: Assembly Elections and Redistricting.

Staff Recommended Position: Support.

Fiscal Impact: Minor and absorbable.

AB 45 (Dickinson)

Existing Law

The Act currently defines a “committee” as any person or combination of persons who receive contributions or make independent expenditures of \$1,000 or more in a calendar year. The Act requires committees to file campaign statements and requires that those statements disclose certain information about contributors who have made aggregate contributions of \$100 or more.

Regulations previously adopted by the Commission require nonprofit organizations to disclose the sources of funds behind their campaign expenditures when donors have made donations to the organization in response to a solicitation that indicates the organization’s intent to use such funds to make contributions or expenditures, or when such organizations have previously made contributions or independent expenditures from their general treasuries of \$1,000 or more during the calendar year, or the previous four years.

The Act currently defines the term “candidate” as including an officeholder who is the subject of a recall election. A candidate retains that status until the status is terminated. Candidate status requires individuals to continue to file campaign reports and provide disclosure to the public on campaign activities for both their main committee and other committees with which they may be involved. Candidates are prohibited from controlling committees that make independent expenditures and are prohibited from making contributions to committees that make independent expenditures to support or oppose other candidates. By regulation, the Commission has said that a candidate retains his or her status as a candidate until he or she leaves office.

The Act also imposes specified duties on a filing officer with respect to reports and statements filed with that filing officer. The Act requires that certain campaign statements be filed with the Secretary of State online or electronically. Statements that are filed electronically must also be filed in paper format.

Proposed Law

In its current form, this bill would increase the monetary threshold of contributions or independent expenditures that qualify a person or combination of persons as a committee from \$1,000 to \$2,000.

The bill would authorize the Commission to adopt regulations establishing reporting thresholds for disclosure of contributions and expenditures for a committee primarily formed to support or oppose a statewide ballot measure to a minimum of \$500 and a maximum of \$2,500.

The bill would revise the definition of “contribution” to include payments made to multipurpose organizations by a person who “knows or has reason to know” that a payment will be used to make a contribution or independent expenditure. The bill would impose a presumption that a donor has “reason to know” (a) if the recipient organization has made aggregate contributions or expenditures of \$2,000 or more within the calendar year, or the preceding four years, or (b) if the donor’s payment is \$50,000 or more, is made in the six months preceding the election, and the multipurpose organization makes a contribution or an independent expenditure of \$50,000 or more within the six months prior to the election. Such donors would have to be identified and reported by the organization in accordance with existing reporting regulations.

This bill would revise the definition of “candidate” to include any officeholder, regardless of whether he or she is the subject of a recall election, and provides that a candidate retains that status until the time that he or she leaves office and the status is terminated. This change will make clear that officeholders who terminate their campaign committees will continue to retain their status as a candidate until they actually leave office, so that while they remain in office they are prohibited from controlling committees that make independent expenditures and prohibited from making contributions to committees that make independent expenditures to support or oppose other candidates.

Staff is currently working with the author of this bill and the author of SB 27 to harmonize the provisions relating to disclosure by multi-purpose organizations to ensure consistency.

Additionally, the bill would require filing officers to immediately affix a date stamp to each statement of economic interest. The bill would also require the Secretary of State to make campaign and lobbying statements and reports that are filed with the Secretary of State available to the Commission upon request.

The bill would specify that the Commission is authorized to seek an injunction to prevent a violation of the Act or compel compliance with the Act.

Status: Senate Elections & Constitutional Amendments.

Commission Adopted Position: Support.
Fiscal Impact: Minor and absorbable.

AB 800 (Gordon)

Existing Law

The Act prohibits an agent or independent contractor from making an expenditure of \$500 or more, other than overhead or normal operating expenses, on behalf of or for the benefit of any candidate or committee unless it is reported by the candidate or committee as if the expenditure were made directly by the candidate or committee. The Act requires an agent or independent contractor to make known to the candidate or committee all information subject to this reporting requirement, but does not specifically require the same for a subagent or subcontractor.

“Surplus campaign funds” are defined in the Act as funds that are under the control of a former candidate or former elected officer as of the date of leaving office, or the end of the postelection reporting period following the defeat of the candidate for elective office, whichever occurs last. The purposes for which surplus campaign funds may be used are restricted.

The Act requires the Franchise Tax Board (the “FTB”), to periodically prepare reports regarding its audit and investigations under the Act and send them to the Commission, the Secretary of State and the Attorney General. These audit reports must be completed within one year.

The Act generally prohibits the commencement of an audit or investigation of a candidate, controlled committee, or committee primarily supporting or opposing a candidate or a measure in connection with a report or statement required by specified provisions of the Act until after the last date for filing the first report or statement following the general, the runoff, or a special election for the office for which the candidate ran, or following the election at which the measure was adopted or defeated.

Proposed Law

This bill would require a subcontractor who provides goods or services to or for the benefit of a candidate or committee to make known to the agent or independent contractor all of the information subject to the reporting requirements of the Act and would require this information be disclosed by a subagent or independent contractor to the agent, independent contractor, candidate, or committee no later than three working days prior to the time the campaign statement reporting the expenditure is required to be filed. Late contributions or late independent expenditures must be reported to the candidate or committee within 24 hours of the time it is made.

This bill would increase the time at which campaign funds become surplus by 90 days following either the officer leaving elective office or the end of the postelection reporting period following the defeat of the candidate, whichever occurs last.

This bill would extend one-year deadline for the FTB to complete audit reports for audits conducted on a random basis to two years, and would allow the Commission and the FTB (at the direction of the Commission), to audit any record required to be maintained under the Act in order to ensure compliance with the Act prior to an election, even if the record or report is one that has not yet been filed. The one-year deadline has proven counter-productive as it forces the FTB to work on minor audits and not have the discretion to adjust their workload to more rapidly work on major issues.

Finally, the bill would authorize the Commission to seek injunctive relief in a superior court to compel disclosure consistent with the Act and require a court grant expedited review of an action filed pursuant to this provision.

Status: Failed in Assembly on concurrence.

Commission Adopted Position: Support.

Fiscal Impact: Minor and absorbable.

Pending Bills with No Position Taken

SB 52 (Leno and Hill)

Existing Law

The Act regulates advertisements, which are defined as any general or public advertisement that is authorized and paid for by a person or committee for the purpose of supporting or opposing a candidate for elective office or a ballot measure. The Act places certain disclosure requirements on advertisements for or against any ballot measure, including that the advertisement disclose up to two persons who have made cumulative contributions of \$50,000 or more. The Act places more specific disclosure requirements on broadcast or mass mailing advertisements that are paid for by independent expenditures that support or oppose a candidate or ballot measure. In addition to other penalties imposed by the Act, a fine of up to triple the amount of the cost of an advertisement can be imposed on a person who violates the disclosure requirements for advertisements.

The Act requires a person who makes a payment or promise of payment totaling \$50,000 or more for a communication that identifies, but does not advocate the election or defeat of, a candidate for elective state office, and that is disseminated within 45 days of an election, to file an online or electronic disclosure report with the Secretary of State within 48 hours.

Proposed Law

This bill would define “Advertisement” to include electioneering communications and issue advocacy advertisements.

The bill would define “issue advocacy advertisement” as an advertisement that clearly refers to and reflects a view on the subject matter, description, or name of a pending legislative action, administrative action, or one or more ballot measures and does any of the following:

- (1) Can only be interpreted as an appeal for the recipient of the advertisement to take action by contacting an employee or elected official of the state government or any local government or encouraging others to contact those persons.
- (2) Refers to a pending legislative action and is disseminated, broadcast, or otherwise communicated within 60 days of the end of the legislative session.
- (3) Refers to one or more ballot measures and is disseminated, broadcast, or otherwise communicated within the 120 days of the election concerning that measure or measures.

The bill would impose new disclosure statement requirements for:

- (1) Radio advertisements and prerecorded telephonic messages – these advertisements would be required to have a disclosure at the end of the advertisement that states the committee’s name and the three largest contributors for the advertisement that have met or exceeded a disclosure threshold of \$10,000 or more for statewide candidates or measurers or \$2,000 or more for local candidates or measures unless they are already identified in the advertisement.
- (2) Television or video advertisements – these advertisements would be required to have a disclosure at the beginning of the advertisement on a solid black background that covers the entire bottom one-third of the display for a minimum of six seconds listing the three largest contributors who have met or exceeded a disclosure threshold of \$10,000 or more for statewide candidates or measurers or \$2,000 or more for local candidates or measures along with a website address to the committee’s Internet Disclosure Website and committee name.
- (3) Print advertisements other than slate mailers – these advertisements would be required to have a disclosure area on the largest page of the mass mailing or print advertisement that has a solid white background with black writing in a box that discloses the top three funders of the ad that have met or exceeded a disclosure threshold of \$10,000 or more for statewide candidates or measurers or \$2,000 or more for local candidates or measures. If the advertisement is four inches tall or less, only the top two contributors must be disclosed and if the advertisement is three inches tall or less, only the top funder would be required to be disclosed on the advertisement. A link to an Internet Disclosure Website and the committee’s name would also be required.

The bill will require committees that have received contributions meeting or exceeding the disclosure threshold of \$10,000 or more for statewide candidates or measurers or \$2,000 or more for local candidates or measures to maintain an Internet Disclosure Website that lists the Committees top 10 donors, and that also have a link to a page with all of the committees donors who have met or exceeded the disclosure thresholds.

The bill would provide authority to the Commission to promulgate regulations to require disclosures on all forms of political advertisements including electronic media advertisements and billboards.

The bill would require a person who makes a payment or promise of payment of \$10,000 or more for a communication that identifies but does not expressly advocate the election or defeat of a candidate for elective state office that is disseminated between 120 days before the primary or special election and the date of the general or run-off election to file an online or electronic report with the Secretary of State within 48 hours.

Status: Assembly Elections & Redistricting.
Fiscal Impact: \$363,000.

SB 268 (Gaines)

Existing Law

The Act requires candidates and committees to file specified campaign finance reports, including semiannual statements, preelection statements, supplemental preelection statements, and late contribution reports.

Proposed Law

This bill would repeal the requirement that candidates and committees file semiannual, preelection, supplemental preelection, and late contribution campaign reports, and would instead require that a candidate or committee who makes or receives a contribution of \$100 or more or makes an expenditure of \$100 or more to report that contribution or expenditure to specified filing officers within 24 hours. Candidates or committees that are required to report to the Secretary of State would be required to report contributions and expenditures online or by electronic transmission only.

Status: Senate Elections & Constitutional Amendments.
Fiscal Impact: None completed at this time.

SB 477 (Steinberg)

This bill does not yet contain language amending the Act but states that the intent of the Legislature is to enact legislation that would prohibit a political campaign committee from accepting large contributions for the purpose of supporting the qualification of a statewide initiative ballot measure until the committee has first received a significant number of small individual contributions, thereby demonstrating a sufficient degree of public support for the proposed measure.

Status: Senate Rules.
Fiscal Impact: None completed at this time.

AB 510 (Ammiano)

Existing Law

The Act currently requires a committee that makes an expenditure of \$5,000 or more to an individual for his or her appearance in an advertisement to support or oppose the qualification, passage, or defeat of a ballot measure to file a report within ten days, and to include a statement in the advertisement that notifies viewers that the individual was paid to appear in the advertisement.

Proposed Law

This bill would require the same reporting and disclosure when a committee makes an expenditure of any amount to an individual that appears in the advertisement if the advertisements state that the individual is a practitioner or a member of a profession having expertise or specialized knowledge relating to the subject of the measure.

Status: Assembly Elections & Redistricting.

Fiscal Impact: Minor and absorbable.

Assembly Bill No. 409

CHAPTER 643

An act to add Sections 87500.3 and 87500.4 to the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 8, 2013. Filed with
Secretary of State October 8, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 409, Quirk-Silva. Political Reform Act of 1974: statements of economic interests: online filing.

(1) Existing law, the Political Reform Act of 1974, regulates conflicts of interests of public officials and requires that public officials file, with specified filing officers, periodic statements of economic interests disclosing certain information regarding income, investments, and other financial data. Existing law authorizes agencies to permit the electronic filing of statements of economic interests, in accordance with regulations adopted by the Fair Political Practices Commission.

This bill would authorize the Commission to develop and operate an online system for filing statements of economic interests meeting specified requirements. With certain exceptions, filers would be authorized to use the online system to meet requirements imposed by the act.

(2) 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.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 87500.3 is added to the Government Code, to read:
87500.3. (a) The Commission may develop and operate an online system for filing statements of economic interests required by Article 2 (commencing with Section 87200) and Article 3 (commencing with Section 87300). Consistent with Section 87500.4, the online system shall enable a filer to comply with the requirements of this chapter relating to the filing of statements of economic interests and shall include, but not be limited to, both of the following:

(1) A means or method whereby a filer may electronically file, free of charge, a statement of economic interests that includes an electronic transmission that is submitted under penalty of perjury in conformity with Section 81004 of this code and subdivision (b) of Section 1633.11 of the Civil Code.

(2) Security safeguards that include firewalls, data encryption, secure authentication, and all necessary hardware and software and industry best practices to ensure that the security and integrity of the data and information contained in each statement of economic interests are not jeopardized or compromised.

(b) (1) A system developed pursuant to subdivision (a) shall issue to a person who electronically files his or her statement of economic interests, or an amendment to a statement of economic interests, an electronic confirmation that notifies the filer that his or her statement of economic interests or amendment was received. The confirmation shall include the date and the time that the statement of economic interests or amendment was received and the method by which the filer may view and print the data received.

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

(c) If the Commission develops an online system pursuant to subdivision (a), it shall conduct public hearings to receive input on the implementation of that system, maintain ongoing coordination among affected state and local agencies as necessary, and develop training and assistance programs for state and local filing officers and filers regarding use of the online system for filing statements of economic interests.

(d) (1) Except as provided in paragraph (2), the Commission may make all the data filed on a system developed pursuant to subdivision (a) available on the Commission's Internet Web site in an easily understood format that provides the greatest public access, and shall provide assistance to those seeking public access to the information.

(2) The Commission shall redact private information, including, but not limited to, the signatures of filers, from the data that is made available on the Internet pursuant to this subdivision. The Commission shall develop and implement a policy regarding redaction of private information for the purposes of this paragraph, and shall conduct one or more public hearings to receive input on the development of that policy.

SEC. 2. Section 87500.4 is added to the Government Code, to read:

87500.4. (a) If the Commission establishes an online system pursuant to Section 87500.3, the Commission shall specify which categories of persons described in Section 87500 may file statements of economic interests electronically through the online system established by the Commission.

(b) (1) If the Commission, pursuant to subdivision (a), specifies that persons described in Section 87500 may file statements of economic interests electronically through the online system established by the Commission, the Commission, upon authorization by the filing officer designated by Section 87500, shall assume the duties of the filing officer for each filer within each category of filers authorized to file electronically through the online system, irrespective of whether the filer elects to file his or her statement of economic interests electronically or on paper with the Commission. A filing officer who does not authorize the Commission to assume his or her duties as described in this paragraph shall continue to perform the duties prescribed in Section 81010. The filing officer duties assumed by the Commission with respect to each filer in each authorized category shall include, but not be limited to, all of the following:

(A) Notifying the filer of his or her filing obligation.

(B) Receiving the filer's statement of economic interests.

(C) Ensuring compliance with filing requirements in the event the filer fails to file in a timely manner or is required to amend his or her statement of economic interests.

(D) Distributing to filing officers copies of the completed statement of economic interests of a person who is required by this chapter to file more than one statement of economic interests for each period, and who, despite being authorized to file the statement with the Commission electronically, elects to file the statement with the Commission using a paper form.

(2) If the Commission assumes the duties of a filing officer pursuant to this subdivision, the filing officer whose duties are assumed shall provide to the Commission, in a manner prescribed by the Commission, the name and contact information for each filer in the filing officer's jurisdiction.

(c) The Commission shall notify a filing officer who may be affected by a determination of the Commission pursuant to this section to authorize a category of filers to file electronically, no later than six months before the implementation of that determination, in order to allow adequate preparation for implementation.

(d) A person who is required by this chapter to file more than one statement of economic interests for each reporting period and who files his or her statements of economic interests with the Commission electronically after being authorized to do so pursuant to Section 87500.3 is not required to file a statement of economic interests with any other person or agency. If a filer authorized to file electronically with the Commission files with the Commission on paper, the Commission shall distribute copies of the statement to any other filing officers pursuant to subparagraph (D) of paragraph (1) of subdivision (b).

(e) (1) After the Commission makes an initial determination pursuant to subdivision (a) regarding which categories of persons described in Section 87500 are permitted to file statements of economic interests electronically through the online system established by the Commission, the Commission may subsequently revise its determination at any time.

(2) In accordance with Section 87500.3, the Commission shall continue to conduct public hearings and receive input on the implementation of the online system, and that input shall inform any decision by the Commission to revise, pursuant to paragraph (1), its determination of which categories of persons described in Section 87500 are permitted to file statements of economic interests electronically through the online system established by the Commission.

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.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to authorize the Fair Political Practices Commission to develop an online system for the filing of statements of economic interests at the earliest possible time in order to increase transparency in the finances of public officials and guard against conflicts of interests, it is necessary that this act take immediate effect.

Assembly Bill No. 552

CHAPTER 645

An act to add Section 91013.7 to the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor October 8, 2013. Filed with
Secretary of State October 8, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 552, Fong. Political Reform Act of 1974: collection of fines.

Under existing law, the Political Reform Act of 1974, the Fair Political Practices Commission is authorized to bring a civil action and obtain a judgment in superior court for the purpose of collecting any unpaid monetary penalties, fees, or civil penalties imposed under the act.

This bill would authorize the Commission to apply to the clerk of the superior court for a judgment enforcing a monetary penalty, fee, or civil penalty, and would require the clerk of the court to enter a judgment immediately in conformity with the application if the time for judicial review of the Commission's order or decision imposing the monetary penalty, fee, or civil penalty has lapsed, or if all means of judicial review of the order or decision have been exhausted.

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

This bill, which would declare that it furthers the purposes of the act, would therefore require a $\frac{2}{3}$ vote.

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

SECTION 1. Section 91013.7 is added to the Government Code, to read:

91013.7. (a) If the time for judicial review of a final Commission order or decision has lapsed, or if all means of judicial review of the order or decision have been exhausted, the Commission may apply to the clerk of the court for a judgment to collect the penalties imposed by the order or decision, or the order as modified in accordance with a decision on judicial review.

(b) The application, which shall include a certified copy of the order or decision, or the order as modified in accordance with a decision on judicial review, and proof of service of the order or decision, constitutes a sufficient showing to warrant issuance of the judgment to collect the penalties. The clerk of the court shall enter the judgment immediately in conformity with the application.

(c) An application made pursuant to this section shall be made to the clerk of the superior court in the county where the monetary penalties, fees, or civil penalties were imposed by the Commission.

(d) A judgment entered in accordance with this section has the same force and effect as, and is subject to all the provisions of law relating to, a judgment in a civil action and may be enforced in the same manner as any other judgment of the court in which it is entered.

(e) The Commission may bring an application pursuant to this section only within four years after the date on which the monetary penalty, fee, or civil penalty was imposed.

(f) The remedy available under this section is in addition to those available under Section 91013.5 or any other law.

SEC. 2. The Legislature finds and declares that the provisions of this act further 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. 1090

CHAPTER 650

An act to amend Section 1091.5 of, and to add Sections 1097.1, 1097.2, 1097.3, 1097.4, and 1097.5 to, the Government Code, relating to public officers.

[Approved by Governor October 8, 2013. Filed with
Secretary of State October 8, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1090, Fong. Public officers: conflicts of interest: contracts.

The Political Reform Act of 1974 establishes the Fair Political Practices Commission as the agency responsible for enforcing the act. The act authorizes the Commission to issue an opinion or advice to a person with respect to that person's duties under the act, as specified. The act authorizes the Commission to seek and impose administrative and civil penalties against persons who violate the act, as prescribed.

Existing law prohibits Members of the Legislature, state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Existing law identifies certain remote interests that are not subject to this prohibition and other situations in which an official is not deemed to be financially interested in a contract. Existing law makes a willful violation of this prohibition a crime.

This bill would establish an additional situation in which an official is not financially interested in a contract as applied to specified public services contracts entered into by certain special districts.

This bill would also make a person who violates the prohibition against being financially interested in a contract, or who causes another person to violate the prohibition, subject to administrative and civil fines, as specified. The bill would authorize the Commission to enforce these violations by bringing an administrative or civil action against a person who is subject to the prohibition, as specified, upon written authorization from the district attorney of the county in which the alleged violation occurred.

This bill would authorize a person who is subject to those prohibitions to request an opinion or advice from the Commission with respect to those prohibitions, as specified.

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 1091.5 of the Government Code is amended to read:

1091.5. (a) An officer or employee shall not be deemed to be interested in a contract if his or her interest is any of the following:

(1) The ownership of less than 3 percent of the shares of a corporation for profit, provided that the total annual income to him or her from dividends, including the value of stock dividends, from the corporation does not exceed 5 percent of his or her total annual income, and any other payments made to him or her by the corporation do not exceed 5 percent of his or her total annual income.

(2) That of an officer in being reimbursed for his or her actual and necessary expenses incurred in the performance of official duties.

(3) That of a recipient of public services generally provided by the public body or board of which he or she is a member, on the same terms and conditions as if he or she were not a member of the body or board.

(4) That of a landlord or tenant of the contracting party if the contracting party is the federal government or any federal department or agency, this state or an adjoining state, any department or agency of this state or an adjoining state, any county or city of this state or an adjoining state, or any public corporation or special, judicial, or other public district of this state or an adjoining state unless the subject matter of the contract is the property in which the officer or employee has the interest as landlord or tenant in which event his or her interest shall be deemed a remote interest within the meaning of, and subject to, the provisions of Section 1091.

(5) That of a tenant in a public housing authority created pursuant to Part 2 (commencing with Section 34200) of Division 24 of the Health and Safety Code in which he or she serves as a member of the board of commissioners of the authority or of a community development commission created pursuant to Part 1.7 (commencing with Section 34100) of Division 24 of the Health and Safety Code.

(6) That of a spouse of an officer or employee of a public agency in his or her spouse's employment or officeholding if his or her spouse's employment or officeholding has existed for at least one year prior to his or her election or appointment.

(7) That of a nonsalaried member of a nonprofit corporation, provided that this interest is disclosed to the body or board at the time of the first consideration of the contract, and provided further that this interest is noted in its official records.

(8) That of a noncompensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the body or board or to which the body or board has a legal obligation to give particular consideration, and provided further that this interest is noted in its official records.

For purposes of this paragraph, an officer is "noncompensated" even though he or she receives reimbursement from the nonprofit, tax-exempt

corporation for necessary travel and other actual expenses incurred in performing the duties of his or her office.

(9) That of a person receiving salary, per diem, or reimbursement for expenses from a government entity, unless the contract directly involves the department of the government entity that employs the officer or employee, provided that the interest is disclosed to the body or board at the time of consideration of the contract, and provided further that the interest is noted in its official record.

(10) That of an attorney of the contracting party or that of an owner, officer, employee, or agent of a firm which renders, or has rendered, service to the contracting party in the capacity of stockbroker, insurance agent, insurance broker, real estate agent, or real estate broker, if these individuals have not received and will not receive remuneration, consideration, or a commission as a result of the contract and if these individuals have an ownership interest of less than 10 percent in the law practice or firm, stock brokerage firm, insurance firm, or real estate firm.

(11) Except as provided in subdivision (b), that of an officer or employee of, or a person having less than a 10-percent ownership interest in, a bank, bank holding company, or savings and loan association with which a party to the contract has a relationship of borrower, depositor, debtor, or creditor.

(12) That of (A) a bona fide nonprofit, tax-exempt corporation having among its primary purposes the conservation, preservation, or restoration of park and natural lands or historical resources for public benefit, which corporation enters into an agreement with a public agency to provide services related to park and natural lands or historical resources and which services are found by the public agency, prior to entering into the agreement or as part of the agreement, to be necessary to the public interest to plan for, acquire, protect, conserve, improve, or restore park and natural lands or historical resources for public purposes and (B) any officer, director, or employee acting pursuant to the agreement on behalf of the nonprofit corporation. For purposes of this paragraph, “agreement” includes contracts and grants, and “park,” “natural lands,” and “historical resources” shall have the meanings set forth in subdivisions (d), (g), and (i) of Section 5902 of the Public Resources Code. Services to be provided to the public agency may include those studies and related services, acquisitions of property and property interests, and any activities related to those studies and acquisitions necessary for the conservation, preservation, improvement, or restoration of park and natural lands or historical resources.

(13) That of an officer, employee, or member of the Board of Directors of the California Housing Finance Agency with respect to a loan product or programs if the officer, employee, or member participated in the planning, discussions, development, or approval of the loan product or program and both of the following two conditions exist:

(A) The loan product or program is or may be originated by any lender approved by the agency.

(B) The loan product or program is generally available to qualifying borrowers on terms and conditions that are substantially the same for all qualifying borrowers at the time the loan is made.

(14) That of a party to a contract for public services entered into by a special district that requires a person to be a landowner or a representative of a landowner to serve on the board of which the officer or employee is a member, on the same terms and conditions as if he or she were not a member of the body or board. For purposes of this paragraph, “public services” includes the powers and purposes generally provided pursuant to provisions of the Water Code relating to irrigation districts, California water districts, water storage districts, or reclamation districts.

(b) An officer or employee shall not be deemed to be interested in a contract made pursuant to competitive bidding under a procedure established by law if his or her sole interest is that of an officer, director, or employee of a bank or savings and loan association with which a party to the contract has the relationship of borrower or depositor, debtor or creditor.

SEC. 2. Section 1097.1 is added to the Government Code, to read:

1097.1. (a) The Commission shall have the jurisdiction to commence an administrative action, or a civil action, as set forth within the limitations of this section and Sections 1097.2, 1097.3, 1097.4, and 1097.5, against an officer or person prohibited by Section 1090 from making or being interested in contracts, or from becoming a vendor or purchaser at sales, or from purchasing scrip, or other evidences of indebtedness, including any member of the governing board of a school district, who violates any provision of those laws or who causes any other person to violate any provision of those laws.

(b) The Commission shall not have jurisdiction to commence an administrative or civil action or an investigation that might lead to an administrative or civil action pursuant to subdivision (a) against a person except upon written authorization from the district attorney of the county in which the alleged violation occurred. A civil action alleging a violation of Section 1090 shall not be filed against a person pursuant to this section if the Attorney General or a district attorney is pursuing a criminal prosecution of that person pursuant to Section 1097.

(c) (1) The Commission’s duties and authority under the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)) to issue opinions or advice shall not be applicable to Sections 1090, 1091, 1091.1, 1091.2, 1091.3, 1091.4, 1091.5, 1091.6, or 1097, except as provided in this subdivision.

(2) A person subject to Section 1090 may request the Commission to issue an opinion or advice with respect to his or her duties under Section 1090, 1091, 1091.1, 1091.2, 1091.3, 1091.4, 1091.5, and 1091.6. The Commission shall decline to issue an opinion or advice relating to past conduct.

(3) The Commission shall forward a copy of the request for an opinion or advice to the Attorney General’s office and the local district attorney prior to proceeding with the advice or opinion.

(4) When issuing the advice or opinion, the Commission shall either provide to the person who made the request a copy of any written communications submitted by the Attorney General or a local district attorney regarding the opinion or advice, or shall advise the person that no written communications were submitted. The failure of the Attorney General or a local district attorney to submit a written communication pursuant to this paragraph shall not give rise to an inference that the Attorney General or local district attorney agrees with the opinion or advice.

(5) The opinion or advice, when issued, may be offered as evidence of good faith conduct by the requester in an enforcement proceeding, if the requester truthfully disclosed all material facts and committed the acts complained of in reliance on the opinion or advice. Any opinion or advice of the Commission issued pursuant to this subdivision shall not be admissible by any person other than the requester in any proceeding other than a proceeding brought by the Commission pursuant to this section. The Commission shall include in any opinion or advice that it issues pursuant to this subdivision a statement that the opinion or advice is not admissible in a criminal proceeding against any individual other than the requester.

(d) Any decision issued by the Commission pursuant to an administrative action commenced pursuant to the jurisdiction established in subdivision (a) shall not be admissible in any proceeding other than a proceeding brought by the Commission pursuant to this section. The Commission shall include in any decision it issues pursuant to an administrative action commenced pursuant to the jurisdiction established in subdivision (a) a statement that the decision applies only to proceedings brought by the Commission.

(e) The Commission may adopt, amend, and rescind regulations to govern the procedures of the Commission consistent with the requirements of this section and Sections 1097.2, 1097.3, 1097.4 and 1097.5. These regulations shall be adopted in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2).

(f) For purposes of this section and Sections 1097.2, 1097.3, 1097.4, and 1097.5, “Commission” means the Fair Political Practices Commission.

SEC. 3. Section 1097.2 is added to the Government Code, to read:

1097.2. (a) Upon the sworn complaint of a person or on its own initiative, the Commission shall investigate possible violations of Section 1090, as provided in Section 1097.1. After complying with subdivision (b) of Section 1097.1, the Commission shall provide a written notification to the person filing a complaint in the manner described in Section 83115.

(b) The Commission shall not make a finding of probable cause to believe Section 1090 has been violated unless the Commission has notified the person who is alleged to have violated Section 1090 in the manner described in Section 83115.5.

(c) If the Commission determines there is probable cause to believe Section 1090 has been violated, it may hold a hearing to determine if a violation has occurred, subject to the requirements of subdivision (b) of Section 1097.1 and in the manner described in Section 83116.

(d) If the Commission rejects the decision of an administrative law judge made pursuant to Section 11517, the Commission shall state the reasons in writing for rejecting the decision, as required by Section 83116.3.

(e) The Commission shall have all of the subpoena powers provided in Section 83118 to assist in the performance of the Commission's duties under this section.

(f) The Commission may refuse to excuse any person from testifying, or from producing books, records, correspondence, documents, or other evidence in obedience to the subpoena of the Commission notwithstanding an objection that the testimony or evidence required of the person may tend to incriminate the person. A person who is compelled, after having claimed the privilege against self-incrimination, to testify or produce testimonial evidence, shall not have that testimony or the testimonial evidence the person produced used against that person in a separate and subsequent prosecution. However, the individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The Commission shall not compel any person to testify or produce testimonial evidence after the person has claimed the privilege against self-incrimination unless the Commission has obtained written authorization from the Attorney General and the district attorney of the county in which the alleged violation occurred.

(g) The Commission shall not commence an administrative action pursuant to this section against a person who is subject to Section 1090 alleging a violation of that section if the Commission has commenced a civil action pursuant to Section 1097.3 against that person for the same violation. For purposes of this subdivision, the commencement of the administrative action shall be the date of the service of the probable cause hearing notice, as required by subdivision (b), upon the person alleged to have violated Section 1090.

(h) An administrative action brought pursuant to this section shall be subject to the requirements of Section 91000.5.

SEC. 4. Section 1097.3 is added to the Government Code, to read:

1097.3. (a) Subject to the requirements of Section 1097.1, the Commission may file a civil action for an alleged violation of Section 1090. A person held liable for such a violation shall be subject to a civil fine payable to the Commission for deposit in the General Fund of the state in an amount not to exceed the greater of ten thousand dollars (\$10,000) or three times the value of the financial benefit received by the defendant for each violation.

(b) The Commission shall not commence a civil action pursuant to this section alleging a violation of Section 1090 if the Commission has commenced an administrative action pursuant to Section 1097.1 against the person for the same violation.

(c) A civil action brought by the Commission pursuant to this section shall not be filed more than four years after the date the violation occurred.

SEC. 5. Section 1097.4 is added to the Government Code, to read:

1097.4. In addition to any other remedies available, the Commission may obtain a judgment in superior court for the purpose of collecting any

unpaid monetary penalties, fees, or civil penalties imposed pursuant to Section 1097.1, 1097.2, or 1097.3. Penalties shall be collected in accordance with Section 91013.5.

SEC. 6. Section 1097.5 is added to the Government Code, to read:

1097.5. (a) If the time for judicial review of a final Commission order or decision issued pursuant to Section 1097.2 has lapsed, or if all means of judicial review of the order or decision have been exhausted, the Commission may apply to the clerk of the superior court for a judgment to collect the penalties imposed by the order or decision, or the order as modified in accordance with a decision on judicial review.

(1) The application, which shall include a certified copy of the order or decision, or the order as modified in accordance with a decision on judicial review, and proof of service of the order or decision, constitutes a sufficient showing to warrant issuance of the judgment to collect the penalties. The clerk of the court shall enter the judgment immediately in conformity with the application.

(2) An application made pursuant to this section shall be made to the clerk of the superior court in the county where the monetary penalties, fees, or civil penalties were imposed by the Commission.

(3) A judgment entered in accordance with this section has the same force and effect as, and is subject to all the provisions of law relating to, a judgment in a civil action and may be enforced in the same manner as any other judgment of the court in which it is entered.

(4) The Commission may bring an application pursuant to this section only within four years after the date on which the monetary penalty, fee, or civil penalty was imposed.

(b) The remedy available under this section is in addition to those available under Section 1097.4 or any other law.

SEC. 7. 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. 1418

CHAPTER 654

An act to amend Sections 81008, 83109, and 84102 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor October 8, 2013. Filed with
Secretary of State October 8, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1418, Committee on Elections and Redistricting. The Political Reform Act of 1974: omnibus bill.

(1) Existing law, the Political Reform Act of 1974, requires each campaign committee, as specified, to file a statement of organization. For a campaign committee that does not support or oppose one or more candidates or ballot measures as its primary activity, the statement of organization must include, among other things, a brief description of the committee's 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 affiliation.

This bill would change the requirement that a campaign committee that does not support or oppose one or more candidates or ballot measures as its primary activity include in the description of the committee's political activities the common characteristics of candidates or measures it supports or opposes, such as a political party affiliation, to instead require that the description of the committee's political activities include common characteristics of candidates or measures, such as a political party preference.

(2) The act requires a committee that is controlled by a candidate for partisan office to provide a statement indicating the political party with which the candidate is affiliated.

This bill would instead require a committee that is controlled by a candidate for partisan office or voter-nominated office to provide a statement indicating the political party for which the candidate has disclosed a preference.

(3) The act provides that any report or statement filed pursuant to the act is a public record that must be open for public inspection and copying, as specified. The act requires that campaign statements filed pursuant to the act made available on the Internet by the Secretary of State. The act further requires that the statements be open for public inspection and reproduction on the Saturday preceding a statewide primary or statewide general election at specified locations.

This bill would repeal the requirement that campaign statements be open for public inspection and reproduction on the Saturday preceding a statewide primary or statewide general election at the specified locations.

(4) The act establishes the Fair Political Practices Commission and authorizes the Commission to appoint officers, counsel, and employees consistent with applicable civil service laws. The act provides that a nonclerical position under the Commission shall not be included in the same class in the civil service classification plan with any position of any other department or agency.

This bill would make technical, nonsubstantive changes to those provisions.

(5) 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 81008 of the Government Code is amended to read:

81008. Every report and statement filed pursuant to this title is a public record open for public inspection and reproduction during regular business hours, commencing as soon as practicable, but in any event not later than the second business day following the day on which it was received. No conditions whatsoever shall be imposed upon persons desiring to inspect or reproduce reports and statements filed under this title, nor shall any information or identification be required from these persons. Copies 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. 2. Section 83109 of the Government Code is amended to read:

83109. For purposes of Section 19818.6, a nonclerical position under the Commission shall not be included in the same class in the civil service classification plan with any position of any other department or agency.

SEC. 3. 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, 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, and telephone number of each sponsor.

(c) The full name, street address, and telephone number, if any, 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. 4. 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.

Senate Bill No. 3

Passed the Senate September 11, 2013

Secretary of the Senate

Passed the Assembly September 11, 2013

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2013, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 84100, 84101, 84200.6, 84203, 84203.3, 84204, 84220, 84300, 84602, 84605, and 91013 of, to amend and renumber Sections 82036 and 82036.5 of, and to add Section 84620 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 3, Yee. Political Reform Act of 1974.

(1) Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures, as defined, and imposing other reporting and recordkeeping requirements on campaign committees, as defined. The act requires the Secretary of State, in consultation with the Fair Political Practices Commission, to develop online and electronic filing processes for specified entities. A violation of the act's provisions is punishable as a misdemeanor.

This bill would revise the terms "late contribution" and "late independent expenditure," as defined in the act, to "election-cycle contribution" and "election-cycle independent expenditure," respectively, and would make conforming changes.

The bill would also increase the fines and penalties imposed for campaign statements and reports that are filed late.

This bill would declare the intent of the Legislature that the Secretary of State develop a single, statewide electronic filing system that consolidates the filing of all campaign committee statements and reports and all lobbyist, lobbying firm, and lobbyist employer reports. This bill would also require the Secretary of State to develop a feasibility study report for the electronic filing system by December 31, 2014, as specified.

(2) The act requires each committee to have a designated treasurer who is identified in the statement of organization. A committee may not make an expenditure without the authorization of the treasurer.

This bill would require a treasurer to complete an online training course, designed and administered by the Commission, that

addresses the statutes and regulations governing the financing of campaigns and the duties and responsibilities of a treasurer within 20 business days after being designated as the treasurer.

(3) By expanding the scope of an existing crime, 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.

(4) 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 82036 of the Government Code is amended and renumbered to read:

82022.5. "Election-cycle contribution" means any of the following:

(a) A contribution, including a loan, that totals in the aggregate one thousand dollars (\$1,000) or more and is made to or received by a candidate, a controlled committee, or a committee formed or existing primarily to support or oppose a candidate or measure within 90 days before the date of the election at which the candidate or measure is to be voted on. For purposes of the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board, "the date of the election" is the deadline to return ballots.

(b) A contribution, including a loan, that totals in the aggregate one thousand dollars (\$1,000) or more and is made to or received by a political party committee, as defined in Section 85205, within 90 days before the date of a state election.

SEC. 2. Section 82036.5 of the Government Code is amended and renumbered to read:

82022.7. "Election-cycle independent expenditure" means an independent expenditure that totals in the aggregate one thousand

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

SEC. 3. Section 84100 of the Government Code is amended to read:

84100. (a) Every committee shall have a treasurer. No expenditure shall be made by or on behalf of a committee without the authorization of the treasurer or that of his or her designated agents. No contribution or expenditure shall be accepted or made by or on behalf of a committee at a time when there is a vacancy in the office of treasurer.

(b) (1) Prior to being designated as a treasurer pursuant to Section 84102 or 84103, or not later than 20 business days after that designation, a treasurer shall complete an online training course, designed and administered by the Commission, that addresses the statutes and regulations governing the financing of campaigns, and the duties and responsibilities of a treasurer, under this title. The course shall require each applicant for training to verify, under penalty of perjury, his or her identity by means of an identifier determined by the Commission.

(2) The Commission may charge each applicant for training pursuant to this subdivision a fee not to exceed fifty dollars (\$50).

(3) A treasurer shall participate in training pursuant to this subdivision every two years.

(4) The Commission shall maintain on its Internet Web site a list of treasurers who have completed training pursuant to this subdivision.

(5) Prior to developing the online training course, the Commission shall coordinate with one or more other state agencies or departments, including, but not limited to, the Department of Technology, to identify any existing online training and certification courses that may be converted and utilized for the purposes of this section. The Commission shall complete development of the online training course no later than June 30, 2015.

(6) Treasurers shall be subject to the online training course requirements imposed by this subdivision 30 days after the

Commission has certified an online training course, but in no event sooner than July 1, 2015.

(c) A treasurer who is required to complete the online training course shall be fined no more than five hundred dollars (\$500) if he or she fails to complete that course, as required by subdivision (b).

(d) The Commission shall have no liability with respect to a violation of this title by a treasurer that has completed the training required by this section or by a committee that has designated that person as its treasurer pursuant to Section 84102 or 84103.

SEC. 4. 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 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 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 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 before the date of an election in connection with which the committee is required to file preelection statements, but after the closing date of the last campaign statement required to be filed before the election pursuant to Section 84200.7, 84200.8, or 84200.9, the committee shall file, by facsimile 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 subdivision shall be filed with the filing officer with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215.

(c) If an independent expenditure committee qualifies as a committee pursuant to subdivision (a) of Section 82013 during the time period described in Section 82022.7 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 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. The filings required by this section are in addition to filings that may be required by Sections 84203.5 and 84204.

(d) For purposes of this section, in calculating whether one thousand dollars (\$1,000) 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. 5. Section 84200.6 of the Government Code is amended to read:

84200.6. In addition to the campaign statements required by Sections 84200 and 84200.5, all candidates and committees shall file the following special statements and reports:

(a) Supplemental preelection statements when required by Section 84202.5.

(b) Election-cycle contribution reports when required by Section 84203.

(c) Independent expenditure reports when required by Section 84203.5.

(d) Election-cycle independent expenditure reports when required by Section 84204.

SEC. 6. Section 84203 of the Government Code is amended to read:

84203. (a) Each candidate or committee that makes or receives an election-cycle contribution, as defined in Section 82022.5, shall report the election-cycle contribution to each office with which the candidate or committee is required to file its next campaign statement pursuant to Section 84215. The candidate or committee that makes the election-cycle contribution shall report his or her full name and street address and the full name and street address of the person to whom the election-cycle 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 election-cycle contribution. The recipient of the election-cycle contribution shall report his or her full name and street address, the date and amount of the election-cycle contribution, and whether the contribution was made in the form of a loan. 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) An election-cycle contribution shall be reported by facsimile transmission, guaranteed overnight delivery, or personal delivery 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. If an election-cycle 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. An election-cycle contribution shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section.

(c) An election-cycle 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 election-cycle contribution pursuant to subdivision (a) or (b) of Section 85309.

SEC. 7. Section 84203.3 of the Government Code is amended to read:

84203.3. (a) Any candidate or committee that makes an election-cycle contribution that is a nonmonetary contribution shall notify the recipient in writing of the value of the nonmonetary contribution. The notice shall be received by the recipient within 24 hours of the time the contribution is made.

(b) Nothing in this section shall relieve a candidate or committee that makes an election-cycle nonmonetary contribution or the recipient of an election-cycle nonmonetary contribution from the requirement to file election-cycle contribution reports pursuant to Section 84203. However, a report filed by the recipient of an election-cycle nonmonetary contribution shall be deemed timely filed if it is received by the filing officer within 48 hours of the time the contribution is received.

SEC. 8. Section 84204 of the Government Code is amended to read:

84204. (a) A committee that makes an election-cycle independent expenditure, as defined in Section 82022.7, shall report the election-cycle independent expenditure by facsimile transmission, guaranteed overnight delivery, or personal delivery within 24 hours of the time it is made. If an election-cycle 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. An election-cycle independent expenditure shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section.

(b) A committee that makes an election-cycle 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, 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 election-cycle independent expenditure was made. In addition to the information required by this subdivision, a committee that makes an election-cycle independent expenditure shall include with its election-cycle independent expenditure report the information required by paragraphs (1) to (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 election-cycle 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 election-cycle independent expenditure. No information required by paragraphs (1) to (5), inclusive, of subdivision (f) of Section 84211 that is required to be reported with an election-cycle independent expenditure report by this subdivision is required to be reported on more than one election-cycle independent expenditure report.

(c) A committee that makes an election-cycle independent expenditure shall file an election-cycle 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 election-cycle 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. 9. Section 84220 of the Government Code is amended to read:

84220. If a slate mailer organization receives a payment of two thousand five hundred dollars (\$2,500) or more for purposes of supporting or opposing any candidate or ballot measure in a slate mailer, and the payment is received at a time when, if the payment were a contribution it would be considered an election-cycle contribution, then the slate mailer organization shall report the payment in the manner set forth in Section 84203 for candidates and committees when reporting election-cycle contributions received. The slate mailer organization shall, in addition to reporting the information required by Section 84203, identify the candidates or measures whose support or opposition is being paid for, in whole or in part, by each election-cycle payment.

SEC. 10. Section 84300 of the Government Code is amended to read:

84300. (a) No contribution of one hundred dollars (\$100) or more shall be made or received in cash.

A cash contribution shall not be deemed received if it is not 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. If a cash contribution, other than an election-cycle contribution, as defined in Section 82022.5, is negotiated or deposited, it shall not be deemed received if it is refunded within 72 hours of receipt. In the case of an election-cycle contribution, as defined in Section 82022.5, it shall not be deemed received if it is returned to the contributor within 48 hours of receipt.

(b) No expenditure of one hundred dollars (\$100) or more shall be made in cash.

(c) No contribution of one hundred dollars (\$100) or more other than an in-kind contribution shall be made unless in the form of a written instrument containing the name of the donor and the name of the payee and drawn from the account of the donor or the intermediary, as defined in Section 84302.

(d) The value of all in-kind contributions of one hundred dollars (\$100) or more shall be reported in writing to the recipient upon the request in writing of the recipient.

SEC. 11. Section 84602 of the Government Code is amended to read:

84602. 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:

(a) 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) and Chapter 6 (commencing with Section 86100). Those processes shall each enable a user to comply with all the disclosure requirements of this title and shall include, at a minimum, the following:

(1) 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 provision 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.

(2) 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 prior to 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.

(b) 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 subdivision (a) 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.

(c) Develop a system that provides for the online or electronic transfer of the data specified in this section utilizing telecommunications technology that ensures the integrity of the data transmitted and that creates safeguards against efforts to tamper with or subvert the data.

(d) 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 election-cycle contribution and election-cycle 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.

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

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

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

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

(i) 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.

(j) 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.

(k) 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.

SEC. 12. 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), to file statements, reports, or other documents in connection with a state elective office or state measure, provided that the total cumulative reportable amount of contributions received, expenditures made, loans made, or loans received is twenty-five thousand dollars (\$25,000) or more. In determining the cumulative reportable amount, all controlled committees, as defined by Section 82016, shall be included. For a committee subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a committee that is first subject to this title on or after January 1, 2000, the

beginning date for calculating cumulative totals is the date the committee is first subject to this title. A committee, as defined in subdivision (c) of Section 82013, shall file online or electronically if it makes contributions of twenty-five thousand dollars (\$25,000) or more in a calendar year.

(2) Any general purpose committees, as defined in Section 82027.5, including the general purpose committees of political parties, and small contributor committees, as defined in Section 85203, that cumulatively receive contributions or make expenditures totaling twenty-five thousand dollars (\$25,000) or more to support or oppose candidates for any elective state office or state measure. For a committee subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a committee that first is subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the committee is first subject to this title.

(3) Any slate mailer organization with cumulative reportable payments received or made for the purposes of producing slate mailers of twenty-five thousand dollars (\$25,000) or more. For a slate mailer organization subject to this title prior to January 1, 2000, the beginning date for calculating cumulative totals is January 1, 2000. For a slate mailer organization that first is subject to this title on or after January 1, 2000, the beginning date for calculating cumulative totals is the date the organization is first subject to this title.

(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, provided that the total amount of any category of reportable payments, expenses, contributions, gifts, or other items is two thousand five hundred dollars (\$2,500) or more in a calendar quarter.

(b) The Secretary of State shall also disclose on the Internet any election-cycle contribution or election-cycle 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) It shall be presumed that online or electronic filers file under penalty of perjury.

(f) Persons filing online or electronically shall also continue to file required disclosure statements and reports in paper format. The paper copy shall continue to be the official filing for audit and other legal purposes until the Secretary of State, pursuant to Section 84606, determines the system is operating securely and effectively.

(g) 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. Upon determination by the Secretary of State, pursuant to Section 84606, that the system is operating securely and effectively, this online or electronic version shall be the official version for audit and other legal purposes.

(h) 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. 13. Section 84620 is added to the Government Code, to read:

84620. (a) It is the intent of the Legislature that the Secretary of State develop a statewide electronic filing system that provides for all of the following:

- (1) Electronic filing of committee organization statements.
- (2) Electronic filing of lobbyist, lobbying firm, and lobbyist employer registrations.
- (3) Electronic filing of campaign statements by all state committees, without regard to the amounts of contributions and expenditures.
- (4) Electronic filing of periodic reports filed by lobbyists, lobbying firms, and lobbyist employers.
- (5) Electronic filing of reports by all major donors at the state level when specified thresholds are met.

(6) A statewide, Internet-accessible system that provides for search capabilities that are data driven and user-friendly for all members of the public.

(7) A system that provides for lobbying and committee data to be made regularly available to the public in raw, machine-readable data format.

(b) Not later than December 31, 2014, the Secretary of State shall develop a feasibility study report that will outline the technology requirements and the costs of the electronic filing system. The Secretary of State shall consult and coordinate with other state agencies that he or she deems appropriate, including, but not limited to, the Commission, with respect to data transitioning. The report shall include an examination of the feasibility of establishing a statewide electronic filing system that permits state-required committee disclosure forms and reports to be imported into the statewide database, according to data standards established by the Secretary of State, from each local jurisdiction that has its own electronic filing system.

SEC. 14. Section 91013 of the Government Code is amended to read:

91013. (a) If a person files an original statement or report after the applicable deadline imposed by this title, he or she shall, in addition to any other penalties or remedies established by this title, be liable in the amount of thirty dollars (\$30) per day after the deadline until the statement or report is filed, to the officer with whom the statement or report is required to be filed. Liability need not be enforced by the filing officer if, on an impartial basis, he or she determines that the late filing was not willful and that enforcement of the liability will not further the purposes of this title, except that no liability shall be waived if a statement or report is not filed within 30 days for a statement of economic interest, other than a candidate's statement filed pursuant to Section 87201, 5 days for a campaign statement required to be filed 12 days before an election, and 10 days for all other statements or reports, after the filing officer has sent specific written notice of the filing requirement.

(b) If a person files a copy of a statement or report after the applicable deadline imposed by this title, he or she shall, in addition to any other penalties or remedies established by this title, be liable in the amount of thirty dollars (\$30) per day, starting 10 days, or

5 days in the case of a campaign statement required to be filed 12 days before an election, after the filing officer has sent specific written notice of the filing requirement and until the statement or report is filed.

(c) For purposes of this section, a campaign statement or report filed on behalf of a committee shall be deemed filed even if the treasurer does not have a current certification pursuant to Section 84100.

(d) (1) The filing officer shall deposit any funds received under this section into the general fund of the jurisdiction of which he or she is an officer.

(2) Notwithstanding paragraph (1), if the Secretary of State is the filing officer, he or she shall deposit two-thirds of any funds received under this section into the Political Disclosure, Accountability, Transparency, and Access Fund, and deposit the remainder of those funds into the General Fund.

(3) Liability under this section shall not exceed 150 percent of the cumulative amount stated in the late statement or report, or one thousand dollars (\$1,000), whichever is greater.

SEC. 15. 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. 16. 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.

Approved _____, 2013

Governor

AMENDED IN ASSEMBLY AUGUST 21, 2013

AMENDED IN ASSEMBLY AUGUST 7, 2013

AMENDED IN ASSEMBLY JULY 2, 2013

AMENDED IN SENATE MAY 6, 2013

AMENDED IN SENATE APRIL 9, 2013

SENATE BILL

No. 27

Introduced by Senator Correa

December 3, 2012

An act to amend Section 9084 of the Elections Code, and to amend Sections ~~81004~~, 82015, 82048.7, 84105, and 88001 of, and to add Sections 84222 and 84223 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 27, as amended, Correa. Political Reform Act of 1974.

(1) Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures, as defined, and imposing other reporting and recordkeeping requirements on campaign committees, as defined. The Fair Political Practices Commission administers and enforces the act. A violation of the act's provisions is punishable as a misdemeanor.

This bill would revise the definition of "contribution" to include certain payments made by a person to a multipurpose organization, as specified.

This bill would require multipurpose organizations that meet specified criteria to comply with the registration and campaign reporting

requirements of the act, as specified, including the disclosure of information relating to the organization's donors.

This bill would require state ballot measure committees and state candidate committees that raise \$1,000,000 or more for an election to maintain an accurate list of the committee's top 10 contributors. This bill would require a committee to provide accurate lists of these contributors to the Commission, and would require the Commission to post the top 10 contributor lists on its Internet Web site, as specified, and to post updates to those lists when prescribed events occur. The bill would require the Commission to provide copies of the top 10 contributor lists to the Secretary of State, at the Secretary of State's request, for purposes of posting those lists on the Secretary of State's Internet Web site.

(2) The act requires a candidate or committee that receives contributions of \$5,000 or more from any person to inform the contributor within 2 weeks that he or she may be subject to the act's reporting requirements.

This bill would require that the candidate or committee inform the contributor within one week for a contribution of \$10,000 or more received during the period in which late contribution reports must be filed. The bill would also require the notifications to reference the reporting requirements for multipurpose organizations.

(3) Existing law requires the Secretary of State to prepare a ballot pamphlet that includes specified information with respect to an election.

This bill would require the Secretary of State to include in the ballot pamphlet a written explanation of the top 10 contributor lists required by the bill, including a description of the Internet Web sites where those lists would be available to the public.

(4) 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.

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

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

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Multipurpose organizations, including out-of-state
4 organizations, are increasing their political activities in California,
5 and it is important to clarify how disclosure requirements apply
6 to these organizations to ensure that the public receives the required
7 information in an accurate, timely, and transparent manner.

8 (b) The Ninth Circuit Court of Appeals, in California Pro-Life
9 Council, Inc. v. Randolph (9th Cir. 2007) 507 F.3d 1172, upheld
10 the disclosure of a multipurpose organization's political activities,
11 as required by regulations of the Fair Political Practices
12 Commission.

13 (c) The disclosure of donors to multipurpose organizations that
14 make contributions or expenditures to support or oppose California
15 candidates and ballot measures serves the following important
16 purposes:

17 (1) It provides the electorate with information as to where
18 campaign money comes from, increasing its ability to identify the
19 supporters of a candidate or ballot measure.

20 (2) It deters actual corruption and avoids the appearance of
21 corruption by providing increased transparency of contributions
22 and expenditures.

23 (3) It is an important means of gathering the information
24 necessary to detect violations of the Political Reform Act of 1974.

25 (d) The people of California have a compelling interest in
26 receiving clear and easy to use information about who is financing
27 state ballot measures and candidate independent expenditure
28 committees.

29 (e) It is therefore the intent of the Legislature to strengthen the
30 laws requiring the disclosure of contributions and expenditures in
31 California elections by multipurpose organizations and to require
32 committees that raise or spend one million dollars (\$1,000,000)
33 or more to support or oppose state ballot measures or make
34 independent expenditures on behalf of a state candidate to disclose
35 a list of their top 10 contributors on the Internet Web site of the
36 Fair Political Practices Commission.

37 SEC. 2. Section 9084 of the Elections Code is amended to read:

38 9084. The ballot pamphlet shall contain all of the following:

- 1 (a) A complete copy of each state measure.
- 2 (b) A copy of the specific constitutional or statutory provision,
3 if any, that each state measure would repeal or revise.
- 4 (c) A copy of the arguments and rebuttals for and against each
5 state measure.
- 6 (d) A copy of the analysis of each state measure.
- 7 (e) Tables of contents, indexes, art work, graphics, and other
8 materials that the Secretary of State determines will make the ballot
9 pamphlet easier to understand or more useful for the average voter.
- 10 (f) A notice, conspicuously printed on the cover of the ballot
11 pamphlet, indicating that additional copies of the ballot pamphlet
12 will be mailed by the county elections official upon request.
- 13 (g) A written explanation of the judicial retention procedure as
14 required by Section 9083.
- 15 (h) The Voter Bill of Rights pursuant to Section 2300.
- 16 (i) If the ballot contains an election for the office of United
17 States Senator, information on candidates for United States Senator.
18 A candidate for United States Senator may purchase the space to
19 place a statement in the state ballot pamphlet that does not exceed
20 250 words. The statement may not make any reference to any
21 opponent of the candidate. The statement shall be submitted in
22 accordance with timeframes and procedures set forth by the
23 Secretary of State for the preparation of the state ballot pamphlet.
- 24 (j) If the ballot contains a question on the confirmation or
25 retention of a justice of the Supreme Court, information on justices
26 of the Supreme Court who are subject to confirmation or retention.
- 27 (k) If the ballot contains an election for the offices of President
28 and Vice President of the United States, a notice that refers voters
29 to the Secretary of State's Internet Web site for information about
30 candidates for the offices of President and Vice President of the
31 United States.
- 32 (l) A written explanation of the appropriate election procedures
33 for party-nominated, voter-nominated, and nonpartisan offices as
34 required by Section 9083.5.
- 35 (m) A written explanation of the top 10 contributor lists required
36 by Section 84223 of the Government Code, including a description
37 of the Internet Web sites where those lists are available to the
38 public.
- 39 ~~SEC. 3. Section 81004 of the Government Code is amended~~
40 ~~to read:~~

1 81004. (a) Each report or statement filed under this title shall
2 be signed under penalty of perjury and verified by the filer. The
3 verification shall state that the filer has used all reasonable
4 diligence in the preparation of the report or statement and that to
5 the best of his or her knowledge it is true and complete.

6 (b) ~~A report or statement filed by a committee that qualifies~~
7 ~~under subdivision (a) of Section 82013 shall be signed and verified~~
8 ~~by the treasurer, and a report or statement filed by any other person~~
9 ~~shall be signed and verified by the filer. If the filer is an entity~~
10 ~~other than an individual, the report or statement shall be signed~~
11 ~~and verified by a responsible officer of the entity or by an attorney~~
12 ~~or a certified public accountant acting as agent for the entity. A~~
13 ~~report or statement filed by a committee that qualifies under~~
14 ~~subdivision (b) or (c) of Section 82013 shall be signed and verified~~
15 ~~by a responsible officer of the committee. Every person who signs~~
16 ~~and verifies any report or statement required to be filed under this~~
17 ~~title which contains material matter which he or she knows to be~~
18 ~~false is guilty of perjury.~~

19 *SEC. 3. Section 82015 of the Government Code is amended to*
20 *read:*

21 82015. (a) “Contribution” means a payment, a forgiveness of
22 a loan, a payment of a loan by a third party, or an enforceable
23 promise to make a payment except to the extent that full and
24 adequate consideration is received, unless it is clear from the
25 surrounding circumstances that it is not made for political purposes.

26 (b) (1) A payment made at the behest of a committee as defined
27 in subdivision (a) of Section 82013 is a contribution to the
28 committee unless full and adequate consideration is received from
29 the committee for making the payment.

30 (2) A payment made at the behest of a candidate is a contribution
31 to the candidate unless the criteria in either subparagraph (A) or
32 (B) are satisfied:

33 (A) Full and adequate consideration is received from the
34 candidate.

35 (B) It is clear from the surrounding circumstances that the
36 payment was made for purposes unrelated to his or her candidacy
37 for elective office. The following types of payments are presumed
38 to be for purposes unrelated to a candidate’s candidacy for elective
39 office:

1 (i) A payment made principally for personal purposes, in which
2 case it may be considered a gift under the provisions of Section
3 82028. Payments that are otherwise subject to the limits of Section
4 86203 are presumed to be principally for personal purposes.

5 (ii) A payment made by a state, local, or federal governmental
6 agency or by a nonprofit organization that is exempt from taxation
7 under Section 501(c)(3) of the Internal Revenue Code.

8 (iii) A payment not covered by clause (i), made principally for
9 legislative, governmental, or charitable purposes, in which case it
10 is neither a gift nor a contribution. However, payments of this type
11 that are made at the behest of a candidate who is an elected officer
12 shall be reported within 30 days following the date on which the
13 payment or payments equal or exceed five thousand dollars
14 (\$5,000) in the aggregate from the same source in the same
15 calendar year in which they are made. The report shall be filed by
16 the elected officer with the elected officer's agency and shall be
17 a public record subject to inspection and copying pursuant to
18 subdivision (a) of Section 81008. The report shall contain the
19 following information: name of payor, address of payor, amount
20 of the payment, date or dates the payment or payments were made,
21 the name and address of the payee, a brief description of the goods
22 or services provided or purchased, if any, and a description of the
23 specific purpose or event for which the payment or payments were
24 made. Once the five-thousand-dollar (\$5,000) aggregate threshold
25 from a single source has been reached for a calendar year, all
26 payments for the calendar year made by that source must be
27 disclosed within 30 days after the date the threshold was reached
28 or the payment was made, whichever occurs later. Within 30 days
29 after receipt of the report, state agencies shall forward a copy of
30 these reports to the Fair Political Practices Commission, and local
31 agencies shall forward a copy of these reports to the officer with
32 whom elected officers of that agency file their campaign
33 statements.

34 (C) For purposes of subparagraph (B), a payment is made for
35 purposes related to a candidate's candidacy for elective office if
36 all or a portion of the payment is used for election-related activities.
37 For purposes of this subparagraph, "election-related activities"
38 shall include, but are not limited to, the following:

- 1 (i) Communications that contain express advocacy of the
2 nomination or election of the candidate or the defeat of his or her
3 opponent.
- 4 (ii) Communications that contain reference to the candidate's
5 candidacy for elective office, the candidate's election campaign,
6 or the candidate's or his or her opponent's qualifications for
7 elective office.
- 8 (iii) Solicitation of contributions to the candidate or to third
9 persons for use in support of the candidate or in opposition to his
10 or her opponent.
- 11 (iv) Arranging, coordinating, developing, writing, distributing,
12 preparing, or planning of any communication or activity described
13 in clause (i), (ii), or (iii).
- 14 (v) Recruiting or coordinating campaign activities of campaign
15 volunteers on behalf of the candidate.
- 16 (vi) Preparing campaign budgets.
- 17 (vii) Preparing campaign finance disclosure statements.
- 18 (viii) Communications directed to voters or potential voters as
19 part of activities encouraging or assisting persons to vote if the
20 communication contains express advocacy of the nomination or
21 election of the candidate or the defeat of his or her opponent.
- 22 (D) A contribution made at the behest of a candidate for a
23 different candidate or to a committee not controlled by the
24 behesting candidate is not a contribution to the behesting candidate.
- 25 (3) A payment made at the behest of a member of the Public
26 Utilities Commission, made principally for legislative,
27 governmental, or charitable purposes, is not a contribution.
28 However, payments of this type shall be reported within 30 days
29 following the date on which the payment or payments equal or
30 exceed five thousand dollars (\$5,000) in the aggregate from the
31 same source in the same calendar year in which they are made.
32 The report shall be filed by the member with the Public Utilities
33 Commission and shall be a public record subject to inspection and
34 copying pursuant to subdivision (a) of Section 81008. The report
35 shall contain the following information: name of payor, address
36 of payor, amount of the payment, date or dates the payment or
37 payments were made, the name and address of the payee, a brief
38 description of the goods or services provided or purchased, if any,
39 and a description of the specific purpose or event for which the
40 payment or payments were made. Once the five-thousand-dollar

1 (\$5,000) aggregate threshold from a single source has been reached
2 for a calendar year, all payments for the calendar year made by
3 that source must be disclosed within 30 days after the date the
4 threshold was reached or the payment was made, whichever occurs
5 later. Within 30 days after receipt of the report, the Public Utilities
6 Commission shall forward a copy of these reports to the Fair
7 Political Practices Commission.

8 (c) “Contribution” includes the purchase of tickets for events
9 such as dinners, luncheons, rallies, and similar fundraising events;
10 the candidate’s own money or property used on behalf of his or
11 her candidacy other than personal funds of the candidate used to
12 pay either a filing fee for a declaration of candidacy or a candidate
13 statement prepared pursuant to Section 13307 of the Elections
14 Code; the granting of discounts or rebates not extended to the
15 public generally or the granting of discounts or rebates by television
16 and radio stations and newspapers not extended on an equal basis
17 to all candidates for the same office; the payment of compensation
18 by any person for the personal services or expenses of any other
19 person if the services are rendered or expenses incurred on behalf
20 of a candidate or committee without payment of full and adequate
21 consideration.

22 (d) “Contribution” further includes any transfer of anything of
23 value received by a committee from another committee, unless
24 full and adequate consideration is received.

25 (e) “Contribution” does not include amounts received pursuant
26 to an enforceable promise to the extent those amounts have been
27 previously reported as a contribution. However, the fact that those
28 amounts have been received shall be indicated in the appropriate
29 campaign statement.

30 (f) “Contribution” does not include a payment made by an
31 occupant of a home or office for costs related to any meeting or
32 fundraising event held in the occupant’s home or office if the costs
33 for the meeting or fundraising event are five hundred dollars (\$500)
34 or less.

35 (g) Notwithstanding the foregoing definition of “contribution,”
36 the term does not include volunteer personal services or payments
37 made by any individual for his or her own travel expenses if the
38 payments are made voluntarily without any understanding or
39 agreement that they shall be, directly or indirectly, repaid to him
40 or her.

1 (h) “Contribution” further includes the payment of public
2 moneys by a state or local governmental agency for a
3 communication to the public that satisfies both of the following:

4 (1) The communication expressly advocates the election or
5 defeat of a clearly identified candidate or the qualification, passage,
6 or defeat of a clearly identified measure, or, taken as a whole and
7 in context, unambiguously urges a particular result in an election.

8 (2) The communication is made at the behest of the affected
9 candidate or committee.

10 (i) *“Contribution” further includes a payment made by a person*
11 *to a multipurpose organization as defined and described in Section*
12 *84222.*

13 SEC. 4. Section 82048.7 of the Government Code is amended
14 to read:

15 82048.7. (a) “Sponsored committee” means a committee, other
16 than a candidate controlled committee, that has one or more
17 sponsors. Any person, except a candidate or other individual, may
18 sponsor a committee.

19 (b) A person sponsors a committee if any of the following apply:

20 (1) The committee receives 80 percent or more of its
21 contributions from the person or its members, officers, employees,
22 or shareholders.

23 (2) The person collects contributions for the committee by use
24 of payroll deductions or dues from its members, officers, or
25 employees.

26 (3) The person, alone or in combination with other organizations,
27 provides all or nearly all of the administrative services for the
28 committee.

29 (4) The person, alone or in combination with other organizations,
30 sets the policies for soliciting contributions or making expenditures
31 of committee funds.

32 ~~(e) A sponsor that is subject to the reporting requirements of~~
33 ~~subdivision (f) of Section 84222 and makes contributions or~~
34 ~~expenditures from the sponsor’s treasury funds shall report those~~
35 ~~contributions or expenditures either on the campaign statements~~
36 ~~of the sponsored committee, pursuant to subdivision (f) of Section~~
37 ~~84222, or on the sponsor’s own campaign statements.~~

38 (c) *A sponsor that is a multipurpose organization, as defined*
39 *in subdivision (a) of Section 84222, and that makes contributions*

1 *or expenditures from its general treasury funds shall comply with*
2 *Section 84222.*

3 SEC. 5. Section 84105 of the Government Code is amended
4 to read:

5 84105. A candidate or committee that receives contributions
6 of five thousand dollars (\$5,000) or more from any person shall
7 inform the contributor within two weeks of receipt of the
8 contributions that he or she may be required to file campaign
9 reports, and shall include a reference to the filing requirements for
10 multipurpose organizations under Section 84222. However, a
11 candidate or committee that receives a contribution of ten thousand
12 dollars (\$10,000) or more from any person during any period in
13 which late contribution reports are required to be filed pursuant to
14 Section 84203 shall provide the information to the contributor
15 within one week. The notification required by this section is not
16 required to be sent to any contributor who has an identification
17 number assigned by the Secretary of State issued pursuant to
18 Section 84101.

19 SEC. 6. Section 84222 is added to the Government Code, to
20 read:

21 84222. (a) For purposes of this title, “multipurpose
22 organization” means an organization described in Sections
23 501(c)(3) to 501(c)(10), inclusive, of the Internal Revenue Code
24 and that is exempt from taxation under Section 501(a) of the
25 Internal Revenue Code, a federal or out-of-state political
26 organization, a trade association, a professional association, a civic
27 organization, a religious organization, a fraternal society, an
28 educational institution, or any other association or group of persons
29 acting in concert, that is operating for purposes other than making
30 contributions or expenditures. “Multipurpose organization” does
31 not include a business entity, an individual, or a federal candidate’s
32 authorized committee, as defined in Section 431 of Title 2 of the
33 United States Code, that is registered and filing reports pursuant
34 to the Federal Election Campaign Act of 1971.

35 (b) A multipurpose organization that makes expenditures or
36 contributions and does not qualify as a committee pursuant to
37 subdivision (c) may qualify as an independent expenditure
38 committee or major donor committee if the multipurpose
39 organization satisfies subdivision (b) or (c) of Section 82013.

1 (c) ~~(1)~~ Except as provided in ~~paragraph (2)~~ *subparagraph (A)*
2 *of paragraph (5)*, a multipurpose organization is a recipient
3 committee within the meaning of subdivision (a) of Section 82013
4 only under one or more of the following circumstances:

5 ~~(A)~~

6 (1) The multipurpose organization is a political committee
7 registered with the Federal Election Commission, except as
8 provided in subdivision (a) of this section, or a political committee
9 registered with another state, and the multipurpose organization
10 makes contributions or expenditures in this state in an amount
11 equal to or greater than the amount identified in subdivision (a) of
12 Section 82013.

13 ~~(B)~~

14 (2) The multipurpose organization solicits and receives payments
15 from donors in an amount equal to or greater than the amount
16 identified in subdivision (a) of Section 82013 for the purpose of
17 making contributions or expenditures.

18 ~~(C)~~

19 (3) The multipurpose organization accepts payments from
20 donors in an amount equal to or greater than the amount identified
21 in subdivision (a) of Section 82013 subject to a condition,
22 agreement, or understanding with the donor that all or a portion
23 of the payments may be used for making contributions or
24 expenditures.

25 ~~(D)~~

26 (4) The multipurpose organization has existing funds from a
27 donor and a subsequent agreement or understanding is reached
28 with the donor that all or a portion of the funds may be used for
29 making contributions or expenditures in an amount equal to or
30 greater than the amount identified in subdivision (a) of Section
31 82013. The date of the subsequent agreement or understanding is
32 deemed to be the date of receipt of the payment.

33 ~~(E)~~

34 (5) The multipurpose organization makes contributions or
35 expenditures totaling more than fifty thousand dollars (\$50,000)
36 ~~in the preceding a period of 12 months or more than one hundred~~
37 ~~thousand dollars (\$100,000) in any consecutive four calendar year~~
38 ~~period a period of four consecutive calendar years.~~

39 ~~(2)~~(A) A multipurpose organization shall not qualify as a
40 committee within the meaning of subdivision (a) of Section 82013

1 pursuant to this ~~subdivision~~ *paragraph* if the multipurpose
2 organization makes contributions or expenditures using only
3 available nondonor funds. A multipurpose organization that makes
4 contributions or expenditures with nondonor funds shall ~~identify~~
5 *briefly describe* the source ~~or sources~~ of the funds used for the
6 ~~contribution or expenditure~~ on its major donor or independent
7 expenditure report.

8 (B) For purposes of this ~~subdivision~~ *paragraph*, “nondonor
9 funds” means investment income, including capital gains, or
10 income earned from providing goods, services, or facilities,
11 whether related or unrelated to the multipurpose organization’s
12 program, sale of assets, or other receipts that are not ~~derived from~~
13 donations.

14 (d) A multipurpose organization that is a committee pursuant
15 to ~~subparagraph (A)~~ of paragraph (1) of subdivision (c) shall
16 comply with the registration and reporting requirements of this
17 chapter, subject to the following:

18 (1) The multipurpose organization is not required to comply
19 with subdivision (k) of Section 84211 for contributions and
20 expenditures made to influence federal or out-of-state elections,
21 which shall instead be reported as a single expenditure and be
22 described as such on the campaign statement.

23 (2) A multipurpose organization registered with the Federal
24 Election Commission is not subject to subdivisions (d) and (f) of
25 Section 84211 but shall disclose the total amount of contributions
26 received pursuant to subdivision ~~(e)~~ (a) of Section 84211, and shall
27 disclose the multipurpose organization’s name and identification
28 number registered with the Federal Election Commission on the
29 campaign statement.

30 (e) (1) A multipurpose organization that is a committee pursuant
31 to ~~subparagraph (B), (C), (D), or (E)~~ of ~~paragraph (1)~~ *paragraph*
32 (2), (3), (4), or (5) of subdivision (c) shall comply with the
33 registration and reporting requirements of this chapter, subject to
34 the following, except that if the multipurpose organization is the
35 sponsor of a committee as described in subdivision (f) it may report
36 required information on its sponsored committee statement
37 pursuant to subdivision (f):

38 (A) The multipurpose organization shall register in the calendar
39 year in which it satisfies any of the criteria in ~~paragraph (1)~~ of
40 subdivision (c). The statement of organization filed pursuant to

1 Section 84101 shall indicate that the organization is filing pursuant
2 to this section as a multipurpose organization and state the
3 organization's nonprofit tax exempt status, if any. The statement
4 of organization shall also describe the organization's mission or
5 most significant activities, and describe the organization's political
6 activities. A multipurpose organization may comply with the
7 requirement to describe the mission or significant activities and
8 political activities by referencing where the organization's Internal
9 Revenue Service Return of Organization Exempt From Income
10 Tax form may be accessed.

11 (B) Except as provided in this subparagraph, the registration of
12 a multipurpose organization that meets the criteria of ~~subparagraph~~
13 ~~(E) of paragraph (1) paragraph (5)~~ of subdivision (c) shall
14 terminate automatically on December 31 of the calendar year in
15 which the multipurpose organization is registered. The
16 multipurpose organization shall not be required to file a semiannual
17 statement pursuant to subdivision (b) of Section 84200, unless the
18 multipurpose organization has undisclosed contributions or
19 expenditures to report, in which case termination shall occur
20 automatically upon filing the semiannual statement that is due no
21 later than January 31. After the multipurpose organization's
22 registration has terminated, the multipurpose organization's
23 reporting obligations are complete, unless the organization qualifies
24 as a committee for purposes of subdivision (a) of Section 82013
25 again in the following calendar year pursuant to subdivision (c)
26 of this section. Notwithstanding this subdivision, a multipurpose
27 organization may elect to remain registered as a committee by
28 submitting written notification to the Secretary of State prior to
29 the end of the calendar year.

30 (C) A multipurpose organization shall report all contributions
31 received that satisfy the criteria of ~~subparagraph (B), (C), or (D)~~
32 ~~of paragraph (1) paragraph (2), (3), or (4)~~ of subdivision (c) of
33 this section in the manner required by subdivision (f) of Section
34 84211, and for the balance of its contributions or expenditures
35 shall further report contributors based on a last in, first out
36 accounting method.

37 (2) A multipurpose organization reporting pursuant to this
38 subdivision shall disclose total contributions received in an amount
39 equal to the multipurpose organization's total contributions and
40 expenditures made in the reporting period. When a multipurpose

1 organization reports donors based on the last in, first out accounting
2 method, it shall *attribute to and* include the information required
3 by subdivision (f) of Section 84211 for any donor who donates
4 one thousand dollars (\$1,000) or more in a calendar year, except
5 for the following:

6 ~~(A) A donor who conditions the donation in a manner that~~
7 ~~prohibits the multipurpose organization from using the donation~~
8 ~~for contributions and expenditures.~~

9 (A) *A donor who designates or restricts the donation for*
10 *purposes other than contributions or expenditures.*

11 (B) *A donor who prohibits the multipurpose organization's use*
12 *of its donation for contributions or expenditures.*

13 ~~(B)~~

14 (C) A private foundation, as defined by subdivision (a) of
15 Section 509 of the Internal Revenue Code, that provides a grant
16 that does not constitute a taxable expenditure for purposes of
17 paragraph (1) or (2) of subdivision (d) of Section 4945 of the
18 Internal Revenue Code.

19 ~~(3) A multipurpose organization that is a committee pursuant~~
20 ~~to subparagraph (E) of paragraph (1) of subdivision (c) shall not~~
21 ~~be required to report contributions or expenditures received, or~~
22 ~~disclose the donors for those contributions or expenditures, if the~~
23 ~~contributions or expenditures were made in any prior calendar year~~
24 ~~in which the multipurpose organization did not qualify as a~~
25 ~~committee pursuant to subparagraph (E) of paragraph (1) of~~
26 ~~subdivision (c).~~

27 (3) *A multipurpose organization that qualifies as a committee*
28 *pursuant to paragraph (5) of subdivision (c) shall not be required*
29 *to include contributions or expenditures made in a prior calendar*
30 *year on the reports filed for the calendar year in which the*
31 *multipurpose organization qualifies as a committee.*

32 (4) A contributor identified and reported in the manner provided
33 in subparagraph (C) of paragraph (1) that is a multipurpose
34 organization and receives contributions that satisfy the criteria in
35 subdivision (c) shall be subject to the requirements of this
36 subdivision.

37 (5) The commission shall adopt regulations establishing notice
38 requirements and reasonable filing deadlines for donors reported
39 as contributors based on the last in, first out accounting method.

1 (f) A multipurpose organization that is the sponsor of a
2 committee as defined in Section 82048.7, that is a membership
3 organization, ~~and~~ that makes all of its contributions and
4 expenditures from funds derived from dues, assessments, fees, and
5 similar payments that do not exceed ten thousand dollars (\$10,000)
6 per calendar year from a single source ~~shall~~, *and that elects to*
7 report its contributions and expenditures on its sponsored
8 committee's campaign statement *pursuant to paragraph (1) of*
9 *subdivision (e) shall report* as follows:

10 (1) The sponsored committee shall report all contributions and
11 expenditures made from the sponsor's treasury funds on statements
12 and reports filed by the committee. The sponsor shall use a last in,
13 first out accounting method and disclose the information required
14 by subdivision (f) of Section 84211 for any person who pays dues,
15 assessments, fees, or similar payments of one thousand dollars
16 (\$1,000) or more to the sponsor's treasury funds in a calendar year
17 and shall disclose all contributions and expenditures made, as
18 required by subdivision (k) of Section 84211, on the sponsored
19 committee's campaign statements.

20 (2) The sponsored committee shall report all other contributions
21 and expenditures in support of the committee by the sponsor, its
22 intermediate units, and the members of those ~~intermediate units~~
23 *entities*. A sponsoring organization makes contributions and
24 expenditures in support of its sponsored committee when it
25 provides the committee with money from its treasury funds, with
26 the exception of establishment or administrative costs. With respect
27 to dues, assessments, fees, and similar payments channeled through
28 the sponsor or an intermediate unit to a sponsored committee, the
29 original source of the dues, assessments, fees, and similar payments
30 is the contributor.

31 (3) A responsible officer of the sponsor, as well as the treasurer
32 of the sponsored committee, shall verify the committee's campaign
33 statement pursuant to ~~section~~ *Section 81004*.

34 (g) For purposes of this section, "last in, first out accounting
35 method" means an accounting method by which contributions and
36 expenditures are attributed to the multipurpose organization's
37 contributors in reverse chronological order beginning with the
38 most recent of its contributors or, if there are any prior
39 contributions or expenditures, beginning with the most recent
40 contributor for which unattributed contributions remain.

1 SEC. 7. Section 84223 is added to the Government Code, to
2 read:

3 84223. (a) A committee primarily formed to support or oppose
4 a state ballot measure or state candidate that raises one million
5 dollars (\$1,000,000) or more for an election shall maintain an
6 accurate list of the committee's top 10 contributors, as specified
7 by Commission regulations. A current list of the top 10 contributors
8 shall be provided to the Commission for disclosure on the
9 Commission's Internet Web site, as provided in subdivision (c).

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

20 (2) (A) A committee primarily formed to support or oppose a
21 state ballot measure shall count the cumulative amount of
22 contributions received by the committee from a person for the
23 period beginning 12 months prior to the date the committee made
24 its first expenditure to qualify, support, or oppose the measure and
25 ending with the current date.

26 (B) A committee primarily formed to support or oppose a state
27 candidate shall count the cumulative amount of contributions
28 received by the committee from a person for the primary and
29 general elections combined.

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

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

38 (c) (1) The Commission shall adopt regulations to govern the
39 manner in which the Commission shall display top 10 contributor
40 lists provided by a committee that is subject to this section, and

1 the Commission shall post the top 10 contributor lists on its Internet
2 Web site in the manner prescribed by those regulations. The
3 Commission shall provide the top 10 contributor lists to the
4 Secretary of State, upon the request of the Secretary of State, for
5 the purpose of additionally posting the contributor lists on the
6 Secretary of State’s Internet Web site.

7 (2) A committee shall provide an updated top 10 contributor
8 list to the Commission when any of the following occurs:

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

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

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

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

21 (4) The Commission shall post or update a top 10 contributor
22 list within five business days or, during the 16 days before the
23 election, within 48 hours of a contributor qualifying for the list or
24 of any change to the list.

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

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

34 SEC. 8. Section 88001 of the Government Code is amended
35 to read:

36 88001. The ballot pamphlet shall contain all of the following:

37 (a) A complete copy of each state measure.

38 (b) A copy of the specific constitutional or statutory provision,
39 if any, that would be repealed or revised by each state measure.

1 (c) A copy of the arguments and rebuttals for and against each
2 state measure.

3 (d) A copy of the analysis of each state measure.

4 (e) Tables of contents, indexes, art work, graphics, and other
5 materials that the Secretary of State determines will make the ballot
6 pamphlet easier to understand or more useful for the average voter.

7 (f) A notice, conspicuously printed on the cover of the ballot
8 pamphlet, indicating that additional copies of the ballot pamphlet
9 will be mailed by the county elections official upon request.

10 (g) A written explanation of the judicial retention procedure as
11 required by Section 9083 of the Elections Code.

12 (h) The Voter Bill of Rights pursuant to Section 2300 of the
13 Elections Code.

14 (i) If the ballot contains an election for the office of United
15 States Senator, information on candidates for United States Senator.
16 A candidate for United States Senator may purchase the space to
17 place a statement in the state ballot pamphlet that does not exceed
18 250 words. The statement may not make any reference to any
19 opponent of the candidate. The statement shall be submitted in
20 accordance with timeframes and procedures set forth by the
21 Secretary of State for the preparation of the state ballot pamphlet.

22 (j) If the ballot contains a question as to the confirmation or
23 retention of a justice of the Supreme Court, information on justices
24 of the Supreme Court who are subject to confirmation or retention.

25 (k) If the ballot contains an election for the offices of President
26 and Vice President of the United States, a notice that refers voters
27 to the Secretary of State's Internet Web site for information about
28 candidates for the offices of President and Vice President of the
29 United States.

30 (l) A written explanation of the appropriate election procedures
31 for party-nominated, voter-nominated, and nonpartisan offices as
32 required by Section 9083.5 of the Elections Code.

33 (m) A written explanation of the top 10 contributor lists required
34 by Section 84223, including a description of the Internet Web sites
35 where those lists are available to the public.

36 SEC. 9. No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 the only costs that may be incurred by a local agency or school
39 district will be incurred because this act creates a new crime or
40 infraction, eliminates a crime or infraction, or changes the penalty

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

5 SEC. 10. The Legislature finds and declares that this bill
6 furthers the purposes of the Political Reform Act of 1974 within
7 the meaning of subdivision (a) of Section 81012 of the Government
8 Code.

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AMENDED IN SENATE JUNE 25, 2013

AMENDED IN ASSEMBLY MAY 14, 2013

AMENDED IN ASSEMBLY APRIL 15, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 914

Introduced by Assembly Member Gordon

February 22, 2013

An act to add Article 3.5 (commencing with Section 84350) to Chapter 4 of Title 9 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 914, as amended, Gordon. Political Reform Act of 1974: campaign disclosures.

The Political Reform Act of 1974 imposes various reporting requirements with regard to contributions and independent expenditures, as defined, made for political purposes. The act establishes the Fair Political Practices Commission as the agency responsible for administering and enforcing the act. A violation of the act's provisions is punishable as a misdemeanor.

This bill would require the Commission to develop a Nonprofit and Multipurpose Organization Disclosure Statement form. The bill would require that the form provide for the disclosure of specified information relating to *certain* contributions, expenditures, and independent expenditures made by, and donations made to, a nonprofit corporation. The bill would require a nonprofit corporation to file a Nonprofit and

Multipurpose Organization Disclosure Statement, at a time prescribed by the Commission, in any year in which the nonprofit corporation makes combined contributions, expenditures, ~~and~~ *or* independent expenditures *in support of or opposition to a candidate, political party, or ballot measure* in this state aggregating \$50,000 or more during the nonprofit corporation’s fiscal year.

The bill would require the Commission to make Nonprofit and Multipurpose Organization Disclosure Statements available to the public. The bill would authorize a nonprofit corporation or a donor to the nonprofit corporation to petition the Commission to maintain the confidentiality of information relating to donors and donations. The bill would require the Commission to grant a petition to maintain the confidentiality of donor and donation information if the petitioner establishes by clear and convincing evidence that the public disclosure of donor information will cause undue harm, threats, harassment, or reprisals to the donor, or that the donor did not know or have reason to know that his or her donation would be used to make a contribution, expenditure, or independent expenditure *in support of or opposition to a candidate, political party, or ballot measure*, as specified.

By expanding the scope of an existing crime, 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 and compliance with specified procedural requirements.

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

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

State-mandated local program: yes.

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

- 1 SECTION 1. Article 3.5 (commencing with Section 84350) is
- 2 added to Chapter 4 of Title 9 of the Government Code, to read:

1 Article 3.5. Nonprofit and Multipurpose Organizations

2
3 84350. (a) This section shall apply only to a nonprofit
4 corporation, as defined in Section 501(c) of the Internal Revenue
5 Code, that ~~makes combined contributions, expenditures, and~~
6 ~~independent expenditures in this state aggregating fifty thousand~~
7 ~~dollars (\$50,000) or more during the nonprofit corporation's fiscal~~
8 ~~year.~~ *satisfies both of the following:*

9 (1) *The nonprofit corporation makes, in this state, contributions,*
10 *expenditures, or independent expenditures, as defined in Sections*
11 *82015, 82025, and 82031, respectively, in support of or opposition*
12 *to a candidate, political party, or ballot measure, or any*
13 *combination thereof.*

14 (2) *The aggregate contributions, expenditures, or independent*
15 *expenditures described in paragraph (1) total, in any combination,*
16 *fifty thousand dollars (\$50,000) or more during a fiscal year of*
17 *the nonprofit corporation.*

18 (b) The Commission shall develop a Nonprofit and Multipurpose
19 Organization Disclosure Statement form that provides for the
20 disclosure of all of the following information *relative to the*
21 *contributions, expenditures, and independent expenditures made*
22 *by a nonprofit corporation in support of or opposition to a*
23 *candidate, political party, or ballot measure:*

24 (1) The aggregate combined dollar amount of contributions,
25 expenditures, and independent expenditures that are made during
26 the reporting period.

27 (2) The amount of expenses attributable to contributions,
28 expenditures, and independent expenditures as a percentage of the
29 nonprofit ~~organization's~~ *corporation's* total expenses that are made
30 during the reporting period.

31 (3) For purposes of a nonprofit ~~organization~~ *corporation* for
32 which the combined amounts of contributions, expenditures, and
33 independent expenditures made during the reporting period exceed
34 10 percent of the nonprofit ~~organization's~~ *corporation's* total
35 expenses, each of the following with respect to contributions,
36 expenditures, and independent expenditures made during that
37 period:

38 (A) The amount of any funds, or the fair market value of any
39 services or assets, that are provided in relation to a contribution,
40 expenditure, or independent expenditure.

1 (B) The amount or fair market value of any liabilities incurred
2 in relation to a contribution, expenditure, or independent
3 expenditure.

4 (C) The date that the funds, services, or assets were provided
5 or the liabilities were incurred.

6 (D) The name and address of the recipient of the contribution,
7 expenditure, or independent expenditure.

8 (E) A description of the contribution, expenditure, or
9 independent ~~expenditures~~ *expenditure* and its purpose, including
10 whether the contribution, expenditure, or independent expenditure
11 was made in support of or opposition to a candidate, political party,
12 *or* ballot measure, ~~or other question put before the voters in an~~
13 ~~election.~~

14 (F) Information related to each donor who made donations in
15 an aggregate amount of ten thousand dollars (\$10,000) or more to
16 the nonprofit corporation during the reporting period, including
17 each of the following:

18 (i) The name and address of the donor.

19 (ii) The name of the employer of the donor, if available.

20 (iii) The date and amount of each donation from that donor
21 during the reporting period.

22 (c) (1) Except as otherwise provided in this subdivision, a
23 nonprofit corporation described in subdivision (a) shall file, at a
24 time to be determined by the Commission, a Nonprofit and
25 Multipurpose Organization Disclosure Statement with the
26 Commission for any year in which the nonprofit corporation meets
27 the fifty thousand dollar (\$50,000) threshold ~~for combined~~
28 ~~aggregate contributions, expenditures, and independent~~
29 ~~expenditures made during a fiscal year~~ *described in subdivision*
30 *(a)*. Except as provided in subdivision (d), the Commission shall
31 make the filed Nonprofit and Multipurpose Organization Disclosure
32 Statement available to the public, as required by Section 81008.

33 (2) A nonprofit corporation is not required to disclose the
34 information described in paragraph (3) of subdivision (b) if that
35 information has been previously disclosed by the nonprofit
36 corporation in any other campaign statement or report required by
37 this title.

38 (3) If a nonprofit corporation required to file a Nonprofit and
39 Multipurpose Organization Disclosure Statement pursuant to this
40 section maintains one or more segregated bank accounts for the

1 purpose of making election-related contributions, expenditures,
2 or independent expenditures *described in subdivision (a)*, and those
3 accounts represent the exclusive source of the nonprofit
4 corporation's election-related contributions, expenditures, and
5 independent expenditures in this state, the nonprofit corporation
6 is only required to report information described in subparagraph
7 (F) of paragraph (3) of subdivision (b) with respect to donations
8 deposited into the segregated election-related accounts.

9 (d) A nonprofit corporation or a donor to a nonprofit corporation
10 that is subject to the reporting requirements of this section may
11 petition the Commission, no later than 45 days prior to the date
12 on which the Nonprofit and Multipurpose Organization Disclosure
13 Statement must be filed, to maintain the confidentiality of donor
14 information that is disclosed on the statement. If a petitioner
15 demonstrates by clear and convincing evidence that the public
16 disclosure of donor information reported on the Nonprofit and
17 Multipurpose Organization Disclosure Statement will cause undue
18 harm, threats, harassment, or reprisals to the donor or that the donor
19 did not know or have reason to know that his or her donation would
20 be used to make a contribution, expenditure, or independent
21 expenditure *described in subdivision (a)* in this state, the
22 Commission shall, notwithstanding Section 81008, treat the donor
23 and donation information as confidential and shall redact the donor
24 and donation information from any documents that are made
25 available to the public. The Commission shall inform the petitioner,
26 in writing, whether the petition to maintain the confidentiality of
27 donor and donation information has been granted or denied. The
28 Commission's grant or denial determination shall include a
29 statement of findings and conclusions, and the reasons or basis for
30 the determination.

31 SEC. 2. No reimbursement is required by this act pursuant to
32 Section 6 of Article XIII B of the California Constitution because
33 the only costs that may be incurred by a local agency or school
34 district will be incurred because this act creates a new crime or
35 infraction, eliminates a crime or infraction, or changes the penalty
36 for a crime or infraction, within the meaning of Section 17556 of
37 the Government Code, or changes the definition of a crime within
38 the meaning of Section 6 of Article XIII B of the California
39 Constitution.

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

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AMENDED IN ASSEMBLY AUGUST 14, 2013

AMENDED IN ASSEMBLY AUGUST 6, 2013

AMENDED IN SENATE MAY 15, 2013

AMENDED IN SENATE MAY 6, 2013

AMENDED IN SENATE APRIL 23, 2013

AMENDED IN SENATE APRIL 17, 2013

AMENDED IN SENATE FEBRUARY 25, 2013

SENATE BILL

No. 2

Introduced by Senators Lieu and Yee

December 3, 2012

An act to amend Sections 84107, 84305.5, 84510, 85704, 91000, 91005, and 91005.5 of, and to add Section 84503.5 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 2, as amended, Lieu. Political Reform Act of 1974.

(1) Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. The act also imposes administrative, civil, and criminal fines and penalties for violations of its provisions.

This bill would increase certain administrative, civil, and criminal fines and penalties imposed by the act, as specified.

(2) The act also regulates advertisements, which are defined as any general or public advertisement that is authorized and paid for by a

person or committee for the purpose of supporting or opposing a candidate for elective office or a ballot measure or ballot measures. The act places certain disclosure requirements on advertisements. In addition to other penalties imposed by the act, a fine of up to triple the amount of the cost of an advertisement can be imposed on a person who violates the disclosure requirements for advertisements.

This bill would require that television, video, or audio broadcast advertisements supporting or opposing a candidate or soliciting contributions in support of that purpose that are authorized by a candidate include a specified disclosure statement made by the candidate.

The bill would increase the maximum penalty for a violation of these provisions to 6 times the amount of the costs of the advertisement.

(3) The act regulates mass mailings, known as slate mailers, that support or oppose multiple candidates or ballot measures for an election. The act requires that each slate mailer identify the slate mailer organization or committee primarily formed to support or oppose one or more ballot measures that is sending the slate mailer, and to contain other specified information in specified formatting. The act requires that each candidate and each ballot measure that has paid to appear in the slate mailer be designated by an asterisk.

This bill would additionally require that a candidate or ballot measure appearing in the slate mailer as a result of a payment made by a 3rd party be designated by an “@,” “*,” and would require the notice to voters included on a slate mailer be revised to describe this new requirement. The bill would require that a slate mailer that is produced in a language other than English provide the notice to voters in that same language. The bill would require that a slate mailer provide the notice in both English and another language if a substantial portion of a slate mailer is produced in the other language.

(4) The act requires a ballot measure committee, within 30 days of designating the numerical order of propositions appearing on the ballot, to identify itself as committee for or against that numbered proposition in all required references.

This bill would reduce the amount of time in which a ballot measure committee must reference itself as a committee for or against a numbered proposition to within 10 days of designating the numerical order of propositions.

(5) The act makes a knowing or willful violation of its provisions a misdemeanor and subjects offenders to criminal penalties.

By expanding the scope of an existing crime, 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.

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

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

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

State-mandated local program: yes.

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

1 SECTION 1. Section 84107 of the Government Code is
2 amended to read:

3 84107. Within 10 days of the designation of the numerical
4 order of propositions appearing on the ballot, any committee which
5 is primarily formed to support or oppose a ballot measure, shall,
6 if supporting the measure, include the statement, “a committee for
7 Proposition _____,” or, if opposing the measure, include the
8 statement, “a committee against Proposition _____,” in any reference
9 to the committee required by law.

10 SEC. 2. Section 84305.5 of the Government Code is amended
11 to read:

12 84305.5. (a) No slate mailer organization or committee
13 primarily formed to support or oppose one or more ballot measures
14 shall send a slate mailer unless:

15 (1) The name, street address, and city of the slate mailer
16 organization or committee primarily formed to support or oppose
17 one or more ballot measures are shown on the outside of each piece
18 of slate mail and on at least one of the inserts included with each
19 piece of slate mail in no less than 8-point roman type which shall
20 be in a color or print which contrasts with the background so as
21 to be easily legible. A post office box may be stated in lieu of a
22 street address if the street address of the slate mailer organization
23 or the committee primarily formed to support or oppose one or

1 more ballot measure is a matter of public record with the Secretary
2 of State’s Political Reform Division.

3 (2) At the top or bottom of the front side or surface of at least
4 one insert or at the top or bottom of one side or surface of a
5 postcard or other self-mailer, there is a notice in at least 8-point
6 roman boldface type, which shall be in a color or print which
7 contrasts with the background so as to be easily legible, and in a
8 printed or drawn box and set apart from any other printed matter.
9 The notice shall consist of the following statement:

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NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (name of slate mailer organization or committee primarily formed to support or oppose one or more ballot measures), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others appearing in this mailer, nor does it imply endorsement of, or opposition to, any issues set forth in this mailer. Each item designated by an * has been paid for and authorized by the candidate or ballot measure indicated. Each item designated by an-@ ** has been paid for by a person other than the candidate or ballot measure.

25 (3) The name, street address, city, and Internet Web site address,
26 if any, of the slate mailer organization or committee primarily
27 formed to support or oppose one or more ballot measures as
28 required by paragraph (1) and the notice required by paragraph
29 (2) may appear on the same side or surface of an insert.

30 (4) Each candidate and each ballot measure that has paid to
31 appear in the slate mailer is designated by an *. Each candidate
32 and ballot measure whose appearance has been paid for by a third
33 party is designated by an-@ **. Any candidate or ballot measure
34 that has not paid to appear in the slate mailer, and whose
35 appearance has not been paid for by a third party, is not designated
36 by an * or-@ **.

37 The * and-@ ** required by this subdivision shall be of the same
38 type size, type style, color or contrast, and legibility as is used for
39 the name of the candidate or the ballot measure name or number
40 and position advocated to which the * or-@ ** designation applies

1 except that in no case shall the * and-@ ** be required to be larger
2 than 10-point boldface type. The designation shall immediately
3 follow the name of the candidate, or the name or number and
4 position advocated on the ballot measure where the designation
5 appears in the slate of candidates and measures. If there is no slate
6 listing, the designation shall appear at least once in at least 8-point
7 boldface type, immediately following the name of the candidate,
8 or the name or number and position advocated on the ballot
9 measure.

10 (5) The name of any candidate appearing in the slate mailer
11 who is a member of a political party differing from the political
12 party which the mailer appears by representation or indicia to
13 represent is accompanied, immediately below the name, by the
14 party designation of the candidate, in no less than 9-point roman
15 type which shall be in a color or print that contrasts with the
16 background so as to be easily legible. The designation shall not
17 be required in the case of candidates for nonpartisan office.

18 (6) If a slate mailer is produced entirely in a language other than
19 English, the notice to voters required pursuant to paragraph (2)
20 shall be produced in that language. If a substantial portion of a
21 slate mailer, as determined by the Commission by regulation, is
22 in a language other than English, the notice to voters required
23 pursuant to paragraph (2) shall be produced in both English and
24 the other language.

25 (b) For purposes of the designations required by paragraph (4)
26 of subdivision (a), the payment of any sum made reportable by
27 subdivision (c) of Section 84219 by or at the behest of a candidate
28 or committee, whose name or position appears in the mailer, to
29 the slate mailer organization or committee primarily formed to
30 support or oppose one or more ballot measures, shall constitute a
31 payment to appear, requiring the * designation. The payment shall
32 also be deemed to constitute authorization to appear in the mailer.

33 SEC. 3. Section 84503.5 is added to the Government Code, to
34 read:

35 84503.5. (a) A television or video broadcast advertisement
36 that supports or opposes a candidate or solicits contributions in
37 support of that purpose shall, if the advertisement is authorized by
38 a candidate or an agent of the candidate, include a statement in
39 which the candidate identifies himself or herself and states that
40 the candidate has approved the message. The candidate statement

1 shall be made using an unobscured, full-screen video of the
2 candidate making the statement, or by using an unobscured,
3 full-screen, and clearly identifiable photographic image of the
4 candidate that is displayed during an audio voiceover of the
5 candidate reading the statement.

6 (b) An audio broadcast advertisement that supports or opposes
7 a candidate or solicits contributions in support of that purpose
8 shall, if the advertisement is authorized by a candidate or an agent
9 of the candidate, include an audio statement in which the candidate
10 identifies himself or herself and states that the candidate has
11 approved the message.

12 SEC. 4. Section 84510 of the Government Code is amended
13 to read:

14 84510. (a) In addition to the remedies provided for in Chapter
15 11 (commencing with Section 91000) of this title, any person who
16 violates this article is liable in a civil or administrative action
17 brought by the commission or any person for a fine up to six times
18 the cost of the advertisement, including placement costs.

19 (b) The remedies provided in subdivision (a) shall also apply
20 to any person who purposely causes any other person to violate
21 any provision of this article or who aids and abets any other person
22 in a violation.

23 (c) If a judgment is entered against the defendant or defendants
24 in an action brought under this section, the plaintiff shall receive
25 50 percent of the amount recovered. The remaining 50 percent
26 shall be deposited in the General Fund of the state. In an action
27 brought by a local civil prosecutor, 50 percent shall be deposited
28 in the account of the agency bringing the action and 50 percent
29 shall be paid to the General Fund of the state.

30 SEC. 5. Section 85704 of the Government Code is amended
31 to read:

32 85704. A person may not make any contribution to a committee
33 on the condition or with the agreement that it will be contributed
34 to any particular candidate or ballot measure committee unless the
35 contribution is fully disclosed pursuant to Section 84302. ~~A person
36 who makes a contribution to a committee that violates this section~~
37 *committee that fails to fully disclose a contribution pursuant to*
38 *Section 84302 shall pay to the General Fund of the state the*
39 *amount of the contribution and pay to the Political Disclosure,*

1 Accountability, Transparency, and Access Fund a fine in the
2 amount of 15 percent of the contribution.

3 SEC. 6. Section 91000 of the Government Code is amended
4 to read:

5 91000. (a) Any person who knowingly or willfully violates
6 any provision of this title is guilty of a misdemeanor.

7 (b) In addition to other penalties provided by law, a fine of up
8 to the greater of fifteen thousand dollars (\$15,000) or five times
9 the amount the person failed to report properly or unlawfully
10 contributed, expended, gave, or received may be imposed upon
11 conviction for each violation.

12 (c) Prosecution for violation of this title must be commenced
13 within four years after the date on which the violation occurred.

14 SEC. 7. Section 91005 of the Government Code is amended
15 to read:

16 91005. (a) Any person who makes or receives a contribution,
17 gift, or expenditure in violation of Section 84300, 84304, 86203,
18 or 86204 is liable in a civil action brought by the civil prosecutor
19 or by a person residing within the jurisdiction for an amount up to
20 one thousand five hundred dollars (\$1,500) or five times the
21 amount of the unlawful contribution, gift, or expenditure,
22 whichever amount is greater.

23 (b) Any designated employee or public official specified in
24 Section 87200, except an elected state officer, who realizes an
25 economic benefit as a result of a violation of Section 87100 or of
26 a disqualification provision of a conflict of interest code is liable
27 in a civil action brought by the civil prosecutor or by a person
28 residing within the jurisdiction for an amount up to three times the
29 value of the benefit.

30 SEC. 8. Section 91005.5 of the Government Code is amended
31 to read:

32 91005.5. Any person who violates any provision of this title,
33 except Sections 84305, 84307, and 89001, for which no specific
34 civil penalty is provided, shall be liable in a civil action brought
35 by the commission or the district attorney pursuant to subdivision
36 (b) of Section 91001, or the elected city attorney pursuant to
37 Section 91001.5, for an amount up to seven thousand dollars
38 (\$7,000) per violation.

39 No civil action alleging a violation of this title may be filed
40 against a person pursuant to this section if the criminal prosecutor

1 is maintaining a criminal action against that person pursuant to
2 Section 91000.

3 The provisions of this section shall be applicable only as to
4 violations occurring after the effective date of this section.

5 SEC. 9. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 the only costs that may be incurred by a local agency or school
8 district will be incurred because this act creates a new crime or
9 infraction, eliminates a crime or infraction, or changes the penalty
10 for a crime or infraction, within the meaning of Section 17556 of
11 the Government Code, or changes the definition of a crime within
12 the meaning of Section 6 of Article XIII B of the California
13 Constitution.

14 SEC. 10. The Legislature finds and declares that this bill
15 furthers the purposes of the Political Reform Act of 1974 within
16 the meaning of subdivision (a) of Section 81012 of the Government
17 Code.

Introduced by Senator CorreaDecember 3, 2012

An act to amend Section 84305.5 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 26, as introduced, Correa. Political Reform Act of 1974: slate mailers.

The Political Reform Act of 1974 regulates mass mailings, known as slate mailers, that support or oppose multiple candidates or ballot measures for an election. The act requires that each slate mailer identify the slate mailer organization or committee primarily formed to support or oppose one or more ballot measures that is sending the slate mailer, and to contain other information in specified formatting. The act also requires a notice to voters in a specified type and color or print consisting of a prescribed statement be included on a side or surface of the slate mailer.

This bill would modify the font and type specifications with respect to the slate mailer organization or committee identification requirement and would revise the placement and font size and color specifications with respect to the prescribed notice to voters.

Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

By making the format requirements of slate mailers more restrictive, this bill would impose a state-mandated local program.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes

upon a 2/3 vote of each house and compliance with specified procedural requirements.

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

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.

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

State-mandated local program: yes.

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

1 SECTION 1. Section 84305.5 of the Government Code is
2 amended to read:

3 84305.5. (a) No slate mailer organization or committee
4 primarily formed to support or oppose one or more ballot measures
5 shall send a slate mailer unless:

6 (1) The name, street address, and city of the slate mailer
7 organization or committee primarily formed to support or oppose
8 one or more ballot measures are shown on the outside of each piece
9 of slate mail and on at least one of the inserts included with each
10 piece of slate mail in no less than ~~8-point~~ *10-point black* roman
11 ~~type which shall be in a color or print which contrasts with the~~
12 *against a solid white* background so as to be easily legible. A post
13 office box may be stated in lieu of a street address if the street
14 address of the slate mailer organization or the committee primarily
15 formed to support or oppose one or more ballot measure is a matter
16 of public record with the Secretary of State's Political Reform
17 Division.

18 (2) ~~At the top or bottom of the front side or surface of at least~~
19 ~~one insert or at the top or bottom of one side or surface of a~~
20 ~~postcard or other self-mailer, On each side or surface where any~~
21 ~~candidate or ballot measure that has paid to appear in the slate~~
22 ~~mailer appears, there is a notice in at least ~~8-point~~ *10-point black*~~
23 ~~roman boldface type, which shall be in a color or print which~~
24 ~~contrasts with the background~~ *against a solid white background*
25 so as to be easily legible, and in a printed or drawn box and set
26 apart from any other printed matter. The notice shall consist of the
27 following statement:

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NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (name of slate mailer organization or committee primarily formed to support or oppose one or more ballot measures), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others appearing in this mailer, nor does it imply endorsement of, or opposition to, any issues set forth in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an *.

(3) The name, street address, and city of the slate mailer organization or committee primarily formed to support or oppose one or more ballot measures as required by paragraph (1) and the notice required by paragraph (2) may appear on the same side or surface of an insert.

(4) Each candidate and each ballot measure that has paid to appear in the slate mailer is designated by an *. Any candidate or ballot measure that has not paid to appear in the slate mailer is not designated by an *.

The * required by this subdivision shall be of the same type size, type style, color or contrast, and legibility as is used for the name of the candidate or the ballot measure name or number and position advocated to which the * designation applies except that in no case shall the * be required to be larger than 10-point boldface type. The designation shall immediately follow the name of the candidate, or the name or number and position advocated on the ballot measure where the designation appears in the slate of candidates and measures. If there is no slate listing, the designation shall appear at least once in at least 8-point boldface type, immediately following the name of the candidate, or the name or number and position advocated on the ballot measure.

(5) The name of any candidate appearing in the slate mailer who is a member of a political party differing from the political party which the mailer appears by representation or indicia to represent is accompanied, immediately below the name, by the party designation of the candidate, in no less than 9-point roman type which shall be in a color or print that contrasts with the

1 background so as to be easily legible. The designation shall not
2 be required in the case of candidates for nonpartisan office.

3 (b) For purposes of the designations required by paragraph (4)
4 of subdivision (a), the payment of any sum made reportable by
5 subdivision (c) of Section 84219 by or at the behest of a candidate
6 or committee, whose name or position appears in the mailer, to
7 the slate mailer organization or committee primarily formed to
8 support or oppose one or more ballot measures, shall constitute a
9 payment to appear, requiring the * designation. The payment shall
10 also be deemed to constitute authorization to appear in the mailer.

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

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

AMENDED IN ASSEMBLY MAY 31, 2013

AMENDED IN ASSEMBLY APRIL 30, 2013

AMENDED IN ASSEMBLY APRIL 15, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 45

**Introduced by Assembly Member Dickinson
(Principal coauthor: Assembly Member Skinner)
(Coauthor: Assembly Member Bonta)**

December 19, 2012

An act to amend Sections 81010, 82007, 82013, 82015, 84101, 84211, 84215, 84605, and 85201 of, and to add Sections 84215.5, 86119, and 90009 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 45, as amended, Dickinson. Political Reform Act of 1974.

(1) The Political Reform Act of 1974 defines various terms for purposes of the reporting and disclosure requirements under the act.

The act defines the term "candidate" as including, in addition to other individuals, an officeholder who is the subject of a recall election. This definition also provides that an individual who becomes a candidate retains his or her status as a candidate until the time that this status is terminated.

This bill would revise this definition to provide that the term "candidate" includes any officeholder, regardless of whether he or she is the subject of a recall election, and would provide that a candidate retains that status until the time that he or she leaves office and the status is terminated.

The act defines a “committee” as any person or combination of persons who receives contributions or makes independent expenditures totaling \$1,000 or more in a calendar year.

This bill would increase the monetary threshold of contributions or independent expenditures that qualify a person or combination of persons as a committee to \$2,000. The bill also would make conforming changes.

(2) The act requires committees to file periodic campaign statements. The act requires that the campaign statements disclose certain information about contributors who have made aggregate contributions, as defined, of \$100 or more.

~~This bill would increase the monetary contribution threshold for requiring the disclosure of contributor information to \$200.~~ The bill would require the Fair Political Practices Commission to adopt regulations establishing reporting thresholds, with a minimum of \$500 and a maximum of \$2,500, for disclosure of contributions and expenditures, as specified, for a committee primarily formed to support or oppose a statewide ballot measure, and would authorize the Commission to adopt regulations to adjust these thresholds in any odd-numbered year after 2013 to reflect any increase or decrease in the Consumer Price Index, rounded to the nearest \$100.

This bill would revise the definition of “contribution” to include a payment to a multipurpose organization, as defined, made by a person who knows or has reason to know that the payment or portion of the payment will be used to make a contribution or an independent expenditure. The bill imposes a presumption that a donor has reason to know that his or her payment will be used to make a contribution or an independent expenditure if the recipient organization has made aggregate contributions or independent expenditures of \$2,000 or more within the calendar year in which the payment is made or four preceding calendar years or if the donor payment is \$50,000 or more, is made within the 6 months preceding the election, and the multipurpose organization makes a contribution or an independent expenditure of \$50,000 or more within the 6 months prior to the election.

(3) The act imposes specified duties on a filing officer with respect to reports and statements filed with that filing officer, including supplying the necessary forms and manuals and determining whether required documents have been filed and conform on their face with the requirements of the act.

This bill would additionally require a filing officer to immediately affix a date stamp to each statement of economic interests that the officer receives to reflect the date of receipt. By imposing additional duties on local officials, this bill would impose a state-mandated local program.

(4) The act requires that certain campaign statements be filed with the Secretary of State online or electronically. The act requires that persons filing campaign statements online or electronically also continue to file the statements in a paper format.

This bill would repeal the requirement that a person file a paper copy of a campaign statement that is filed with the Secretary of State online or electronically, except during such times as the online or electronic system operated by the Secretary of State is malfunctioning, unavailable, or otherwise not capable of receiving online or electronically filed campaign statements.

(5) The act is administered and enforced by the Fair Political Practices Commission.

This bill would authorize the Commission to seek injunctive relief in a superior court to compel disclosure consistent with the act, and would require a court to grant expedited review of an action filed pursuant to this provision, as specified.

(6) The act requires a lobbying firm and a lobbyist employer, as defined, to register and file periodic activity reports with the Secretary of State disclosing specified information. The act requires lobbyists, lobbying firms, and lobbyist employers to periodically report activity expenses, as defined.

This bill would require the Secretary of State to make these registration documents and reports that are filed with the Secretary of State available to the Commission, upon request by the Commission.

(7) The act makes a knowing or willful violation of its provisions a misdemeanor and subjects offenders to criminal penalties.

By expanding the scope of an existing crime, this bill would impose a state-mandated local program.

(8) 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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs

so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

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

State-mandated local program: yes.

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

1 SECTION 1. Section 81010 of the Government Code is
2 amended to read:

3 81010. With respect to reports and statements filed with him
4 or her pursuant to this title, the filing officer shall do all of the
5 following:

6 (a) Supply the necessary forms and manuals prescribed by the
7 Commission.

8 (b) Immediately affix a date stamp to each statement of
9 economic interests filed pursuant to Chapter 7 (commencing with
10 Section 87100) to reflect the date of receipt by the filing officer.

11 (c) Determine whether required documents have been filed and,
12 if so, whether they conform on their face with the requirements of
13 this title.

14 (d) Notify promptly all persons and known committees who
15 have failed to file a report or statement in the form and at the time
16 required by this title.

17 (e) Report apparent violations of this title to the appropriate
18 agencies.

19 (f) Compile and maintain a current list of all reports and
20 statements filed with this office.

21 SEC. 2. Section 82007 of the Government Code is amended
22 to read:

23 82007. “Candidate” means an individual who is listed on the
24 ballot, or who has qualified to have write-in votes on his or her
25 behalf counted by election officials, for nomination for or election
26 to an elective office, or who receives a contribution or makes an
27 expenditure or gives his or her consent for any other person to
28 receive a contribution or make an expenditure with a view to

1 bringing about his or her nomination or election to an elective
2 office, whether or not the specific elective office for which he or
3 she will seek nomination or election is known at the time the
4 contribution is received or the expenditure is made and whether
5 or not he or she has announced his or her candidacy or filed a
6 declaration of candidacy at that time. “Candidate” also includes
7 an officeholder. An individual who becomes a candidate shall
8 retain his or her status as a candidate until the time he or she leaves
9 office and his or her status as a candidate is terminated pursuant
10 to Section 84214. “Candidate” does not include a person within
11 the meaning of Section 301(b) of the Federal Election Campaign
12 Act of 1971.

13 SEC. 3. Section 82013 of the Government Code is amended
14 to read:

15 82013. “Committee” means any person or combination of
16 persons who directly or indirectly does any of the following:

17 (a) Receives contributions totaling two thousand dollars (\$2,000)
18 or more in a calendar year.

19 (b) Makes independent expenditures totaling two thousand
20 dollars (\$2,000) or more in a calendar year.

21 (c) Makes contributions totaling ten thousand dollars (\$10,000)
22 or more in a calendar year to or at the behest of candidates or
23 committees.

24 A person or combination of persons that becomes a committee
25 shall retain its status as a committee until such time as that status
26 is terminated pursuant to Section 84214.

27 SEC. 4. Section 82015 of the Government Code is amended
28 to read:

29 82015. (a) “Contribution” means a payment, a forgiveness of
30 a loan, a payment of a loan by a third party, or an enforceable
31 promise to make a payment except to the extent that full and
32 adequate consideration is received, unless it is clear from the
33 surrounding circumstances that it is not made for political purposes.

34 (b) (1) A payment made at the behest of a committee, as defined
35 in subdivision (a) of Section 82013, is a contribution to the
36 committee unless full and adequate consideration is received from
37 the committee for making the payment.

38 (2) A payment made at the behest of a candidate is a contribution
39 to the candidate unless the criteria in either subparagraph (A) or
40 (B) are satisfied:

1 (A) Full and adequate consideration is received from the
2 candidate.

3 (B) It is clear from the surrounding circumstances that the
4 payment was made for purposes unrelated to his or her candidacy
5 for elective office. The following types of payments are presumed
6 to be for purposes unrelated to a candidate's candidacy for elective
7 office:

8 (i) A payment made principally for personal purposes, in which
9 case it may be considered a gift under the provisions of Section
10 82028. Payments that are otherwise subject to the limits of Section
11 86203 are presumed to be principally for personal purposes.

12 (ii) A payment made by a state, local, or federal governmental
13 agency or by a nonprofit organization that is exempt from taxation
14 under Section 501(c)(3) of the Internal Revenue Code.

15 (iii) A payment not covered by clause (i), made principally for
16 legislative, governmental, or charitable purposes, in which case it
17 is neither a gift nor a contribution. However, payments of this type
18 that are made at the behest of a candidate who is an elected officer
19 shall be reported within 30 days following the date on which the
20 payment or payments equal or exceed five thousand dollars
21 (\$5,000) in the aggregate from the same source in the same
22 calendar year in which they are made. The report shall be filed by
23 the elected officer with the elected officer's agency and shall be
24 a public record subject to inspection and copying pursuant to
25 subdivision (a) of Section 81008. The report shall contain the
26 following information: name of payer, address of payer, amount
27 of the payment, date or dates the payment or payments were made,
28 the name and address of the payee, a brief description of the goods
29 or services provided or purchased, if any, and a description of the
30 specific purpose or event for which the payment or payments were
31 made. Once the five-thousand-dollar (\$5,000) aggregate threshold
32 from a single source has been reached for a calendar year, all
33 payments for the calendar year made by that source must be
34 disclosed within 30 days after the date the threshold was reached
35 or the payment was made, whichever occurs later. Within 30 days
36 after receipt of the report, state agencies shall forward a copy of
37 these reports to the Fair Political Practices Commission, and local
38 agencies shall forward a copy of these reports to the officer with
39 whom elected officers of that agency file their campaign
40 statements.

1 (C) For purposes of subparagraph (B), a payment is made for
2 purposes related to a candidate’s candidacy for elective office if
3 all or a portion of the payment is used for election-related activities.
4 For purposes of this subparagraph, “election-related activities”
5 shall include, but are not limited to, the following:

6 (i) Communications that contain express advocacy of the
7 nomination or election of the candidate or the defeat of his or her
8 opponent.

9 (ii) Communications that contain reference to the candidate’s
10 candidacy for elective office, the candidate’s election campaign,
11 or the candidate’s or his or her opponent’s qualifications for
12 elective office.

13 (iii) Solicitation of contributions to the candidate or to third
14 persons for use in support of the candidate or in opposition to his
15 or her opponent.

16 (iv) Arranging, coordinating, developing, writing, distributing,
17 preparing, or planning of any communication or activity described
18 in clause (i), (ii), or (iii).

19 (v) Recruiting or coordinating campaign activities of campaign
20 volunteers on behalf of the candidate.

21 (vi) Preparing campaign budgets.

22 (vii) Preparing campaign finance disclosure statements.

23 (viii) Communications directed to voters or potential voters as
24 part of activities encouraging or assisting persons to vote if the
25 communication contains express advocacy of the nomination or
26 election of the candidate or the defeat of his or her opponent.

27 (D) A contribution made at the behest of a candidate for a
28 different candidate or to a committee not controlled by the
29 behesting candidate is not a contribution to the behesting candidate.

30 (3) A payment made at the behest of a member of the Public
31 Utilities Commission, made principally for legislative,
32 governmental, or charitable purposes, is not a contribution.
33 However, payments of this type shall be reported within 30 days
34 following the date on which the payment or payments equal or
35 exceed five thousand dollars (\$5,000) in the aggregate from the
36 same source in the same calendar year in which they are made.
37 The report shall be filed by the member with the Public Utilities
38 Commission and shall be a public record subject to inspection and
39 copying pursuant to subdivision (a) of Section 81008. The report
40 shall contain the following information: name of payer, address

1 of payer, amount of the payment, date or dates the payment or
2 payments were made, the name and address of the payee, a brief
3 description of the goods or services provided or purchased, if any,
4 and a description of the specific purpose or event for which the
5 payment or payments were made. Once the five-thousand-dollar
6 (\$5,000) aggregate threshold from a single source has been reached
7 for a calendar year, all payments for the calendar year made by
8 that source must be disclosed within 30 days after the date the
9 threshold was reached or the payment was made, whichever occurs
10 later. Within 30 days after receipt of the report, the Public Utilities
11 Commission shall forward a copy of these reports to the Fair
12 Political Practices Commission.

13 (c) "Contribution" includes the purchase of tickets for events
14 such as dinners, luncheons, rallies, and similar fundraising events;
15 the candidate's own money or property used on behalf of his or
16 her candidacy other than personal funds of the candidate used to
17 pay either a filing fee for a declaration of candidacy or a candidate
18 statement prepared pursuant to Section 13307 of the Elections
19 Code; the granting of discounts or rebates not extended to the
20 public generally or the granting of discounts or rebates by television
21 and radio stations and newspapers not extended on an equal basis
22 to all candidates for the same office; the payment of compensation
23 by any person for the personal services or expenses of any other
24 person if the services are rendered or expenses incurred on behalf
25 of a candidate or committee without payment of full and adequate
26 consideration.

27 (d) "Contribution" further includes any transfer of anything of
28 value received by a committee from another committee, unless
29 full and adequate consideration is received.

30 (e) "Contribution" does not include amounts received pursuant
31 to an enforceable promise to the extent those amounts have been
32 previously reported as a contribution. However, the fact that those
33 amounts have been received shall be indicated in the appropriate
34 campaign statement.

35 (f) "Contribution" does not include a payment made by an
36 occupant of a home or office for costs related to any meeting or
37 fundraising event held in the occupant's home or office if the costs
38 for the meeting or fundraising event are five hundred dollars (\$500)
39 or less.

1 (g) Notwithstanding the foregoing definition of “contribution,”
2 the term does not include volunteer personal services or payments
3 made by any individual for his or her own travel expenses if the
4 payments are made voluntarily without any understanding or
5 agreement that they shall be, directly or indirectly, repaid to him
6 or her.

7 (h) “Contribution” further includes the payment of public
8 moneys by a state or local governmental agency for a
9 communication to the public that satisfies both of the following:

10 (1) The communication expressly advocates the election or
11 defeat of a clearly identified candidate or the qualification, passage,
12 or defeat of a clearly identified measure, or, taken as a whole and
13 in context, unambiguously urges a particular result in an election.

14 (2) The communication is made at the behest of the affected
15 candidate or committee.

16 (i) (1) “Contribution” further includes a payment made to a
17 multipurpose organization if the donor knows or has reason to
18 know that the payment, or part of the payment, will be used to
19 make a contribution or an independent expenditure.

20 (2) For purposes of paragraph (1), a donor knows that a payment
21 to a multipurpose organization will be used to make a contribution
22 or an independent expenditure if the donor specifies that to be the
23 purpose for which the payment must be used or if the donor makes
24 the payment in response to a message or solicitation indicating the
25 multipurpose organization’s intent to make a contribution or an
26 independent expenditure.

27 (3) For purposes of paragraph (1), a donor is presumed to have
28 reason to know that a payment to a multipurpose organization will
29 be used to make a contribution or an independent expenditure if
30 the recipient multipurpose organization has made aggregate
31 contributions or independent expenditures of two thousand dollars
32 (\$2,000) or more during the calendar year in which the payment
33 is made or during any of the four preceding calendar years.

34 (4) For purposes of paragraph (1), a donor who makes an
35 aggregate payment of fifty thousand dollars (\$50,000) or more to
36 a multipurpose organization within the six months prior to an
37 election is presumed to have reason to know that the aggregate
38 payments will be used by the multipurpose organization to make
39 a contribution or an independent expenditure if the multipurpose
40 organization makes an aggregate contribution or independent

1 expenditure of fifty thousand dollars (\$50,000) or more to support
2 or oppose a candidate or ballot measure within the six months prior
3 to that election.

4 (5) A donor who makes a contribution described in paragraph
5 (1) shall be identified and reported by the multipurpose
6 organization receiving the contribution in accordance with
7 regulations adopted by the Commission.

8 (6) For purposes of this subdivision, “multipurpose organization”
9 means a nonprofit organization, a federal or out-of-state political
10 action committee, or a local club focusing on educational or social
11 activities.

12 SEC. 5. Section 84101 of the Government Code is amended
13 to read:

14 84101. (a) A committee that is a committee by virtue of
15 subdivision (a) of Section 82013 shall file a statement of
16 organization. The committee shall file the original of the statement
17 of organization with the Secretary of State and shall also file a
18 copy of the statement of organization with the local filing officer,
19 if any, with whom the committee is required to file the originals
20 of its campaign reports pursuant to Section 84215. The original
21 and copy of the statement of organization shall be filed within 10
22 days after the committee has qualified as a committee. The
23 Secretary of State shall assign a number to each committee that
24 files a statement of organization and shall notify the committee of
25 the number. The Secretary of State shall send a copy of statements
26 filed pursuant to this section to the county elections official of each
27 county that he or she deems appropriate. A county elections official
28 who receives a copy of a statement of organization from the
29 Secretary of State pursuant to this section shall send a copy of the
30 statement to the clerk of each city in the county that he or she
31 deems appropriate.

32 (b) In addition to filing the statement of organization as required
33 by subdivision (a), if a committee qualifies as a committee under
34 subdivision (a) of Section 82013 before the date of an election in
35 connection with which the committee is required to file preelection
36 statements, but after the closing date of the last campaign statement
37 required to be filed before the election pursuant to Section 84200.7,
38 84200.8, or 84200.9, the committee shall file, by facsimile
39 transmission, guaranteed overnight delivery, or personal delivery
40 within 24 hours of qualifying as a committee, the information

1 required to be reported in the statement of organization. The
2 information required by this subdivision shall be filed with the
3 filing officer with whom the committee is required to file the
4 originals of its campaign reports pursuant to Section 84215.

5 (c) If an independent expenditure committee qualifies as a
6 committee pursuant to subdivision (a) of Section 82013 during the
7 time period described in Section 82036.5 and makes independent
8 expenditures of one thousand dollars (\$1,000) or more to support
9 or oppose a candidate or candidates for office, the committee shall
10 file, by facsimile transmission, online transmission, guaranteed
11 overnight delivery, or personal delivery within 24 hours of
12 qualifying as a committee, the information required to be reported
13 in the statement of organization. The information required by this
14 section shall be filed with the filing officer with whom the
15 committee is required to file the original of its campaign reports
16 pursuant to Section 84215, and shall be filed at all locations
17 required for the candidate or candidates supported or opposed by
18 the independent expenditures. The filings required by this section
19 are in addition to filings that may be required by Sections 84203.5
20 and 84204.

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

26 SEC. 6. Section 84211 of the Government Code is amended
27 to read:

28 84211. Each campaign statement required by this article shall
29 contain all of the following information:

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

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

36 (c) The total amount of contributions received during the period
37 covered by the campaign statement from persons who have given
38 a cumulative amount of ~~two~~ *one* hundred dollars ~~(\$200)~~ *(\$100)*
39 or more.

1 (d) The total amount of contributions received during the period
2 covered by the campaign statement from persons who have given
3 a cumulative amount of less than ~~two~~ *one* hundred dollars ~~(\$200)~~
4 *(\$100)*.

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

8 (f) If the cumulative amount of contributions (including loans)
9 received from a person is ~~two~~ *one* hundred dollars ~~(\$200)~~ *(\$100)*
10 or more and a contribution or loan has been received from that
11 person during the period covered by the campaign statement, all
12 of the following:

13 (1) His or her full name.

14 (2) His or her street address.

15 (3) His or her occupation.

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

18 (5) The date and amount received for each contribution received
19 during the period covered by the campaign statement and, if the
20 contribution is a loan, the interest rate for the loan.

21 (6) The cumulative amount of contributions.

22 (g) If the cumulative amount of loans received from or made to
23 a person is ~~two~~ *one* hundred dollars ~~(\$200)~~ *(\$100)* or more, and a
24 loan has been received from or made to a person during the period
25 covered by the campaign statement, or is outstanding during the
26 period covered by the campaign statement, all of the following:

27 (1) His or her full name.

28 (2) His or her street address.

29 (3) His or her occupation.

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

32 (5) The original date and amount of each loan.

33 (6) The due date and interest rate of the loan.

34 (7) The cumulative payment made or received to date at the end
35 of the reporting period.

36 (8) The balance outstanding at the end of the reporting period.

37 (9) The cumulative amount of contributions.

38 (h) For each person, other than the filer, who is directly,
39 indirectly, or contingently liable for repayment of a loan received

1 or outstanding during the period covered by the campaign
2 statement, all of the following:

- 3 (1) His or her full name.
- 4 (2) His or her street address.
- 5 (3) His or her occupation.
- 6 (4) The name of his or her employer or, if self-employed, the
7 name of the business.
- 8 (5) The amount of his or her maximum liability outstanding.

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

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

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

- 18 (1) His or her full name.
- 19 (2) His or her street address.
- 20 (3) The amount of each expenditure.
- 21 (4) A brief description of the consideration for which each
22 expenditure was made.

23 (5) In the case of an expenditure that is a contribution to a
24 candidate, elected officer, or committee or an independent
25 expenditure to support or oppose a candidate or measure, in
26 addition to the information required in paragraphs (1) to (4),
27 inclusive, the date of the contribution or independent expenditure;
28 the cumulative amount of contributions made to a candidate,
29 elected officer, or committee, or the cumulative amount of
30 independent expenditures made relative to a candidate or measure;
31 the full name of the candidate, and the office and district for which
32 he or she seeks nomination or election, or the number or letter of
33 the measure; and the jurisdiction in which the measure or candidate
34 is voted upon.

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

39 For purposes of subdivisions (i), (j), and (k) only, the term
40 “expenditure” or “expenditures” means any individual payment

1 or accrued expense, unless it is clear from surrounding
2 circumstances that a series of payments or accrued expenses are
3 for a single service or product.

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

8 (m) If a committee is listed pursuant to subdivision (f), (g), (h),
9 (k), (l), or (p), the number assigned to the committee by the
10 Secretary of State shall be listed or, if no number has been assigned,
11 the full name and street address of the treasurer of the committee.

12 (n) In a campaign statement filed by a candidate who is a
13 candidate in both a state primary and general election, his or her
14 controlled committee, or a committee primarily formed to support
15 or oppose such a candidate, the total amount of contributions
16 received and the total amount of expenditures made for the period
17 January 1 through June 30 and the total amount of contributions
18 received and expenditures made for the period July 1 through
19 December 31.

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

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

34 (q) A contribution need not be reported nor shall it be deemed
35 accepted if it is not cashed, negotiated, or deposited and is returned
36 to the contributor before the closing date of the campaign statement
37 on which the contribution would otherwise be reported.

38 (r) If a committee primarily formed for the qualification or
39 support of, or opposition to, an initiative or ballot measure is
40 required to report an expenditure to a business entity pursuant to

1 subdivision (k) and 50 percent or more of the business entity is
2 owned by a candidate or person controlling the committee, by an
3 officer or employee of the committee, or by a spouse of any of
4 these individuals, the committee's campaign statement shall also
5 contain, in addition to the information required by subdivision (k),
6 that person's name, the relationship of that person to the committee,
7 and a description of that person's ownership interest or position
8 with the business entity.

9 (s) (1) If a committee primarily formed for the qualification or
10 support of, or opposition to, an initiative or ballot measure is
11 required to report an expenditure to a business entity pursuant to
12 subdivision (k), and a candidate or person controlling the
13 committee, an officer or employee of the committee, or a spouse
14 of any of these individuals is an officer, partner, consultant, or
15 employee of the business entity, the committee's campaign
16 statement shall also contain, in addition to the information required
17 by subdivision (k), that person's name, the relationship of that
18 person to the committee, and a description of that person's
19 ownership interest or position with the business entity.

20 (2) For a committee primarily formed to support or oppose a
21 statewide ballot measure, the reporting thresholds for disclosure
22 of contributions, including loans, and expenditures specified in
23 subdivisions (c), (d), (f), (g), (i), (j), and (k) shall be established
24 in regulations adopted by the Commission and may be adjusted in
25 regulations adopted by the Commission in any odd-numbered year
26 after 2013 to reflect any increase or decrease in the Consumer
27 Price Index, rounded to the nearest one hundred dollars (\$100).
28 The thresholds established pursuant to this paragraph shall be not
29 less than five hundred dollars (\$500) and not greater than two
30 thousand five hundred dollars (\$2,500).

31 (t) If the campaign statement is filed by a committee, as defined
32 in subdivision (b) or (c) of Section 82013, information sufficient
33 to identify the nature and interests of the filer, including:

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

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

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

6 (4) If the filer is not an individual, business entity, or industry,
7 trade, or professional association, a statement of the person's nature
8 and purposes, including a description of any industry, trade,
9 profession, or other group with a common economic interest that
10 the person principally represents or from which its membership
11 or financial support is principally derived.

12 SEC. 7. Section 84215 of the Government Code is amended
13 to read:

14 84215. All candidates and elected officers and their controlled
15 committees, except as provided in subdivisions (d) and (e), shall
16 file one copy of the campaign statements required by Section 84200
17 with the elections official of the county in which the candidate or
18 elected official is domiciled, as defined in subdivision (b) of
19 Section 349 of the Elections Code. In addition, campaign
20 statements shall be filed at the following places:

21 (a) Statewide elected officers, including members of the State
22 Board of Equalization; Members of the Legislature; Supreme Court
23 justices, court of appeal justices, and superior court judges;
24 candidates for those offices and their controlled committees;
25 committees formed or existing primarily to support or oppose these
26 candidates, elected officers, justices and judges, or statewide
27 measures, or the qualification of state ballot measures; and all state
28 general purpose committees and filers not specified in subdivisions
29 (b) to (e), inclusive, shall file a campaign statement by online or
30 electronic means, as specified in Section 84605, and, if not required
31 to file the statement by online or electronic means, shall file the
32 original and one copy of the campaign statement in paper format
33 with the Secretary of State.

34 (b) Elected officers in jurisdictions other than legislative
35 districts, State Board of Equalization districts, or appellate court
36 districts that contain parts of two or more counties, candidates for
37 these offices, their controlled committees, and committees formed
38 or existing primarily to support or oppose candidates or local
39 measures to be voted upon in one of these jurisdictions shall file

1 the original and one copy with the elections official of the county
2 with the largest number of registered voters in the jurisdiction.

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

10 (d) City elected officers, candidates for city office, their
11 controlled committees, committees formed or existing primarily
12 to support or oppose candidates or local measures to be voted upon
13 in one city, and city general purpose committees shall file the
14 original and one copy with the clerk of the city and are not required
15 to file with the local elections official of the county in which they
16 are domiciled.

17 (e) Elected members of the Board of Administration of the
18 Public Employees' Retirement System, elected members of the
19 Teachers' Retirement Board, candidates for these offices, their
20 controlled committees, and committees formed or existing
21 primarily to support or oppose these candidates or elected members
22 shall file the original and one copy with the Secretary of State, and
23 a copy shall be filed at the relevant board's office in Sacramento.
24 These elected officers, candidates, and committees need not file
25 with the elections official of the county in which they are
26 domiciled.

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

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

37 SEC. 8. Section 84215.5 is added to the Government Code, to
38 read:

1 84215.5. A statement or report filed with the Secretary of State
2 pursuant to this chapter shall be made available to the Commission
3 by the Secretary of State, upon request of the Commission.

4 SEC. 9. Section 84605 of the Government Code is amended
5 to read:

6 84605. (a) The following persons shall file online or
7 electronically with the Secretary of State:

8 (1) Any candidate, including superior court, appellate court,
9 and Supreme Court candidates and officeholders, committee, or
10 other persons who are required, pursuant to Chapter 4 (commencing
11 with Section 84100), to file statements, reports, or other documents
12 in connection with a state elective office or state measure, provided
13 that the total cumulative reportable amount of contributions
14 received, expenditures made, loans made, or loans received is
15 twenty-five thousand dollars (\$25,000) or more. In determining
16 the cumulative reportable amount, all controlled committees, as
17 defined by Section 82016, shall be included. For a committee
18 subject to this title prior to January 1, 2000, the beginning date for
19 calculating cumulative totals is January 1, 2000. For a committee
20 that is first subject to this title on or after January 1, 2000, the
21 beginning date for calculating cumulative totals is the date the
22 committee is first subject to this title. A committee, as defined in
23 subdivision (c) of Section 82013, shall file online or electronically
24 if it makes contributions of twenty-five thousand dollars (\$25,000)
25 or more in a calendar year.

26 (2) Any general purpose committees, as defined in Section
27 82027.5, including the general purpose committees of political
28 parties, and small contributor committees, as defined in Section
29 85203, that cumulatively receive contributions or make
30 expenditures totaling twenty-five thousand dollars (\$25,000) or
31 more to support or oppose candidates for any elective state office
32 or state measure. For a committee subject to this title prior to
33 January 1, 2000, the beginning date for calculating cumulative
34 totals is January 1, 2000. For a committee that first is subject to
35 this title on or after January 1, 2000, the beginning date for
36 calculating cumulative totals is the date the committee is first
37 subject to this title.

38 (3) Any slate mailer organization with cumulative reportable
39 payments received or made for the purposes of producing slate
40 mailers of twenty-five thousand dollars (\$25,000) or more. For a

1 slate mailer organization subject to this title prior to January 1,
2 2000, the beginning date for calculating cumulative totals is
3 January 1, 2000. For a slate mailer organization that first is subject
4 to this title on or after January 1, 2000, the beginning date for
5 calculating cumulative totals is the date the organization is first
6 subject to this title.

7 (4) Any lobbyist, lobbying firm, lobbyist employer, or other
8 persons required, pursuant to Chapter 6 (commencing with Section
9 86100), to file statements, reports, or other documents, provided
10 that the total amount of any category of reportable payments,
11 expenses, contributions, gifts, or other items is two thousand five
12 hundred dollars (\$2,500) or more in a calendar quarter.

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

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

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

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

26 (f) Persons filing online or electronically shall not be required
27 to continue to file required disclosure statements and reports in
28 paper format with the Secretary of State. However, an original
29 paper copy shall be filed with the Secretary of State during any
30 period of time for which the online or electronic system operated
31 by the Secretary of State is malfunctioning, unavailable, or
32 otherwise not capable of receiving online or electronically filed
33 disclosure statements and reports.

34 (g) The Secretary of State shall maintain at all times a secured,
35 official version of all original online and electronically filed
36 statements and reports required by this chapter. Upon determination
37 by the Secretary of State, pursuant to Section 84606, that the
38 system is operating securely and effectively, this online or
39 electronic version shall be the official version for audit and other
40 legal purposes.

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

7 SEC. 10. Section 85201 of the Government Code is amended
8 to read:

9 85201. (a) Upon the filing of the statement of intention
10 pursuant to Section 85200, the individual shall establish one
11 campaign contribution account at an office of a financial institution
12 located in the state.

13 (b) As required by subdivision (f) of Section 84102, a candidate
14 who raises contributions of two thousand dollars (\$2,000) or more
15 in a calendar year shall set forth the name and address of the
16 financial institution where the candidate has established a campaign
17 contribution account and the account number on the committee
18 statement of organization filed pursuant to Sections 84101 and
19 84103.

20 (c) All contributions or loans made to the candidate, to a person
21 on behalf of the candidate, or to the candidate's controlled
22 committee shall be deposited in the account.

23 (d) Any personal funds which will be utilized to promote the
24 election of the candidate shall be deposited in the account prior to
25 expenditure.

26 (e) All campaign expenditures shall be made from the account.

27 (f) Subdivisions (d) and (e) do not apply to a candidate's
28 payment for a filing fee and statement of qualifications from his
29 or her personal funds.

30 (g) This section does not apply to a candidate who will not
31 receive contributions and who makes expenditures from personal
32 funds of less than two thousand dollars (\$2,000) in a calendar year
33 to support his or her candidacy. For purposes of this section, a
34 candidate's payment for a filing fee and statement of qualifications
35 shall not be included in calculating the total expenditures made.

36 (h) An individual who raises contributions from others for his
37 or her campaign, but who raises or spends less than two thousand
38 dollars (\$2,000) in a calendar year, and does not qualify as a
39 committee under Section 82013, shall establish a campaign
40 contribution account pursuant to subdivision (a), but is not required

1 to file a committee statement of organization pursuant to Section
2 84101 or other statement of bank account information.

3 SEC. 11. Section 86119 is added to the Government Code, to
4 read:

5 86119. A registration or report filed with the Secretary of State
6 pursuant to this chapter shall be made available to the Commission
7 by the Secretary of State, upon request of the Commission.

8 SEC. 12. Section 90009 is added to the Government Code, to
9 read:

10 90009. (a) To further the purposes of this title, the Commission
11 may seek injunctive relief in a superior court to compel disclosure
12 consistent with this title.

13 (b) A court shall grant expedited review to an action filed
14 pursuant to subdivision (a) as follows:

15 (1) The court shall conduct an expedited hearing with an
16 opportunity for the defendant to respond.

17 (2) Briefs of the parties shall be required pursuant to an
18 expedited schedule.

19 (c) A superior or appellate court may, at its discretion, grant a
20 stay of an order granting relief pursuant to subdivision (a).

21 SEC. 13. No reimbursement is required by this act pursuant to
22 Section 6 of Article XIII B of the California Constitution for certain
23 costs that may be incurred by a local agency or school district
24 because, in that regard, this act creates a new crime or infraction,
25 eliminates a crime or infraction, or changes the penalty for a crime
26 or infraction, within the meaning of Section 17556 of the
27 Government Code, or changes the definition of a crime within the
28 meaning of Section 6 of Article XIII B of the California
29 Constitution.

30 However, if the Commission on State Mandates determines that
31 this act contains other costs mandated by the state, reimbursement
32 to local agencies and school districts for those costs shall be made
33 pursuant to Part 7 (commencing with Section 17500) of Division
34 4 of Title 2 of the Government Code.

35 SEC. 14. The Legislature finds and declares that this bill
36 furthers the purposes of the Political Reform Act of 1974 within
37 the meaning of subdivision (a) of Section 81012 of the Government
38 Code.

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AMENDED IN SENATE JUNE 13, 2013

AMENDED IN ASSEMBLY APRIL 30, 2013

AMENDED IN ASSEMBLY APRIL 15, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 800

**Introduced by Assembly Member Gordon
(Coauthor: Assembly Member Dickinson)**

February 21, 2013

An act to amend Sections ~~82016~~, 84303, 89519, 90002, 90003, 90004, and 90005 of, and to add Sections 90008 and 90009 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 800, as amended, Gordon. Political Reform Act of 1974

~~(1) The Political Reform Act of 1974 defines various terms for purposes of the reporting and disclosure requirements under the act. The act defines a "controlled committee" as a committee that is controlled directly or indirectly by a candidate or state measure proponent or that acts jointly with a candidate, controlled committee, or state measure proponent in connection with the making of expenditures. The act provides that a candidate or state measure proponent controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.~~

~~This bill would establish a presumption that a committee is significantly influenced by a candidate for purposes of these provisions if any of several specified factors is satisfied:~~

~~(2)~~

(1) The ~~act~~ *Political Reform Act of 1974* prohibits an agent or independent contractor from making an expenditure of \$500 or more, other than overhead or normal operating expenses, on behalf of or for the benefit of any candidate or committee unless it is reported by the candidate or committee as if the expenditure were made directly by the candidate or committee. The act requires an agent or independent contractor to make known to the candidate or committee all information subject to this reporting requirement.

This bill, in addition, would require a subagent or subcontractor who provides goods or services to or for the benefit of a candidate or committee to make known to the agent or independent contractor all of the information subject to the reporting requirement described above, and would require that disclosure of this information by a subagent or subcontractor to the agent or independent contractor or by the agent or independent contractor to the candidate or committee occur no later than three working days prior to the time the campaign statement reporting the expenditure is required to be filed, except that an expenditure that is required to be reported as a late contribution or late independent expenditure must be reported to the candidate or committee within 24 hours of the time that it is made.

(3)

(2) The act defines as “surplus campaign funds” campaign funds that are under the control of a former candidate or former elected officer as of the date of leaving elective office or the end of the postelection reporting period following the defeat of the candidate for elective office, whichever occurs last. The act restricts the purposes for which surplus campaign funds may be expended.

This bill would increase the time at which campaign funds become surplus campaign funds by 90 days following either the officer leaving elective office or the end of the postelection reporting period following the defeat of a candidate, whichever occurs last.

(4)

(3) The act requires the Franchise Tax Board to conduct audits and field investigations of various financial statements required to be submitted by lobbying firms, lobbyist employers, candidates, and specified committees.

The act prohibits the commencement of an audit or investigation of a candidate, controlled committee, or committee primarily supporting or opposing a candidate or a measure in connection with a report or statement required by specified provisions of the act until after the last

date for filing the first report or statement following the general, runoff, or special election for the office for which the candidate ran, or following the election at which the measure was adopted or defeated, except as provided. The act prescribes the scope of campaign statements and reports to be included in audits and investigations of candidates, controlled committees, or committees primarily supporting or opposing a candidate or a measure.

This bill would delete these provisions that delay the commencement of an audit or investigation and prescribe the scope of audits and investigations.

In addition to the general auditing requirements imposed on the Franchise Tax Board as described above, the act authorizes the Franchise Tax Board and the Fair Political Practices Commission to make investigations and audits with respect to any reports or statements required by specified provisions of the act regarding campaign disclosure, limitations on contributions, and lobbyists.

This bill would expand this authority to allow the Franchise Tax Board and the Fair Political Practices Commission to make investigations and audits with respect to any reports or statements required under the act.

The act requires the Franchise Tax Board periodically to prepare reports regarding its audit and investigations under the act and send them to the Commission, the Secretary of State, and the Attorney General. The act requires the board to complete its report of any audit conducted on a random basis pursuant to a specified statute within one year after the person or entity subject to the audit is selected by the Commission to be audited.

This bill would extend the deadline for the Franchise Tax Board to complete its report of an audit conducted on a random basis from one to two years after the person or entity to be audited is selected by the Fair Political Practices Commission.

The act prohibits a member, employee, or agent of the Franchise Tax Board from divulging or making known in any manner any particulars of any record, documents, or information which he or she receives by virtue of conducting audits and investigations, except as provided.

This bill, in addition, would make this prohibition applicable to a member, employee, or agent of the Fair Political Practices Commission.

This bill would authorize the Fair Political Practices Commission, and the Franchise Tax Board at the direction of the Commission, to audit any record required to be maintained under the act in order to

ensure compliance with the act prior to an election, even if the record is a report or statement that has not yet been filed. The bill would authorize the Commission to seek injunctive relief in a superior court to compel disclosure consistent with the act, and would require a court to grant expedited review of an action filed pursuant to this provision, as specified.

(5)

(4) Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would impose a state-mandated local program by creating additional crimes.

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.

(6)

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

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

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

State-mandated local program: yes.

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The people of this state have a compelling interest in
4 ensuring that the political contributions and expenditures of
5 nonprofit entities, multipurpose organizations, and other
6 committees are subject to prompt public disclosure prior to
7 elections in order to provide as much information to the public as
8 possible in a timely manner.

9 (b) If the Fair Political Practices Commission determines that
10 an audit or investigation is in the best interests of the public in
11 order to detect violations of the Political Reform Act of 1974,

1 judicial review of an action in this regard should receive expedited
2 review.

3 (c) It is therefore the intent of the Legislature to ensure that the
4 Fair Political Practices Commission be given the authority to carry
5 out the provisions of the Political Reform Act of 1974 in a manner
6 that ensures information regarding political contributions and
7 expenditures is provided to the public in an expedited manner prior
8 to elections.

9 ~~SEC. 2. Section 82016 of the Government Code is amended~~
10 ~~to read:~~

11 ~~82016. (a) "Controlled committee" means a committee that~~
12 ~~is controlled directly or indirectly by a candidate or state measure~~
13 ~~proponent or that acts jointly with a candidate, controlled~~
14 ~~committee, or state measure proponent in connection with the~~
15 ~~making of expenditures. A candidate or state measure proponent~~
16 ~~controls a committee if he or she, his or her agent, or any other~~
17 ~~committee he or she controls has a significant influence on the~~
18 ~~actions or decisions of the committee.~~

19 ~~(b) Notwithstanding subdivision (a), a political party committee,~~
20 ~~as defined in Section 85205, is not a controlled committee.~~

21 ~~(c) For purposes of subdivision (a), a committee is presumed~~
22 ~~to be significantly influenced by a candidate, his or her agent, or~~
23 ~~another committee he or she controls if any of the following is~~
24 ~~satisfied:~~

25 ~~(1) The candidate, or his or her agent, is a voting member of~~
26 ~~the committee's governing body.~~

27 ~~(2) The candidate, or his or her agent, is involved in the~~
28 ~~decisionmaking of the committee, or the development or~~
29 ~~implementation of the committee's campaign strategy.~~

30 ~~(3) The candidate, or his or her agent, is substantially involved~~
31 ~~in directing the day-to-day operations of the committee.~~

32 ~~SEC. 3.~~

33 ~~SEC. 2. Section 84303 of the Government Code is amended~~
34 ~~to read:~~

35 ~~84303. (a) An expenditure of five hundred dollars (\$500) or~~
36 ~~more shall not be made, other than for overhead or normal~~
37 ~~operating expenses, by an agent or independent contractor,~~
38 ~~including, but not limited to, an advertising agency, on behalf of~~
39 ~~or for the benefit of a candidate or committee unless it is reported~~

1 by the candidate or committee as if the expenditure were made
2 directly by the candidate or committee.

3 (b) A subagent or subcontractor who provides goods or services
4 to or for the benefit of a candidate or committee shall make known
5 to the agent or independent contractor all of the information
6 required to be reported by this section, and the agent or independent
7 contractor shall then make known to the candidate or committee
8 all of the information required to be reported by this section no
9 later than three working days prior to the time the campaign
10 statement reporting the expenditure is required to be filed, except
11 that an expenditure that is required to be reported by Section 84203
12 or 84204 shall be reported to the candidate or committee within
13 24 hours of the time that it is made.

14 ~~SEC. 4.~~

15 *SEC. 3.* Section 89519 of the Government Code is amended
16 to read:

17 89519. (a) Upon the 90th day after leaving an elective office,
18 or the 90th day following the end of the postelection reporting
19 period following the defeat of a candidate for elective office,
20 whichever occurs last, campaign funds under the control of the
21 former candidate or elected officer shall be considered surplus
22 campaign funds and shall be disclosed pursuant to Chapter 4
23 (commencing with Section 84100).

24 (b) Surplus campaign funds shall be used only for the following
25 purposes:

26 (1) The payment of outstanding campaign debts or elected
27 officer's expenses.

28 (2) The repayment of contributions.

29 (3) Donations to a bona fide charitable, educational, civic,
30 religious, or similar tax-exempt, nonprofit organization, where no
31 substantial part of the proceeds will have a material financial effect
32 on the former candidate or elected officer, any member of his or
33 her immediate family, or his or her campaign treasurer.

34 (4) Contributions to a political party committee, provided the
35 campaign funds are not used to support or oppose candidates for
36 elective office. However, the campaign funds may be used by a
37 political party committee to conduct partisan voter registration,
38 partisan get-out-the-vote activities, and slate mailers as that term
39 is defined in Section 82048.3.

1 (5) Contributions to support or oppose a candidate for federal
2 office, a candidate for elective office in a state other than
3 California, or a ballot measure.

4 (6) The payment for professional services reasonably required
5 by the committee to assist in the performance of its administrative
6 functions, including payment for attorney's fees for litigation that
7 arises directly out of a candidate's or elected officer's activities,
8 duties, or status as a candidate or elected officer, including, but
9 not limited to, an action to enjoin defamation, defense of an action
10 brought for a violation of state or local campaign, disclosure, or
11 election laws, and an action from an election contest or recount.

12 (c) For purposes of this section, the payment for, or the
13 reimbursement to the state of, the costs of installing and monitoring
14 an electronic security system in the home or office, or both, of a
15 candidate or elected officer who has received threats to his or her
16 physical safety shall be deemed an outstanding campaign debt or
17 elected officer's expense, provided that the threats arise from his
18 or her activities, duties, or status as a candidate or elected officer
19 and that the threats have been reported to and verified by an
20 appropriate law enforcement agency. Verification shall be
21 determined solely by the law enforcement agency to which the
22 threat was reported. The candidate or elected officer shall report
23 an expenditure of campaign funds made pursuant to this section
24 to the Commission. The report to the Commission shall include
25 the date that the candidate or elected officer informed the law
26 enforcement agency of the threat, the name and the telephone
27 number of the law enforcement agency, and a brief description of
28 the threat. No more than five thousand dollars (\$5,000) in surplus
29 campaign funds may be used, cumulatively, by a candidate or
30 elected officer pursuant to this subdivision. Payments made
31 pursuant to this subdivision shall be made during the two years
32 immediately following the date upon which the campaign funds
33 become surplus campaign funds. The candidate or elected officer
34 shall reimburse the surplus fund account for the fair market value
35 of the security system no later than two years immediately
36 following the date upon which the campaign funds became surplus
37 campaign funds. The campaign funds become surplus campaign
38 funds upon sale of the property on which the system is installed,
39 or prior to the closing of the surplus campaign fund account,
40 whichever comes first. The electronic security system shall be the

1 property of the campaign committee of the candidate or elected
2 officer.

3 ~~SEC. 5.~~

4 *SEC. 4.* Section 90002 of the Government Code is amended
5 to read:

6 90002. (a) Audits and investigations of lobbying firms and
7 lobbyist employers shall be performed on a biennial basis and shall
8 cover reports filed during a period of two years.

9 (b) If a lobbying firm or lobbyist employer keeps a separate
10 account for all receipts and payments for which reporting is
11 required by this chapter, the requirement of an audit under
12 subdivision (a) of Section 90001 shall be satisfied by an audit of
13 that account and the supporting documentation required to be
14 maintained by Section 86110.

15 ~~SEC. 6.~~

16 *SEC. 5.* Section 90003 of the Government Code is amended
17 to read:

18 90003. In addition to the audits and investigations required by
19 Section 90001, the Franchise Tax Board and the Commission may
20 make investigations and audits with respect to any reports or
21 statements required by this title.

22 ~~SEC. 7.~~

23 *SEC. 6.* Section 90004 of the Government Code is amended
24 to read:

25 90004. (a) The Franchise Tax Board shall periodically prepare
26 reports, which, except as otherwise provided in this section, shall
27 be sent to the Commission, the Secretary of State, and the Attorney
28 General. If the reports relate to candidates for or committees
29 supporting or opposing candidates for the office of Attorney
30 General, the reports shall be sent to the Commission, the Secretary
31 of State, and the District Attorneys of the Counties of Los Angeles,
32 Sacramento, and San Francisco. If the reports relate to local
33 candidates and their controlled committees, the reports shall be
34 sent to the Commission, the local filing officer with whom the
35 candidate or committee is required to file the originals of campaign
36 reports pursuant to Section 84215, and the district attorney for the
37 candidate's county of domicile.

38 (b) The Franchise Tax Board shall complete its report of any
39 audit conducted on a random basis pursuant to Section 90001

1 within two years after the person or entity subject to the audit is
2 selected by the Commission to be audited.

3 (c) The reports of the Franchise Tax Board shall be public
4 documents and shall contain in detail the Franchise Tax Board's
5 findings with respect to the accuracy and completeness of each
6 report and statement reviewed and its findings with respect to any
7 report or statement that should have been but was not filed. The
8 Secretary of State and the local filing officer shall place the audit
9 reports in the appropriate campaign statement or lobbying files.

10 ~~SEC. 8.~~

11 *SEC. 7.* Section 90005 of the Government Code is amended
12 to read:

13 90005. A member, employee, or agent of the Franchise Tax
14 Board or the Commission shall not divulge or make known in any
15 manner the particulars of any record, documents, or information
16 that he or she receives by virtue of this chapter, except in
17 furtherance of the work of the Franchise Tax Board or the
18 Commission or in connection with a court proceeding or the lawful
19 investigation of any agency.

20 ~~SEC. 9.~~

21 *SEC. 8.* Section 90008 is added to the Government Code, to
22 read:

23 90008. (a) It is the intent of the Legislature that the people of
24 California have timely access to information concerning the
25 campaign contributions and expenditures of all committees,
26 corporations, and individuals, and that this information be provided
27 before the election, when it is relevant, in accordance with the
28 requirements of this title. It is the further intent of the Legislature
29 that the Commission ensure that these disclosures are being made,
30 and that this title be liberally construed and any judicial process
31 be expedited to achieve this purpose.

32 (b) The Commission, and the Franchise Tax Board at the
33 direction of the Commission, may audit any record required to be
34 maintained under this title to ensure compliance with this title prior
35 to an election, even if the record is a report or statement that has
36 not yet been filed.

37 ~~SEC. 10.~~

38 *SEC. 9.* Section 90009 is added to the Government Code, to
39 read:

1 90009. (a) To further the purposes of this title, the Commission
2 may seek injunctive relief in a superior court to compel disclosure
3 consistent with this title.

4 (b) A court shall grant expedited review to an action filed
5 pursuant to subdivision (a) as follows:

6 (1) The court shall conduct an expedited hearing with an
7 opportunity for the defendant to respond.

8 (2) Briefs of the parties shall be required pursuant to an
9 expedited schedule.

10 (c) A superior or appellate court may, at its discretion, grant a
11 stay of an order granting relief pursuant to subdivision (a).

12 ~~SEC. 11.~~

13 *SEC. 10.* No reimbursement is required by this act pursuant to
14 Section 6 of Article XIII B of the California Constitution because
15 the only costs that may be incurred by a local agency or school
16 district will be incurred because this act creates a new crime or
17 infraction, eliminates a crime or infraction, or changes the penalty
18 for a crime or infraction, within the meaning of Section 17556 of
19 the Government Code, or changes the definition of a crime within
20 the meaning of Section 6 of Article XIII B of the California
21 Constitution.

22 ~~SEC. 12.~~

23 *SEC. 11.* The Legislature finds and declares that this bill
24 furthers the purposes of the Political Reform Act of 1974 within
25 the meaning of subdivision (a) of Section 81012 of the Government
26 Code.

AMENDED IN SENATE MAY 16, 2013

AMENDED IN SENATE MAY 7, 2013

AMENDED IN SENATE APRIL 24, 2013

AMENDED IN SENATE APRIL 1, 2013

SENATE BILL

No. 52

Introduced by Senators Leno and Hill

(Principal ~~coauthor~~: Senator *coauthors: Senators Correa and DeSaulnier*)

(Principal coauthor: Assembly Member Fong)

(~~Coauthor: Senator Block~~)

(Coauthors: Senators Block, Hancock, and Wolk)

(Coauthors: Assembly Members Ammiano and Wieckowski)

December 20, 2012

An act to amend Sections 84505 and 85310 of, to add Sections 84506.1, 84506.2, 84506.3, and 84506.4 to, to repeal Sections 84502, 84503, and 84504 of, and to repeal and add Sections 84501, 84506, 84506.5, ~~84507~~, 84508, and 84509 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 52, as amended, Leno. Political Reform Act of 1974: campaign disclosures.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. Existing law additionally imposes disclosure statement requirements with respect to advertisements supporting or opposing a

candidate or ballot measure paid for by donors making contributions of specified amounts or by independent expenditures and defines several terms and phrases for these purposes. Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would repeal and recast several definitions. The bill would repeal a committee identification requirement and the disclosure statement requirements relating to advertisements for or against any ballot measure paid for by any person whose cumulative contributions are \$50,000 and advertisements paid for by an independent expenditure. The bill would impose new disclosure statement requirements for political advertisements that are radio advertisements, prerecorded telephonic messages, television or video advertisements, or mass mailing or print advertisements that would require the identification of identifiable contributors, ballot measures, and other funding details, as specified. The bill would also require a committee, in prescribed circumstances, to establish and maintain a disclosure Internet Web site for the purpose of making a contribution disclosure statement. By introducing new disclosure requirements, the violation of which would be a misdemeanor, the bill would create a new crime, thereby imposing a state-mandated local program.

Existing law requires a person who makes a payment or promise of payment totaling \$50,000 or more for a communication that identifies, but does not advocate the election or defeat of, a candidate for elective state office, and that is disseminated within 45 days of an election, to file a disclosure report with the Secretary of State.

This bill would reduce the payment threshold to \$10,000 and change the communication dissemination period to the period beginning 120 days before the primary or special election and ending on the date of the general or runoff election.

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

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

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

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

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. This act shall be known as the California Disclose
2 Act.

3 SEC. 2. Section 84501 of the Government Code is repealed.

4 SEC. 3. Section 84501 is added to the Government Code, to
5 read:

6 84501. For purposes of this article, the following terms have
7 the following meanings:

8 (a) (1) “Advertisement” means a general or public
9 advertisement that is any of the following:

10 (A) Authorized and paid for by a person or committee for the
11 purpose of supporting or opposing a candidate for elective office
12 or a ballot measure or ballot measures.

13 (B) An electioneering communication.

14 (C) An issue advocacy advertisement.

15 (2) “Advertisement” does not include a communication from
16 an organization other than a political party to its members, a
17 campaign button smaller than 10 inches in diameter, a bumper
18 sticker smaller than 60 square inches, or other advertisement as
19 determined by regulations of the Commission.

20 (b) “Cumulative contributions” means the cumulative amount
21 of contributions received by a committee beginning 18 months
22 prior to the date the committee made its first expenditure for a
23 political advertisement or for the purpose of qualifying, supporting,
24 or opposing a candidate for elective office or a ballot measure.

25 (c) “Disclosure Internet Web site” means a committee’s Internet
26 Web site for a specific campaign that discloses the top identifiable
27 contributors to that committee for that campaign, as described in
28 Section 84506.3.

29 (d) “Disclosure threshold” means ten thousand dollars (\$10,000)
30 in the case of a campaign regarding a statewide ballot measure or
31 a state candidate or in the case of a statewide issue advocacy
32 advertisement, or two thousand dollars (\$2,000) in the case of a
33 campaign regarding a local ballot measure or a local candidate or
34 in the case of a local issue advocacy advertisement.

1 (e) “Electioneering communication” means a communication
2 described in subdivision (a) of Section 85310.

3 (f) “Identifiable contributor” means a person that is the original
4 source of contributions received by a committee that cumulatively
5 meet or exceed the disclosure threshold, notwithstanding the fact
6 that the contributions were transferred, in whole or in part, through
7 one or more other committees or persons.

8 (g) “Issue advocacy advertisement” means an advertisement
9 that clearly refers to and reflects a view on the subject matter,
10 description, or name of a pending legislative action, administrative
11 action, or one or more ballot measures and does any of the
12 following:

13 (1) Can only be reasonably interpreted as an appeal for the
14 recipient of the advertisement to take action by contacting an
15 employee or elected official of the state government or any local
16 government or encouraging others to contact those persons.

17 (2) Refers to a pending legislative action and is disseminated,
18 broadcast, or otherwise communicated within 60 days of the end
19 of the legislative session.

20 (3) Refers to one or more ballot measures and is disseminated,
21 broadcast, or otherwise communicated within 120 days of the
22 election concerning that measure or measures.

23 (h) “Political advertisement” means an advertisement, unless it
24 is paid for by a candidate-controlled committee and is an
25 advertisement relating to the candidate’s own election and not for
26 any other campaign.

27 SEC. 4. Section 84502 of the Government Code is repealed.

28 SEC. 5. Section 84503 of the Government Code is repealed.

29 SEC. 6. Section 84504 of the Government Code is repealed.

30 SEC. 7. Section 84505 of the Government Code is amended
31 to read:

32 84505. In addition to the requirements of Sections 84506,
33 84506.1, 84506.2, 84506.3, 84506.4, and 84506.5, the committee
34 placing the advertisement or persons acting in concert with that
35 committee shall be prohibited from creating or using a
36 noncandidate-controlled committee or a nonsponsored committee
37 to avoid, or that results in the avoidance of, the disclosure of any
38 individual, industry, business entity, controlled committee, or
39 sponsored committee as a major funding source.

40 SEC. 8. Section 84506 of the Government Code is repealed.

1 SEC. 9. Section 84506 is added to the Government Code, to
2 read:

3 84506. (a) A political advertisement that is a radio
4 advertisement or prerecorded telephonic message shall include a
5 disclosure at the end of the advertisement read in a clearly spoken
6 manner and in a pitch and tone substantially similar to the rest of
7 the advertisement that reads as follows: “Top funders of this ad
8 are [state names in descending order of identifiable contributors
9 who have made the three largest cumulative contributions]. Paid
10 for by [name of the committee that paid for the advertisement].”

11 (b) If there are fewer than three identifiable contributors, the
12 disclosure required by subdivision (a) shall be adjusted accordingly
13 to disclose the qualifying identifiable contributors, if any.

14 (c) If there is only one identifiable contributor or the
15 advertisement lasts 15 seconds or less, the disclosure required by
16 subdivision (a) shall be adjusted to read as follows: “Top funder
17 of this ad is [state name of identifiable contributor who made the
18 largest cumulative contributions]. Paid for by [name of the
19 committee that paid for the advertisement].”

20 (d) If there are no identifiable contributors or the committee
21 that paid for the advertisement is the only identifiable contributor,
22 it may replace the disclosure required by subdivision (a) with the
23 following: “Paid for by [name of the committee that paid for the
24 advertisement].”

25 (e) If the advertisement names each of the identifiable
26 contributors required to be named pursuant to subdivisions (a) to
27 (c), inclusive, and identifies the speaker as speaking on behalf of
28 them, it may replace the disclosure required by subdivision (a)
29 with the following: “Paid for by [name of the committee that paid
30 for the advertisement].”

31 (f) The disclosures specified in subdivision (a) shall not be
32 required if the committee paying for the political advertisement
33 does not have cumulative contributions that meet or exceed the
34 disclosure threshold.

35 SEC. 10. Section 84506.1 is added to the Government Code,
36 to read:

37 84506.1. (a) A political advertisement that is a television or
38 video advertisement shall include a disclosure area with a solid
39 black background on the entire bottom one-third of the television
40 or video display screen at the beginning of the advertisement for

1 a minimum of five seconds in the case of an advertisement that
2 lasts 30 seconds or less or a minimum of 10 seconds in the case
3 of an advertisement that lasts longer than 30 seconds. The
4 disclosure area shall include all of the following:

5 (1) The text “Top Funders of This Ad.” The text shall be located
6 at the top of the disclosure area and centered horizontally, shall
7 be yellow in color in Arial equivalent ~~font~~ *type*, and the ~~font~~ *type*
8 size shall be at least 4 percent of the height of the television or
9 video display screen.

10 (2) Immediately below the text described in paragraph (1), the
11 names of the identifiable contributors who have made the three
12 largest cumulative contributions. The identifiable contributors
13 shall each be disclosed on a separate horizontal line, in descending
14 order, beginning with the identifiable contributor who made the
15 largest cumulative contributions on the first line. The name of each
16 of the identifiable contributors shall be centered horizontally. The
17 text shall be white in color in Arial Narrow equivalent ~~font~~ *type*
18 and the ~~font~~ *type* size shall be at least 4 percent of the height of
19 the television or video display screen.

20 (3) The text “Funding Details At [insert Internet Web site
21 address of the disclosure Internet Web site].” The text shall be
22 yellow in color in Arial Narrow equivalent ~~font~~ *type* and the ~~font~~
23 *type* size shall be equivalent to 2.5 percent of the height of the
24 television or video display screen. The text shall be left-aligned
25 and located in a position that is 2.5 percent of the height of the
26 television or video display screen away from the bottom left of
27 the television or video display screen.

28 (4) The text “Paid for by [name of the committee that paid for
29 the advertisement].” The text shall be yellow in color in Arial
30 Narrow equivalent ~~font~~ *type* and the ~~font~~ *type* size shall be
31 equivalent to 2.5 percent of the height of the television or video
32 display screen. The text shall be right-aligned and located in a
33 position that is vertically 2.5 percent of the height of the television
34 or video display screen away from the bottom right of the television
35 or video display screen.

36 (5) If there are fewer than three identifiable contributors, the
37 disclosure required by this subdivision shall be adjusted
38 accordingly to disclose only those that qualify as identifiable
39 contributors, if any. If the committee does not have any identifiable

1 contributors, the disclosure shall be adjusted to include the name
2 of the committee in place of the names of identifiable contributors.

3 (b) The disclosures described in subdivision (a) shall not be
4 required if the committee paying for the political advertisement
5 does not have cumulative contributions that meet or exceed the
6 disclosure threshold.

7 SEC. 11. Section 84506.2 is added to the Government Code,
8 to read:

9 84506.2. (a) Except for slate mailers, a political advertisement
10 that is a mass mailing or a print advertisement and that is 12 square
11 inches or more in size shall include a disclosure area on the largest
12 page of the mass mailing or print advertisement that satisfies all
13 of the following:

14 (1) The disclosure area shall have a solid white background so
15 as to be easily legible, and shall be in a printed or drawn box on
16 the bottom of the page that is set apart from any other printed
17 matter. All text in the disclosure area shall be black in color.

18 (2) The text “Top Funders of This Ad” shall be located at the
19 top of the disclosure area and centered horizontally in the disclosure
20 area. The text shall be in an Arial equivalent ~~font~~ *type* with a ~~font~~
21 *type* size of at least 12-point for advertisements smaller than 93
22 square inches and at least 14-point for advertisements that are
23 equal to, or larger than, 93 square inches.

24 (3) Immediately below the text described in paragraph (2) shall
25 be the names of the identifiable contributors who have made the
26 three largest cumulative contributions. The identifiable contributors
27 shall each be disclosed on a separate horizontal line, in descending
28 order, beginning with the identifiable contributor who made the
29 largest cumulative contributions on the first line. The name of each
30 of the identifiable contributors shall be centered horizontally in
31 the disclosure area. The text shall identify each identifiable
32 contributor in an Arial Narrow equivalent ~~font~~ *type* with a ~~font~~
33 *type* size of at least 10-point for advertisements smaller than 93
34 square inches and at least 12-point for advertisements that are
35 equal to, or larger than, 93 square inches.

36 (A) If the advertisement is 4 inches tall or less, it need only
37 show the names of the identifiable contributors who have made
38 the two largest cumulative contributions.

39 (B) If the advertisement is 3 inches tall or less, it need only
40 show the name of the identifiable contributor who made the largest

1 cumulative contribution, and the text required by paragraph (2)
2 may say “Top Funder of This Ad.”

3 (4) Immediately below the text described in paragraph (3), the
4 text “Funding Details At [insert Internet Web site address of the
5 disclosure Internet Web site].” The text shall be in an Arial Narrow
6 equivalent ~~font type~~ with at least 10-point ~~font type~~ size for
7 advertisements smaller than 93 square inches and at least 12-point
8 ~~font type~~ size for advertisements that are equal to, or larger than,
9 93 square inches. This text shall not be required if the
10 advertisement is 5 inches tall or less.

11 (5) The text “Paid for by [name of the committee that paid for
12 the advertisement].” The text shall be located at the bottom of the
13 disclosure area and shall be in an Arial Narrow equivalent ~~font~~
14 ~~type~~ with at least 8-point ~~font type~~ size for pages smaller than 8.5
15 inches and at least 10-point ~~font type~~ size for pages that are equal
16 to, or larger than, 8.5 inches by 11 inches.

17 (6) If there are fewer than three identifiable contributors, the
18 disclosure shall be adjusted accordingly to disclose the qualifying
19 identifiable contributors, if any. If the committee does not have
20 any identifiable contributors, the disclosure shall be adjusted to
21 include the name of the committee in place of the names of
22 identifiable contributors.

23 (b) The disclosures described in subdivision (a) shall not be
24 required if the committee paying for the political advertisement
25 does not have cumulative contributions that meet or exceed the
26 disclosure threshold.

27 SEC. 12. Section 84506.3 is added to the Government Code,
28 to read:

29 84506.3. A committee that has paid for political advertisements
30 and that has received cumulative contributions that meet or exceed
31 the disclosure threshold shall establish and maintain a disclosure
32 Internet Web site. If the committee has an Internet Web site, that
33 Internet Web site may also serve as the disclosure Internet Web
34 site. The homepage of the disclosure Internet Web site and any
35 landing pages that visitors are directed to on the disclosure Internet
36 Web site and any other Internet Web sites maintained by the
37 committee shall include a disclosure area that satisfies all of the
38 following:

39 (a) The disclosure area shall be at least 250 pixels wide and
40 visible upon landing on the Internet Web site’s homepage. The

1 disclosure area shall have a white background and a border that is
2 dark in color.

3 (b) The disclosure area shall include the text “Top Funders of
4 This Committee” located at the top of the disclosure area and
5 centered horizontally in the disclosure area. The text shall be black
6 in color in an Arial equivalent ~~font~~ *type* and shall be at least
7 10-point ~~font~~ *type* size.

8 (c) Immediately below the text described in subdivision (b), the
9 disclosure area shall include a list of the identifiable contributors
10 who have made the 10 largest cumulative contributions to the
11 committee. Each identifiable contributor shall be disclosed on a
12 separate horizontal line, in descending order, beginning with the
13 identifiable contributor who made the largest cumulative
14 contributions on the first line. The text shall be black in color in
15 an Arial Narrow equivalent ~~font~~ *type* and shall be at least 9-point
16 ~~font~~ *type* size.

17 (d) (1) The disclosure area shall include a hyperlink to another
18 page on the disclosure Internet Web site that lists all of the
19 committee’s identifiable contributors. The hyperlink shall be
20 labeled “More funding info” and shall be a standard hyperlink
21 centered at the bottom of the disclosure area that is displayed as
22 blue underlined text in Arial equivalent ~~font~~ *type* in at least 9-point
23 ~~font~~ *type* size.

24 (2) The hyperlinked page on the disclosure Internet Web site
25 shall have a title that reads “Large Funders of this Committee.”
26 The linked page shall disclose each identifiable contributor of the
27 committee on a separate horizontal line, in descending order,
28 beginning with the identifiable contributor that had the largest
29 cumulative contribution on the first line. Each line shall show the
30 name of the identifiable contributor and the amount of its
31 cumulative contributions, current within three business days. These
32 disclosures shall be clear and shall be the only content on the page
33 other than the disclosure Internet Web site’s standard navigation
34 features.

35 (e) If there are fewer than 10 identifiable contributors, the
36 disclosure area shall be adjusted accordingly to disclose the
37 qualifying identifiable contributors, if any. If the committee does
38 not have any identifiable contributors, the disclosure area shall be
39 adjusted to include the name of the committee in place of the names
40 of identifiable contributors.

1 (f) Every page of an Internet Web site maintained by a
2 committee that has paid for political advertisements and that has
3 cumulative contributions that meet or exceed the disclosure
4 threshold shall include the statement “Paid for by [name of the
5 committee that paid for the advertisement]” and any other
6 identifying information specified by the Commission. The text
7 shall have a solid white background so as to be easily legible, and
8 shall be in a printed or drawn box on the bottom of the page that
9 is set apart from any other printed matter. The text shall be black
10 in color in an Arial Narrow equivalent-~~font~~ *type* and shall be at
11 least 8-point ~~font~~ *type* size.

12 SEC. 13. Section 84506.4 is added to the Government Code,
13 to read:

14 84506.4. The Commission ~~shall~~ *may* promulgate regulations
15 to require disclosures on all forms of political advertisements not
16 covered by this article, including, but not limited to, electronic
17 media advertisements and billboards. If feasible, the regulations
18 shall require the listing of the name of the committee and as many
19 of the three identifiable contributors that made the largest
20 cumulative contributions as possible in a conspicuous manner.
21 This disclosure area shall occupy no more than 10 percent of the
22 advertisement. If the advertisement medium allows, the disclosure
23 area shall contain a hyperlink to the disclosure Internet Web site.

24 SEC. 14. Section 84506.5 of the Government Code is repealed.

25 ~~SEC. 14.5.~~

26 *SEC. 15.* Section 84506.5 is added to the Government Code,
27 to read:

28 84506.5. The Commission shall promulgate regulations to
29 require disclosure of the name of the committee, if feasible, on all
30 advertisements that are paid for by a candidate-controlled
31 committee and that are advertisements relating to the candidate’s
32 own election and not for any other campaign.

33 ~~SEC. 15.~~

34 *SEC. 16.* Section 84507 of the Government Code is repealed.

35 ~~SEC. 16.~~ Section 84507 is added to the Government Code, to
36 read:

37 84507. ~~For purposes of a disclosure required by this article,~~
38 ~~the following shall also apply in the event that an identifiable~~
39 ~~contributor is a person who is an individual:~~

1 ~~(a) If the committee receiving the cumulative contributions is~~
2 ~~supporting or opposing a candidate, the disclosure shall include~~
3 ~~the occupation and employer of the identifiable contributor in~~
4 ~~addition to the contributor's name. If the identifiable contributor~~
5 ~~is not employed, no occupation or employer shall be listed.~~

6 ~~(b) If the committee receiving the cumulative contributions is~~
7 ~~supporting or opposing a ballot measure, and the passage or defeat~~
8 ~~of the ballot measure directly benefits the employer of the~~
9 ~~identifiable contributor, the disclosure shall include the occupation~~
10 ~~and employer of the identifiable contributor in addition to the~~
11 ~~contributor's name.~~

12 ~~(c) If the employer of an identifiable contributor is also an~~
13 ~~identifiable contributor of that committee, the cumulative~~
14 ~~contributions of its employees shall be deemed to be cumulative~~
15 ~~contributions by the employer for purposes of determining which~~
16 ~~identifiable contributors shall be disclosed on an advertisement~~
17 ~~pursuant to this article. This subdivision does not apply to an~~
18 ~~employee whose cumulative contributions amount to more than~~
19 ~~75 percent of the cumulative contributions of the employer.~~

20 SEC. 17. Section 84508 of the Government Code is repealed.

21 SEC. 18. Section 84508 is added to the Government Code, to
22 read:

23 84508. (a) The disclosure of the name of an identifiable
24 contributor required by this article need not include such legal
25 terms as "incorporated," "committee," "political action committee,"
26 or "corporation," or their abbreviations, unless the term is part of
27 the contributor's name in common usage or parlance. This section
28 does not prevent a contributor from being disclosed by a name
29 used in common usage or parlance, including, but not limited to,
30 an abbreviation or acronym.

31 (b) If this article requires the disclosure of the name of an
32 identifiable contributor that is a sponsored committee, only the
33 name of the committee's sponsoring organization shall be
34 disclosed.

35 (c) For a disclosure made pursuant to Sections 84506 to 84506.3,
36 inclusive, the committee name listed need not include its economic
37 or other special interests, nor the names of any major donors.

38 SEC. 19. Section 84509 of the Government Code is repealed.

39 SEC. 20. Section 84509 is added to the Government Code, to
40 read:

1 84509. If the order of the identifiable contributors required to
2 be displayed in an advertisement pursuant to this article changes,
3 the disclosure in the advertisement shall be updated as follows:

4 (a) A television, radio, or other electronic media political
5 advertisement shall be updated to reflect the new ordering of
6 identifiable contributors within seven business days, or five
7 business days if the change in the order of identifiable contributors
8 occurs within 30 days of an election.

9 (b) A print media advertisement, including nonelectronic
10 billboards, shall be updated to reflect the new ordering of
11 identifiable contributors prior to placing a new or modified order
12 for additional printing of the advertisement.

13 SEC. 21. Section 85310 of the Government Code is amended
14 to read:

15 85310. (a) A person who makes a payment or a promise of
16 payment totaling ten thousand dollars (\$10,000) or more for a
17 communication that clearly identifies a candidate for elective
18 office, but does not expressly advocate the election or defeat of
19 the candidate, and that is disseminated, broadcast, or otherwise
20 published during the period beginning 120 days before the primary
21 or special election and ending on the date of the general or runoff
22 election, shall file online or electronically with the Secretary of
23 State a report disclosing the name of the person, address,
24 occupation, and employer, and amount of the payment. The report
25 shall be filed within 48 hours of making the payment or the promise
26 to make the payment.

27 (b) (1) Except as provided in paragraph (2), if a person has
28 received a payment or a promise of a payment from other persons
29 totaling five thousand dollars (\$5,000) or more for the purpose of
30 making a communication described in subdivision (a), the person
31 receiving the payments shall disclose on the report the name,
32 address, occupation and employer, and date and amount received
33 from the person.

34 (2) A person who receives or is promised a payment that is
35 otherwise reportable under paragraph (1) is not required to report
36 the payment if the person is in the business of providing goods or
37 services and receives or is promised the payment for the purpose
38 of providing those goods or services.

39 (c) A payment received by a person who makes a
40 communication described in subdivision (a) is subject to the limits

1 specified in subdivision (b) of Section 85303 if the communication
2 is made at the behest of the clearly identified candidate.

3 SEC. 22. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution because
5 the only costs that may be incurred by a local agency or school
6 district will be incurred because this act creates a new crime or
7 infraction, eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section 17556 of
9 the Government Code, or changes the definition of a crime within
10 the meaning of Section 6 of Article XIII B of the California
11 Constitution.

12 SEC. 23. The Legislature finds and declares that this bill
13 furthers the purposes of the Political Reform Act of 1974 within
14 the meaning of subdivision (a) of Section 81012 of the Government
15 Code.

Introduced by Senator Gaines

February 13, 2013

An act to amend Section 170.1 of the Code of Civil Procedure, and to amend Sections 56100.1, ~~82036.5, 83124,~~ 84101, 84103, 84108, 84203.3, ~~84203.5, 84204, 84204.5,~~ 84215, 84216, 84218, 84300, ~~84308, 84602, 84605, 85304, 85304.5, 85306, 85310, 85315, 85316, 85501, 89510, 85500, 89511.5, 89512.5,~~ 89513, and 90002 of, to repeal Sections 82036, 82036.5, 84200.5, 84200.6, 84200.7, 84200.8, 84200.9, 84202.3, 84202.5, 84202.7, 84203, ~~84203.5, 84204, 84204.5,~~ 84205, 84206, 84209, 84211, 84216.5, 84220, ~~84302, 85300, 85301, 85302, 85303, 85305, 85307, 85309, 85314, 85320, 85321, 85701, 85702, and 85704~~ and 85309 of, to repeal Article 2.5 (commencing with Section 84250) of Chapter 4 of Title 9 of, and to repeal and add Section 84200 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 268, as amended, Gaines. Political Reform Act of 1974.

~~The Political Reform Act of 1974 imposes various limitations on contributions that may be made to, or accepted by, candidates for elective office and campaign committees that support or oppose candidates and ballot measures, including, among other things, limiting the maximum dollar amount of contributions that may be accepted by candidates for elective state office, prohibiting candidates from accepting public funds for the purpose of seeking public office, limiting contributions to an officer of an agency from a party who has a financial interest in a permit or license proceeding before that agency, and prohibiting elected state officers or candidates for elective state office~~

~~from accepting contributions from lobbyists registered to lobby the governmental agency of which the elected official is a member or for which the candidate seeks election.~~

~~This bill would repeal limitations on contributions that may be made to, or accepted by, candidates for elective office.~~

~~The act *Political Reform Act of 1974* requires candidates and committees to file specified campaign finance reports, including semiannual statements, preelection statements, supplemental preelection statements, and late contribution reports, that include prescribed campaign finance information. *A knowing and willful violation of these provisions is a crime.*~~

This bill would repeal the requirements to file these reports and would, instead, require that a candidate or committee who makes or receives a contribution of \$100 or more to report that contribution to specified filing officers within 24 hours of receiving the contribution. The bill would require a candidate or committee making the contribution to report his, her, or its full name and address, the full name and address of the recipient, the office sought by the candidate or the ballot measure, as appropriate, and the date and amount of the contribution. The bill would require the recipient of the contribution to report his, her, or its full name and address, the date and amount of the contribution, whether the contribution is in the form of a loan, and the full name of the contributor, and his or her street address, occupation, and employer or the name of the business, if self-employed.

The bill would require a candidate or committee that makes an expenditure of \$100 or more to report the expenditure to specified filing officers within 24 hours. The bill would require the candidate or committee making the expenditure to report his, her, or its full name and street address, the amount of the expenditure, the full name and street address for the person to whom the expenditure was made, and a brief description of the consideration for which the expenditure was made. The bill would require the disclosure of additional information if the expenditure is a contribution to a candidate, elected officer, or committee or an independent expenditure to support or oppose a candidate or measure.

The bill would require a candidate or committee who is required to report a contribution or expenditure to the Secretary of State to file that report online or by electronic transmission only.

The bill would also make conforming changes.

By increasing the duties of local government officials *and expanding the scope of an existing crime*, 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 act may be amended by a statute that becomes effective upon approval of the voters:~~

~~This bill would require the Secretary of State to submit the provisions of the bill that would amend the Political Reform Act of 1974 to the voters for approval at a statewide election, as specified.~~

~~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 with regard to certain mandates no reimbursement is required by this act for a specified reason.~~

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

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

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

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

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

- 1 SECTION 1. Section 170.1 of the Code of Civil Procedure is
- 2 amended to read:
- 3 170.1. (a) A judge shall be disqualified if any one or more of
- 4 the following are true:
- 5 (1) (A) The judge has personal knowledge of disputed
- 6 evidentiary facts concerning the proceeding.

1 (B) A judge shall be deemed to have personal knowledge within
2 the meaning of this paragraph if the judge, or the spouse of the
3 judge, or a person within the third degree of relationship to either
4 of them, or the spouse of such a person, is to the judge's knowledge
5 likely to be a material witness in the proceeding.

6 (2) (A) The judge served as a lawyer in the proceeding, or in
7 any other proceeding involving the same issues he or she served
8 as a lawyer for a party in the present proceeding, or gave advice
9 to a party in the present proceeding upon a matter involved in the
10 action or proceeding.

11 (B) A judge shall be deemed to have served as a lawyer in the
12 proceeding if within the past two years:

13 (i) A party to the proceeding, or an officer, director, or trustee
14 of a party, was a client of the judge when the judge was in the
15 private practice of law or a client of a lawyer with whom the judge
16 was associated in the private practice of law.

17 (ii) A lawyer in the proceeding was associated in the private
18 practice of law with the judge.

19 (C) A judge who served as a lawyer for, or officer of, a public
20 agency that is a party to the proceeding shall be deemed to have
21 served as a lawyer in the proceeding if he or she personally advised
22 or in any way represented the public agency concerning the factual
23 or legal issues in the proceeding.

24 (3) (A) The judge has a financial interest in the subject matter
25 in a proceeding or in a party to the proceeding.

26 (B) A judge shall be deemed to have a financial interest within
27 the meaning of this paragraph if:

28 (i) A spouse or minor child living in the household has a
29 financial interest.

30 (ii) The judge or the spouse of the judge is a fiduciary who has
31 a financial interest.

32 (C) A judge has a duty to make reasonable efforts to inform
33 himself or herself about his or her personal and fiduciary interests
34 and those of his or her spouse and the personal financial interests
35 of children living in the household.

36 (4) The judge, or the spouse of the judge, or a person within the
37 third degree of relationship to either of them, or the spouse of such
38 a person, is a party to the proceeding or an officer, director, or
39 trustee of a party.

1 (5) A lawyer or a spouse of a lawyer in the proceeding is the
2 spouse, former spouse, child, sibling, or parent of the judge or the
3 judge's spouse or if such a person is associated in the private
4 practice of law with a lawyer in the proceeding.

5 (6) (A) For any reason:

6 (i) The judge believes his or her recusal would further the
7 interests of justice.

8 (ii) The judge believes there is a substantial doubt as to his or
9 her capacity to be impartial.

10 (iii) A person aware of the facts might reasonably entertain a
11 doubt that the judge would be able to be impartial.

12 (B) Bias or prejudice toward a lawyer in the proceeding may
13 be grounds for disqualification.

14 (7) By reason of permanent or temporary physical impairment,
15 the judge is unable to properly perceive the evidence or is unable
16 to properly conduct the proceeding.

17 (8) (A) The judge has a current arrangement concerning
18 prospective employment or other compensated service as a dispute
19 resolution neutral or is participating in, or within the last two years
20 has participated in, discussions regarding prospective employment
21 or service as a dispute resolution neutral, or has been engaged in
22 that employment or service, and any of the following applies:

23 (i) The arrangement is, or the prior employment or discussion
24 was, with a party to the proceeding.

25 (ii) The matter before the judge includes issues relating to the
26 enforcement of either an agreement to submit a dispute to an
27 alternative dispute resolution process or an award or other final
28 decision by a dispute resolution neutral.

29 (iii) The judge directs the parties to participate in an alternative
30 dispute resolution process in which the dispute resolution neutral
31 will be an individual or entity with whom the judge has the
32 arrangement, has previously been employed or served, or is
33 discussing or has discussed the employment or service.

34 (iv) The judge will select a dispute resolution neutral or entity
35 to conduct an alternative dispute resolution process in the matter
36 before the judge, and among those available for selection is an
37 individual or entity with whom the judge has the arrangement,
38 with whom the judge has previously been employed or served, or
39 with whom the judge is discussing or has discussed the employment
40 or service.

1 (B) For the purposes of this paragraph, all of the following
2 apply:

3 (i) “Participating in discussions” or “has participated in
4 discussion” means that the judge solicited or otherwise indicated
5 an interest in accepting or negotiating possible employment or
6 service as an alternative dispute resolution neutral, or responded
7 to an unsolicited statement regarding, or an offer of, that
8 employment or service by expressing an interest in that
9 employment or service, making an inquiry regarding the
10 employment or service, or encouraging the person making the
11 statement or offer to provide additional information about that
12 possible employment or service. If a judge’s response to an
13 unsolicited statement regarding, a question about, or offer of,
14 prospective employment or other compensated service as a dispute
15 resolution neutral is limited to responding negatively, declining
16 the offer, or declining to discuss that employment or service, that
17 response does not constitute participating in discussions.

18 (ii) “Party” includes the parent, subsidiary, or other legal affiliate
19 of any entity that is a party and is involved in the transaction,
20 contract, or facts that gave rise to the issues subject to the
21 proceeding.

22 (iii) “Dispute resolution neutral” means an arbitrator, mediator,
23 temporary judge appointed under Section 21 of Article VI of the
24 California Constitution, referee appointed under Section 638 or
25 639, special master, neutral evaluator, settlement officer, or
26 settlement facilitator.

27 (9) (A) The judge has received a contribution in excess of one
28 thousand five hundred dollars (\$1,500) from a party or lawyer in
29 the proceeding, and either of the following applies:

30 (i) The contribution was received in support of the judge’s last
31 election, if the last election was within the last six years.

32 (ii) The contribution was received in anticipation of an upcoming
33 election.

34 (B) Notwithstanding subparagraph (A), the judge shall be
35 disqualified based on a contribution of a lesser amount if
36 subparagraph (A) of paragraph (6) applies.

37 (C) The judge shall disclose any contribution from a party or
38 lawyer in a matter that is before the court that is required to be
39 reported under Section 84200 of the Government Code, even if
40 the amount would not require disqualification under this paragraph.

1 The manner of disclosure shall be the same as that provided in
2 Canon 3E of the Code of Judicial Ethics.

3 (D) Notwithstanding paragraph (1) of subdivision (b) of Section
4 170.3, the disqualification required under this paragraph may be
5 waived by the party that did not make the contribution unless there
6 are other circumstances that would prohibit a waiver pursuant to
7 paragraph (2) of subdivision (b) of Section 170.3.

8 (b) A judge before whom a proceeding was tried or heard shall
9 be disqualified from participating in any appellate review of that
10 proceeding.

11 (c) At the request of a party or on its own motion an appellate
12 court shall consider whether in the interests of justice it should
13 direct that further proceedings be heard before a trial judge other
14 than the judge whose judgment or order was reviewed by the
15 appellate court.

16 SEC. 2. Section 56100.1 of the Government Code is amended
17 to read:

18 56100.1. (a) Contributions and expenditures for political
19 purposes related to a proposal or proceeding shall be disclosed and
20 reported pursuant to Article 2 (commencing with Section 84200)
21 of Chapter 4 of the Political Reform Act of 1974 (Title 9
22 (commencing with Section 81000)).

23 (b) A commission may require, through the adoption of written
24 policies and procedures, additional disclosure of contributions in
25 support of or opposition to a proposal, which shall be made either
26 to the commission's executive officer, in which case it shall be
27 posted on the commission's Internet Web site, if applicable, or to
28 the board of supervisors of the county in which the commission
29 is located, which may designate a county officer to receive the
30 disclosure. Disclosure pursuant to a requirement under the authority
31 provided in this section shall be in addition to any disclosure
32 otherwise required by Section 56700.1, 57009, or local ordinance.

33 SEC. 3. ~~Section 82036.5 of the Government Code is amended~~
34 ~~to read:~~

35 ~~82036.5. "Late independent expenditure" means any~~
36 ~~independent expenditure that totals in the aggregate one thousand~~
37 ~~dollars (\$1,000) or more and is made for or against any specific~~
38 ~~candidate or measure involved in an election within the 12 days~~
39 ~~before the date of the election. For purposes of the Board of~~
40 ~~Administration of the Public Employees' Retirement System and~~

1 the Teachers' Retirement Board, "the date of the election" is the
2 deadline to return ballots.

3 ~~SEC. 4. Section 83124 of the Government Code is amended~~
4 ~~to read:~~

5 ~~83124. The commission shall adjust the voluntary expenditure~~
6 ~~limitations provisions in Section 85400 in January of every~~
7 ~~odd-numbered year to reflect any increase or decrease in the~~
8 ~~Consumer Price Index. Those adjustments shall be rounded to the~~
9 ~~nearest one thousand dollars (\$1,000).~~

10 *SEC. 3. Section 82036 of the Government Code is repealed.*

11 ~~82036. "Late contribution" means any of the following:~~

12 ~~(a) A contribution, including a loan, that totals in the aggregate~~
13 ~~one thousand dollars (\$1,000) or more and is made to or received~~
14 ~~by a candidate, a controlled committee, or a committee formed or~~
15 ~~existing primarily to support or oppose a candidate or measure~~
16 ~~within 90 days before the date of the election at which the candidate~~
17 ~~or measure is to be voted on. For purposes of the Board of~~
18 ~~Administration of the Public Employees' Retirement System and~~
19 ~~the Teachers' Retirement Board, "the date of the election" is the~~
20 ~~deadline to return ballots.~~

21 ~~(b) A contribution, including a loan, that totals in the aggregate~~
22 ~~one thousand dollars (\$1,000) or more and is made to or received~~
23 ~~by a political party committee, as defined in Section 85205, within~~
24 ~~90 days before the date of a state election.~~

25 *SEC. 4. Section 82036.5 of the Government Code is repealed.*

26 ~~82036.5. "Late independent expenditure" means an independent~~
27 ~~expenditure that totals in the aggregate one thousand dollars~~
28 ~~(\$1,000) or more and is made for or against a specific candidate~~
29 ~~or measure involved in an election within 90 days before the date~~
30 ~~of the election. For purposes of the Board of Administration of the~~
31 ~~Public Employees' Retirement System and the Teachers'~~
32 ~~Retirement Board, "the date of the election" is the deadline to~~
33 ~~return ballots.~~

34 ~~SEC. 5. Section 84101 of the Government Code is amended~~
35 ~~to read:~~

36 ~~84101. (a) A committee that is a committee by virtue of~~
37 ~~subdivision (a) of Section 82013 shall file a statement of~~
38 ~~organization. The committee shall file the original of the statement~~
39 ~~of organization with the Secretary of State and shall also file a~~
40 ~~copy of the statement of organization with the local filing officer,~~

1 if any, with whom the committee is required to file the originals
2 of its campaign reports pursuant to Section 84215. The original
3 and copy of the statement of organization shall be filed within 10
4 days after the committee has qualified as a committee. The
5 Secretary of State shall assign a number to each committee that
6 files a statement of organization and shall notify the committee of
7 the number. The Secretary of State shall send a copy of statements
8 filed pursuant to this section to the county elections official of each
9 county that he or she deems appropriate. A county elections official
10 who receives a copy of a statement of organization from the
11 Secretary of State pursuant to this section shall send a copy of the
12 statement to the clerk of each city in the county that he or she
13 deems appropriate.

14 (b) In addition to filing the statement of organization as required
15 by subdivision (a), if a committee qualifies as a committee under
16 subdivision (a) of Section 82013 within the 12 days before the
17 date of an election in connection with which the committee is
18 required to file campaign statements, the committee shall file, by
19 facsimile transmission, guaranteed overnight delivery, or personal
20 delivery within 24 hours of qualifying as a committee, the
21 information required to be reported in the statement of organization.
22 The information required by this subdivision shall be filed with
23 the filing officer with whom the committee is required to file the
24 originals of its campaign reports pursuant to Section 84215.

25 (c) If an independent expenditure committee qualifies as a
26 committee pursuant to subdivision (a) of Section 82013 ~~during the~~
27 ~~time period described in Section 82036.5~~ *within the 12 days before*
28 *the date of an election in connection with which the committee is*
29 *required to file campaign statements* and makes independent
30 expenditures of one thousand dollars (\$1,000) or more to support
31 or oppose a candidate or candidates for office, the committee shall
32 file, by facsimile transmission, online transmission, guaranteed
33 overnight delivery, or personal delivery within 24 hours of
34 qualifying as a committee, the information required to be reported
35 in the statement of organization. The information required by this
36 section shall be filed with the filing officer with whom the
37 committee is required to file the original of its campaign reports
38 pursuant to Section 84215, and shall be filed at all locations
39 required for the candidate or candidates supported or opposed by
40 the independent expenditures. The filings required by this section

1 are in addition to filings that may be required by Section ~~84204~~
2 84200.

3 (d) For purposes of this section, in calculating whether one
4 thousand dollars (\$1,000) in contributions has been received,
5 payments for a filing fee or for a statement of qualifications to
6 appear in a sample ballot shall not be included if these payments
7 have been made from the candidate's personal funds.

8 SEC. 6. Section 84103 of the Government Code is amended
9 to read:

10 84103. (a) Whenever there is a change in any of the
11 information contained in a statement of organization, an
12 amendment shall be filed within 10 days to reflect the change. The
13 committee shall file the original of the amendment with the
14 Secretary of State and shall also file a copy of the amendment with
15 the local filing officer, if any, with whom the committee is required
16 to file the originals of its campaign reports pursuant to Section
17 84215.

18 (b) In addition to filing an amendment to a statement of
19 organization as required by subdivision (a), a committee as defined
20 in subdivision (a) of Section 82013 shall, by facsimile transmission,
21 online transmission, guaranteed overnight delivery, or personal
22 delivery within 24 hours, notify the filing officer with whom it is
23 required to file the originals of its campaign reports pursuant to
24 Section 84215 when the change requiring the amendment occurs
25 within the 12 days before the date of the election in connection
26 with which the committee is required to file a campaign statement,
27 if any of the following information is changed:

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

32 The notification shall include the changed information, the date
33 of the change, the name of the person providing the notification,
34 and the committee's name and identification number.

35 A committee may file a notification online only if the appropriate
36 filing officer is capable of receiving the notification in that manner.

37 SEC. 7. Section 84108 of the Government Code is amended
38 to read:

39 84108. (a) Every slate mailer organization shall comply with
40 the requirements of Sections 84100, 84101, 84103, and 84104.

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

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

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

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

17 (c) The statement of organization shall be filed with the
18 Secretary of State within 10 days after the slate mailer organization
19 receives or is promised five hundred dollars (\$500) or more for
20 producing one or more slate mailers. However, if an entity qualifies
21 as a slate mailer organization within the 12 days before the date
22 of an election in which it is required to file campaign statements,
23 the slate mailer organization shall file with the Secretary of State,
24 by facsimile transmission, guaranteed overnight delivery, or
25 personal delivery within 24 hours of qualifying as a slate mailer
26 organization, the information required to be reported in the
27 statement of organization.

28 SEC. 8. Section 84200 of the Government Code is repealed.

29 SEC. 9. Section 84200 is added to the Government Code, to
30 read:

31 84200. (a) (1) Each candidate or committee that makes or
32 receives a contribution of one hundred dollars (\$100) or more shall
33 report the contribution to each office with which the candidate or
34 committee is required to file its statements pursuant to Section
35 84215 or 84218. The candidate or committee that makes the
36 contribution shall report his or her full name and street address
37 and the full name and street address of the person to whom the
38 contribution has been made, the office sought if the recipient is a
39 candidate, or the ballot measure number or letter if the recipient
40 is a committee primarily formed to support or oppose a ballot

1 measure, and the date and amount of the contribution. The recipient
2 of the contribution shall report his or her full name and street
3 address, the date and amount of the contribution, and whether the
4 contribution was made in the form of a loan. The recipient shall
5 also report the full name of the contributor, his or her street address,
6 occupation, and the name of his or her employer, or if
7 self-employed, the name of the business.

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

11 (b) Each candidate or committee that makes an expenditure of
12 one hundred dollars (\$100) or more shall report the expenditure
13 to each office with which the candidate or committee is required
14 to file its statements pursuant to Section 84215 or 84218. The
15 candidate or committee that makes the expenditure shall report his
16 or her full name and street address, the amount of the expenditure,
17 the full name and street address for the person to whom the
18 expenditure was made, and a brief description of the consideration
19 for which the expenditure was made. In the case of an expenditure
20 that is a contribution to a candidate, elected officer, or committee
21 or an independent expenditure to support or oppose a candidate
22 or measure, the report shall *designate the expenditure as a*
23 *contribution or independent expenditure, as appropriate, and shall*
24 also include the date of the contribution or independent
25 expenditure, the cumulative amount of contributions made to the
26 candidate, elected officer, or committee, or the cumulative amount
27 of independent expenditures made relative to a candidate or
28 measure, the full name of the candidate, and the office and district
29 for which he or she seeks nomination or election, or the number
30 or letter of the measure, and the jurisdiction in which the measure
31 or candidate is voted upon.

32 (c) A contribution or expenditure shall be reported by facsimile
33 transmission, guaranteed overnight delivery, or personal delivery
34 within 24 hours of the time it is made in the case of the candidate
35 or committee that makes the contribution and within 24 hours of
36 the time it is received in the case of the recipient. If a contribution
37 or expenditure is required to be reported to the Secretary of State,
38 the report to the Secretary of State shall be by online or electronic
39 transmission only.

40 SEC. 10. Section 84200.5 of the Government Code is repealed.

- 1 SEC. 11. Section 84200.6 of the Government Code is repealed.
- 2 SEC. 12. Section 84200.7 of the Government Code is repealed.
- 3 SEC. 13. Section 84200.8 of the Government Code is repealed.
- 4 SEC. 14. Section 84200.9 of the Government Code is repealed.
- 5 SEC. 15. Section 84202.3 of the Government Code is repealed.
- 6 SEC. 16. Section 84202.5 of the Government Code is repealed.
- 7 SEC. 17. Section 84202.7 of the Government Code is repealed.
- 8 SEC. 18. Section 84203 of the Government Code is repealed.
- 9 SEC. 19. Section 84203.3 of the Government Code is amended

10 to read:

11 84203.3. Any candidate or committee that makes a contribution
12 that is an in-kind contribution shall notify the recipient in writing
13 of the value of the in-kind contribution. The notice shall be received
14 by the recipient within 24 hours of the time the contribution is
15 made.

16 ~~SEC. 20. Section 84203.5 of the Government Code is amended~~
17 ~~to read:~~

18 ~~84203.5.—(a) In addition to any campaign statements required~~
19 ~~by this article, if a candidate or committee has made independent~~
20 ~~expenditures totaling one thousand dollars (\$1,000) or more in a~~
21 ~~calendar year to support or oppose a candidate, a measure or~~
22 ~~qualification of a measure, it shall file independent expenditure~~
23 ~~reports at the times prescribed by the Commission.~~

24 ~~(b) An independent expenditure report shall contain the~~
25 ~~following information:~~

26 ~~(1) The name, street address, and telephone number of the~~
27 ~~candidate or committee making the expenditure and of the~~
28 ~~committee's treasurer, and the number assigned to the committee~~
29 ~~by the Secretary of State.~~

30 ~~(2) If the report is related to a candidate, the full name of the~~
31 ~~candidate and the office and district for which the candidate seeks~~
32 ~~nomination or election. If the report is related to a measure or~~
33 ~~qualification of a measure, the number or letter of the measure, or~~
34 ~~if none has yet been assigned, a brief description of the subject~~
35 ~~matter of the measure, and the jurisdiction in which the measure~~
36 ~~is to be voted on or would be voted on if it qualified.~~

37 ~~(3) The total amount of expenditures related to the candidate or~~
38 ~~measure during the period covered by the report made to persons~~
39 ~~who have received less than one hundred dollars (\$100).~~

1 ~~(4) The total amount of expenditures related to the candidate or~~
2 ~~measure during the period covered by the report made to persons~~
3 ~~who have received one hundred dollars (\$100) or more.~~

4 ~~(5) For each person to whom an expenditure of one hundred~~
5 ~~dollars (\$100) or more related to the candidate or measure has~~
6 ~~been made during the period covered by the report and for each~~
7 ~~person who has provided consideration for an expenditure of one~~
8 ~~hundred dollars (\$100) or more during the period covered by the~~
9 ~~report:~~

10 ~~(A) His or her full name.~~

11 ~~(B) His or her street address.~~

12 ~~(C) If the person is a committee, the name of the committee,~~
13 ~~the number assigned to the committee by the Secretary of State,~~
14 ~~or if no number has been assigned, the full name and street address~~
15 ~~of the treasurer of the committee.~~

16 ~~(D) The date of the expenditure.~~

17 ~~(E) The amount of the expenditure.~~

18 ~~(F) A brief description of the consideration for which each~~
19 ~~expenditure was made and the value of the consideration if less~~
20 ~~than the total amount of the expenditure.~~

21 ~~(G) The cumulative amount of expenditures to the person.~~

22 ~~(6) A list of all the filing officers with whom the committee~~
23 ~~filed its most recent campaign statement.~~

24 ~~(e) Filing officers shall maintain paper reports filed pursuant to~~
25 ~~this section under the name of the candidate or measure supported~~
26 ~~or opposed by the independent expenditure.~~

27 ~~SEC. 21. Section 84204 of the Government Code is amended~~
28 ~~to read:~~

29 ~~84204. (a) A committee that makes a late independent~~
30 ~~expenditure, as defined in Section 82036.5, shall report the late~~
31 ~~independent expenditure by facsimile transmission, guaranteed~~
32 ~~overnight delivery, or personal delivery within 24 hours of the~~
33 ~~time it is made. If a late independent expenditure is required to be~~
34 ~~reported to the Secretary of State, the report to the Secretary of~~
35 ~~State shall be by online or electronic transmission only. A late~~
36 ~~independent expenditure shall be reported on subsequent campaign~~
37 ~~statements without regard to reports filed pursuant to this section.~~

38 ~~(b) A committee that makes a late independent expenditure shall~~
39 ~~report its full name and street address, as well as the name, office,~~
40 ~~and district of the candidate if the report is related to a candidate,~~

1 or if the report is related to a measure, the number or letter of the
2 measure, the jurisdiction in which the measure is to be voted upon,
3 and the amount and the date, as well as a description of goods or
4 services for which the late independent expenditure was made.

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

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

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

16 SEC. 22. Section 84204.5 of the Government Code is amended
17 to read:

18 84204.5.— (a) In addition to any other report required by this
19 title, a committee pursuant to subdivision (a) of Section 82013 that
20 is required to file reports pursuant to Section 84605 shall file online
21 or electronically with the Secretary of State each time it makes
22 independent expenditures totaling five thousand dollars (\$5,000)
23 or more to support or oppose the qualification or passage of a
24 single state ballot measure. The report shall be filed within 10
25 business days of making the contributions or independent
26 expenditures and shall contain all of the following:

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

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

36 (3) The date, amount, and a description of the goods or services
37 for which the expenditure was made.

38 (b) Reports required by this section are not required to be filed
39 by a committee primarily formed to support or oppose the
40 qualification or passage of a state ballot measure for expenditures

1 made on behalf of the ballot measure or measures for which it is
2 formed.

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

6 *SEC. 20. Section 84203.5 of the Government Code is repealed.*

7 ~~84203.5.—(a) In addition to any campaign statements required~~
8 ~~by this article, if a candidate or committee has made independent~~
9 ~~expenditures totaling one thousand dollars (\$1,000) or more in a~~
10 ~~calendar year to support or oppose a candidate, a measure or~~
11 ~~qualification of a measure, it shall file independent expenditure~~
12 ~~reports at the same time, covering the same periods, and in the~~
13 ~~places where the candidate or committee would be required to file~~
14 ~~campaign statements under this article, as if it were formed or~~
15 ~~existing primarily to support or oppose the candidate or measure~~
16 ~~or qualification of the measure. No independent expenditure report~~
17 ~~need be filed to cover a period for which there has been no activity~~
18 ~~to report.~~

19 ~~(b) An independent expenditure report shall contain the~~
20 ~~following information:~~

21 ~~(1) The name, street address, and telephone number of the~~
22 ~~candidate or committee making the expenditure and of the~~
23 ~~committee's treasurer, and the number assigned to the committee~~
24 ~~by the Secretary of State.~~

25 ~~(2) If the report is related to a candidate, the full name of the~~
26 ~~candidate and the office and district for which the candidate seeks~~
27 ~~nomination or election. If the report is related to a measure or~~
28 ~~qualification of a measure, the number or letter of the measure, or~~
29 ~~if none has yet been assigned, a brief description of the subject~~
30 ~~matter of the measure, and the jurisdiction in which the measure~~
31 ~~is to be voted on or would be voted on if it qualified.~~

32 ~~(3) The total amount of expenditures related to the candidate or~~
33 ~~measure during the period covered by the report made to persons~~
34 ~~who have received less than one hundred dollars (\$100).~~

35 ~~(4) The total amount of expenditures related to the candidate or~~
36 ~~measure during the period covered by the report made to persons~~
37 ~~who have received one hundred dollars (\$100) or more.~~

38 ~~(5) For each person to whom an expenditure of one hundred~~
39 ~~dollars (\$100) or more related to the candidate or measure has~~
40 ~~been made during the period covered by the report and for each~~

1 person who has provided consideration for an expenditure of one
2 hundred dollars (\$100) or more during the period covered by the
3 report:

4 (A) His or her full name.

5 (B) His or her street address.

6 (C) If the person is a committee, the name of the committee,
7 the number assigned to the committee by the Secretary of State,
8 or if no number has been assigned, the full name and street address
9 of the treasurer of the committee.

10 (D) The date of the expenditure.

11 (E) The amount of the expenditure.

12 (F) A brief description of the consideration for which each
13 expenditure was made and the value of the consideration if less
14 than the total amount of the expenditure.

15 (G) The cumulative amount of expenditures to such person.

16 (6) A list of all the filing officers with whom the committee
17 filed its most recent campaign statement.

18 (e) Filing officers shall maintain paper reports filed pursuant to
19 this section under the name of the candidate or measure supported
20 or opposed by the independent expenditure.

21 *SEC. 21. Section 84204 of the Government Code is repealed.*

22 84204. (a) A committee that makes a late independent
23 expenditure, as defined in Section 82036.5, shall report the late
24 independent expenditure by facsimile transmission, guaranteed
25 overnight delivery, or personal delivery within 24 hours of the
26 time it is made. If a late independent expenditure is required to be
27 reported to the Secretary of State, the report to the Secretary of
28 State shall be by online or electronic transmission only. A late
29 independent expenditure shall be reported on subsequent campaign
30 statements without regard to reports filed pursuant to this section.

31 (b) A committee that makes a late independent expenditure shall
32 report its full name and street address, as well as the name, office,
33 and district of the candidate if the report is related to a candidate,
34 or if the report is related to a measure, the number or letter of the
35 measure, the jurisdiction in which the measure is to be voted upon,
36 and the amount and the date, as well as a description of goods or
37 services for which the late independent expenditure was made. In
38 addition to the information required by this subdivision, a
39 committee that makes a late independent expenditure shall include
40 with its late independent expenditure report the information

1 required by paragraphs (1) to (5), inclusive, of subdivision (f) of
2 Section 84211, covering the period from the day after the closing
3 date of the last campaign report filed to the date of the late
4 independent expenditure, or if the committee has not previously
5 filed a campaign statement, covering the period from the previous
6 January 1 to the date of the late independent expenditure. No
7 information required by paragraphs (1) to (5), inclusive, of
8 subdivision (f) of Section 84211 that is required to be reported
9 with a late independent expenditure report by this subdivision is
10 required to be reported on more than one late independent
11 expenditure report.

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

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

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

23 *SEC. 22. Section 84204.5 of the Government Code is repealed.*

24 ~~84204.5.— (a) In addition to any other report required by this~~
25 ~~title, a committee pursuant to subdivision (a) of Section 82013 that~~
26 ~~is required to file reports pursuant to Section 84605 shall file online~~
27 ~~or electronically with the Secretary of State each time it makes~~
28 ~~contributions totaling five thousand dollars (\$5,000) or more or~~
29 ~~each time it makes independent expenditures totaling five thousand~~
30 ~~dollars (\$5,000) or more to support or oppose the qualification or~~
31 ~~passage of a single state ballot measure. The report shall be filed~~
32 ~~within 10 business days of making the contributions or independent~~
33 ~~expenditures and shall contain all of the following:~~

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

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

1 a number or letter and has not been issued a title by the Attorney
2 General.

3 ~~(3) In the case of a contribution, the date and amount of the~~
4 ~~contribution and the name, address, and identification number of~~
5 ~~the committee to whom the contribution was made. In addition,~~
6 ~~the report shall include the information required by paragraphs (1)~~
7 ~~to (5), inclusive, of subdivision (f) of Section 84211, regarding~~
8 ~~contributions or loans received from a person described in that~~
9 ~~subdivision, covering the period from the day after the closing~~
10 ~~date of the last campaign report filed to the date of the contribution~~
11 ~~requiring a report under this section, or if the committee has not~~
12 ~~previously filed a campaign statement, covering the period from~~
13 ~~the previous January 1 to the date of the contribution requiring a~~
14 ~~report under this section. No information described in paragraphs~~
15 ~~(1) to (5), inclusive, of subdivision (f) of Section 84211 that is~~
16 ~~required to be reported pursuant to this subdivision is required to~~
17 ~~be reported in more than one report provided for in this subdivision~~
18 ~~for each contribution or loan received from a person described in~~
19 ~~subdivision (f) of Section 84211.~~

20 ~~(4) In the case of an independent expenditure, the date, amount,~~
21 ~~and a description of the goods or services for which the expenditure~~
22 ~~was made. In addition, the report shall include the information~~
23 ~~required by paragraphs (1) to (5), inclusive, of subdivision (f) of~~
24 ~~Section 84211 regarding contributions or loans received from a~~
25 ~~person described in that subdivision, covering the period from the~~
26 ~~day after the closing date of the last campaign report filed to the~~
27 ~~date of the expenditure, or if the committee has not previously~~
28 ~~filed a campaign statement, covering the period from the previous~~
29 ~~January 1 to the date of the expenditure. No information described~~
30 ~~in paragraphs (1) to (5), inclusive, of subdivision (f) of Section~~
31 ~~84211 that is required to be reported pursuant to this subdivision~~
32 ~~is required to be reported in more than one report provided for in~~
33 ~~this subdivision for each contribution or loan received from a~~
34 ~~person described in subdivision (f) of Section 84211.~~

35 ~~(b) Reports required by this section are not required to be filed~~
36 ~~by a committee primarily formed to support or oppose the~~
37 ~~qualification or passage of a state ballot measure for expenditures~~
38 ~~made on behalf of the ballot measure or measures for which it is~~
39 ~~formed.~~

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

4 SEC. 23. Section 84205 of the Government Code is repealed.

5 SEC. 24. Section 84206 of the Government Code is repealed.

6 SEC. 25. Section 84209 of the Government Code is repealed.

7 SEC. 26. Section 84211 of the Government Code is repealed.

8 SEC. 27. Section 84215 of the Government Code is amended
9 to read:

10 84215. All candidates and elected officers and their controlled
11 committees, except as provided in subdivisions (d) and (e), shall
12 file one copy of the campaign statements required by Section 84200
13 with the elections official of the county in which the candidate or
14 elected official is domiciled, as defined in subdivision (b) of
15 Section 349 of the Elections Code. In addition, campaign
16 statements shall be filed at the following places:

17 (a) Statewide elected officers, including members of the State
18 Board of Equalization; Members of the Legislature; Supreme Court
19 justices, court of appeal justices, and superior court judges;
20 candidates for those offices and their controlled committees;
21 committees formed or existing primarily to support or oppose these
22 candidates, elected officers, justices and judges, or statewide
23 measures, or the qualification of state ballot measures; and all state
24 general purpose committees and filers not specified in subdivisions
25 (b) to (e), inclusive, shall file a campaign statement by online or
26 electronic means, as specified in Section 84605, and shall file the
27 original and one copy of the campaign statement in paper format
28 with the Secretary of State.

29 (b) Elected officers in jurisdictions other than legislative
30 districts, State Board of Equalization districts, or appellate court
31 districts that contain parts of two or more counties, candidates for
32 these offices, their controlled committees, and committees formed
33 or existing primarily to support or oppose candidates or local
34 measures to be voted upon in one of these jurisdictions shall file
35 the original and one copy with the elections official of the county
36 with the largest number of registered voters in the jurisdiction.

37 (c) County elected officers, candidates for these offices, their
38 controlled committees, committees formed or existing primarily
39 to support or oppose candidates or local measures to be voted upon
40 in any number of jurisdictions within one county, other than those

1 specified in subdivision (d), and county general purpose
2 committees shall file the original and one copy with the elections
3 official of the county.

4 (d) City elected officers, candidates for city office, their
5 controlled committees, committees formed or existing primarily
6 to support or oppose candidates or local measures to be voted upon
7 in one city, and city general purpose committees shall file the
8 original and one copy with the clerk of the city and are not required
9 to file with the local elections official of the county in which they
10 are domiciled.

11 (e) Elected members of the Board of Administration of the
12 Public Employees' Retirement System, elected members of the
13 Teachers' Retirement Board, candidates for these offices, their
14 controlled committees, and committees formed or existing
15 primarily to support or oppose these candidates or elected members
16 shall file the original and one copy with the Secretary of State, and
17 a copy shall be filed at the relevant board's office in Sacramento.
18 These elected officers, candidates, and committees need not file
19 with the elections official of the county in which they are
20 domiciled.

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

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

31 SEC. 28. Section 84216 of the Government Code is amended
32 to read:

33 84216. (a) Notwithstanding Section 82015, a loan received
34 by a candidate or committee is a contribution unless the loan is
35 received from a commercial lending institution in the ordinary
36 course of business, or it is clear from the surrounding circumstances
37 that it is not made for political purposes.

38 (b) A loan, whether or not there is a written contract for the
39 loan, shall be reported as provided in Section 84200 when any of
40 the following apply:

- 1 (1) The loan is a contribution.
- 2 (2) The loan is received by a committee.
- 3 (3) The loan is received by a candidate and is used for political
- 4 purposes.

5 SEC. 29. Section 84216.5 of the Government Code is repealed.

6 SEC. 30. Section 84218 of the Government Code is amended
7 to read:

8 84218. (a) A slate mailer organization shall file semiannual
9 campaign statements no later than July 31 for the period ending
10 June 30, and no later than January 31 for the period ending
11 December 31.

12 (b) A slate mailer organization shall file two copies of its
13 campaign reports with the clerk of the county in which it is
14 domiciled. A slate mailer organization is domiciled at the address
15 listed on its statement of organization unless it is domiciled outside
16 California, in which case its domicile shall be deemed to be Los
17 Angeles County for purposes of this section.

18 In addition, slate mailer organizations shall file campaign reports
19 as follows:

20 (1) A slate mailer organization which produces one or more
21 slate mailers supporting or opposing candidates or measures voted
22 on in a state election, or in more than one county, shall file
23 campaign reports in the same manner as state general purpose
24 committees pursuant to subdivision (a) of Section 84215.

25 (2) A slate mailer organization which produces one or more
26 slate mailers supporting or opposing candidates or measures voted
27 on in only one county, or in more than one jurisdiction within one
28 county, shall file campaign reports in the same manner as county
29 general purpose committees pursuant to subdivision (c) of Section
30 84215.

31 (3) A slate mailer organization which produces one or more
32 slate mailers supporting or opposing candidates or measures voted
33 on in only one city shall file campaign reports in the same manner
34 as city general purpose committees pursuant to subdivision (d) of
35 Section 84215.

36 (4) Notwithstanding the above, no slate mailer organization
37 shall be required to file more than the original and one copy, or
38 two copies, of a campaign report with any one county or city clerk
39 or with the Secretary of State.

40 SEC. 31. Section 84220 of the Government Code is repealed.

1 SEC. 32. Article 2.5 (commencing with Section 84250) of
2 Chapter 4 of Title 9 of the Government Code is repealed.

3 ~~SEC. 33. Section 84300 of the Government Code is amended~~
4 ~~to read:~~

5 ~~84300. (a) No expenditure of one hundred dollars (\$100) or~~
6 ~~more shall be made in cash.~~

7 ~~(b) The value of all in-kind contributions of one hundred dollars~~
8 ~~(\$100) or more shall be reported in writing to the recipient upon~~
9 ~~the request in writing of the recipient.~~

10 ~~SEC. 34. Section 84302 of the Government Code is repealed.~~

11 ~~SEC. 35. Section 84308 of the Government Code is amended~~
12 ~~to read:~~

13 ~~84308. (a) The definitions set forth in this subdivision shall~~
14 ~~govern the interpretation of this section.~~

15 ~~(1) "Party" means any person who files an application for, or~~
16 ~~is the subject of, a proceeding involving a license, permit, or other~~
17 ~~entitlement for use.~~

18 ~~(2) "Participant" means any person who is not a party but who~~
19 ~~actively supports or opposes a particular decision in a proceeding~~
20 ~~involving a license, permit, or other entitlement for use and who~~
21 ~~has a financial interest in the decision, as described in Article 1~~
22 ~~(commencing with Section 87100) of Chapter 7. A person actively~~
23 ~~supports or opposes a particular decision in a proceeding if he or~~
24 ~~she lobbies in person the officers or employees of the agency,~~
25 ~~testifies in person before the agency, or otherwise acts to influence~~
26 ~~officers of the agency.~~

27 ~~(3) "Agency" means an agency as defined in Section 82003,~~
28 ~~except that it does not include the courts or any agency in the~~
29 ~~judicial branch of government, local governmental agencies whose~~
30 ~~members are directly elected by the voters, the Legislature, the~~
31 ~~State Board of Equalization, or constitutional officers. However,~~
32 ~~this section applies to any person who is a member of an exempted~~
33 ~~agency but is acting as a voting member of another agency.~~

34 ~~(4) "Officer" means any elected or appointed officer of an~~
35 ~~agency, any alternate to an elected or appointed officer of an~~
36 ~~agency, and any candidate for elective office in an agency.~~

37 ~~(5) "License, permit, or other entitlement for use" means all~~
38 ~~business, professional, trade, and land use licenses and permits~~
39 ~~and all other entitlements for use, including all entitlements for~~

1 land use, all contracts (other than competitively bid, labor, or
2 personal employment contracts), and all franchises.

3 (6) “Contribution” includes contributions to candidates and
4 committees in federal, state, or local elections.

5 (b) Prior to rendering any decision in a proceeding involving a
6 license, permit, or other entitlement for use pending before an
7 agency, each officer of the agency who received a contribution
8 within the preceding 12 months in an amount of more than two
9 hundred fifty dollars (\$250) from a party or from any participant
10 shall disclose that fact on the record of the proceeding. No officer
11 of an agency shall make, participate in making, or in any way
12 attempt to use his or her official position to influence the decision
13 in a proceeding involving a license, permit, or other entitlement
14 for use pending before the agency if the officer has willfully or
15 knowingly received a contribution in an amount of more than two
16 hundred fifty dollars (\$250) within the preceding 12 months from
17 a party or his or her agent, or from any participant, or his or her
18 agent if the officer knows or has reason to know that the participant
19 has a financial interest in the decision, as that term is described
20 with respect to public officials in Article 1 (commencing with
21 Section 87100) of Chapter 7.

22 If an officer receives a contribution that would otherwise require
23 disqualification under this section, and returns the contribution
24 within 30 days from the time he or she knows, or should have
25 known, about the contribution and the proceeding involving a
26 license, permit, or other entitlement for use, he or she shall be
27 permitted to participate in the proceeding.

28 (e) A party to a proceeding before an agency involving a license,
29 permit, or other entitlement for use shall disclose on the record of
30 the proceeding any contribution in an amount of more than two
31 hundred fifty dollars (\$250) made within the preceding 12 months
32 by the party, or his or her agent, to any officer of the agency. No
33 party, or his or her agent, to a proceeding involving a license,
34 permit, or other entitlement for use pending before any agency
35 and no participant, or his or her agent, in the proceeding shall make
36 a contribution of more than two hundred fifty dollars (\$250) to
37 any officer of that agency during the proceeding and for three
38 months following the date a final decision is rendered by the
39 agency in the proceeding. When a closed corporation is a party to,
40 or a participant in, a proceeding involving a license, permit, or

1 other entitlement for use pending before an agency, the majority
2 shareholder is subject to the disclosure and prohibition
3 requirements specified in subdivision (b) and this subdivision.

4 (d) ~~Nothing in this section shall be construed to imply that any~~
5 ~~contribution subject to being reported under this title shall not be~~
6 ~~so reported.~~

7 *SEC. 33. Section 84300 of the Government Code is amended*
8 *to read:*

9 84300. (a) No contribution of one hundred dollars (\$100) or
10 more shall be made or received in cash.

11 ~~A cash contribution shall not be deemed received if it is not~~
12 ~~negotiated or deposited and is returned to the contributor before~~
13 ~~the closing date of the campaign statement on which the~~
14 ~~contribution would otherwise be reported. If a cash contribution,~~
15 ~~other than a late contribution, as defined in Section 82036, is~~
16 ~~negotiated or deposited, it shall not be deemed received if it is~~
17 ~~refunded within 72 hours of receipt. In the case of a late~~
18 ~~contribution, as defined in Section 82036, it shall not be deemed~~
19 ~~received if it is returned to the contributor within 48 hours of~~
20 ~~receipt.~~

21 (b) No expenditure of one hundred dollars (\$100) or more shall
22 be made in cash.

23 (c) No contribution of one hundred dollars (\$100) or more other
24 than an in-kind contribution shall be made unless in the form of a
25 written instrument containing the name of the donor and the name
26 of the payee and drawn from the account of the donor or the
27 intermediary, as defined in Section 84302.

28 (d) The value of all in-kind contributions of one hundred dollars
29 (\$100) or more shall be reported in writing to the recipient upon
30 the request in writing of the recipient.

31 ~~SEC. 36.~~

32 *SEC. 34. Section 84602 of the Government Code is amended*
33 *to read:*

34 84602. To implement the Legislature's intent, the Secretary of
35 State, in consultation with the commission, notwithstanding any
36 other provision of this code, shall do all of the following:

37 (a) Develop online and electronic filing processes for use by
38 persons and entities specified in Section 84605 that are required
39 to file statements and reports with the Secretary of State's office
40 pursuant to Chapter 4 (commencing with Section 84100) and

1 Chapter 6 (commencing with Section 86100). Those processes
2 shall each enable a user to comply with all the disclosure
3 requirements of this title and shall include, at a minimum, the
4 following:

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

12 (2) The definition of a nonproprietary standardized record format
13 or formats using industry standards for the transmission of the data
14 that is required of those persons and entities specified *in* Section
15 84605 and that conforms with the disclosure requirements of this
16 title. The Secretary of State shall hold public hearings prior to
17 development of the record format or formats as a means to ensure
18 that affected entities have an opportunity to provide input into the
19 development process. The format or formats shall be made public
20 no later than July 1, 1999, to ensure sufficient time to comply with
21 the requirements of this chapter.

22 (b) Accept test files from software vendors and others wishing
23 to file reports electronically, for the purpose of determining whether
24 the file format is in compliance with the standardized record format
25 developed pursuant to subdivision (a) and is compatible with the
26 Secretary of State's system for receiving the data. A list of the
27 software and service providers who have submitted acceptable test
28 files shall be published by the Secretary of State and made available
29 to the public. Acceptably formatted files shall be submitted by a
30 filer in order to meet the requirements of this chapter.

31 (c) Develop a system that provides for the online or electronic
32 transfer of the data specified in this section utilizing
33 telecommunications technology that assures the integrity of the
34 data transmitted and that creates safeguards against efforts to
35 tamper with or subvert the data.

36 (d) Make all the data filed available on the Internet in an easily
37 understood format that provides the greatest public access. The
38 data shall be made available free of charge and as soon as possible
39 after receipt. All contribution reports and ~~late-independent~~
40 expenditure reports shall be made available on the Internet within

1 24 hours of receipt. The data made available on the Internet shall
2 not contain the street name and building number of the persons or
3 entity representatives listed on the electronically filed forms or
4 any bank account number required to be disclosed pursuant to this
5 title.

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

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

11 (g) Provide assistance to those seeking public access to the
12 information.

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

15 (i) Provide the commission with necessary information to enable
16 it to assist agencies, public officials, and others, with the
17 compliance with and administration of this title.

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

32 (k) Review the current filing and disclosure requirements of
33 this chapter and report to the Legislature, no later than June 1,
34 2005, recommendations on revising these requirements so as to
35 promote greater reliance on electronic and online submissions.

36 ~~SEC. 37.~~

37 *SEC. 35.* Section 84605 of the Government Code is amended
38 to read:

39 84605. (a) The following persons shall file online or
40 electronically with the Secretary of State:

1 (1) Any candidate, including superior court, appellate court,
2 and Supreme Court candidates and officeholders, committee, or
3 other persons who are required, pursuant to Chapter 4 (commencing
4 with Section 84100), to file statements, reports, or other documents
5 in connection with a state elective office or state measure, provided
6 that the total cumulative reportable amount of contributions
7 received, expenditures made, loans made, or loans received is
8 twenty-five thousand dollars (\$25,000) or more. In determining
9 the cumulative reportable amount, all controlled committees, as
10 defined by Section 82016, shall be included. For a committee
11 subject to this title prior to January 1, 2000, the beginning date for
12 calculating cumulative totals is January 1, 2000. For a committee
13 that is first subject to this title on or after January 1, 2000, the
14 beginning date for calculating cumulative totals is the date the
15 committee is first subject to this title. A committee, as defined in
16 subdivision (c) of Section 82013, shall file online or electronically
17 if it makes contributions of twenty-five thousand dollars (\$25,000)
18 or more in a calendar year.

19 (2) Any general purpose committees, as defined in Section
20 82027.5, including the general purpose committees of political
21 parties, and small contributor committees, as defined in Section
22 85203, that cumulatively receive contributions or make
23 expenditures totaling twenty-five thousand dollars (\$25,000) or
24 more to support or oppose candidates for any elective state office
25 or state measure. For a committee subject to this title prior to
26 January 1, 2000, the beginning date for calculating cumulative
27 totals is January 1, 2000. For a committee that first is subject to
28 this title on or after January 1, 2000, the beginning date for
29 calculating cumulative totals is the date the committee is first
30 subject to this title.

31 (3) Any slate mailer organization with cumulative reportable
32 payments received or made for the purposes of producing slate
33 mailers of twenty-five thousand dollars (\$25,000) or more. For a
34 slate mailer organization subject to this title prior to January 1,
35 2000, the beginning date for calculating cumulative totals is
36 January 1, 2000. For a slate mailer organization that first is subject
37 to this title on or after January 1, 2000, the beginning date for
38 calculating cumulative totals is the date the organization is first
39 subject to this title.

1 (4) Any lobbyist, lobbying firm, lobbyist employer, or other
2 persons required, pursuant to Chapter 6 (commencing with Section
3 86100), to file statements, reports, or other documents, provided
4 that the total amount of any category of reportable payments,
5 expenses, contributions, gifts, or other items is two thousand five
6 hundred dollars (\$2,500) or more in a calendar quarter.

7 (b) The Secretary of State shall also disclose on the Internet any
8 contribution report or late independent or expenditure report not
9 covered by paragraph (1), (2), or (3) of subdivision (a) or any other
10 provision of law.

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

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

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

19 (f) Persons filing online or electronically shall also continue to
20 file required disclosure statements and reports in paper format.
21 The paper copy shall continue to be the official filing for audit and
22 other legal purposes until the Secretary of State, pursuant to Section
23 84606, determines the system is operating securely and effectively.

24 (g) The Secretary of State shall maintain at all times a secured,
25 official version of all original online and electronically filed
26 statements and reports required by this chapter. Upon determination
27 by the Secretary of State, pursuant to Section 84606, that the
28 system is operating securely and effectively, this online or
29 electronic version shall be the official version for audit and other
30 legal purposes.

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

37 ~~SEC. 38. Section 85300 of the Government Code is repealed.~~

38 ~~SEC. 39. Section 85301 of the Government Code is repealed.~~

39 ~~SEC. 40. Section 85302 of the Government Code is repealed.~~

40 ~~SEC. 41. Section 85303 of the Government Code is repealed.~~

1 ~~SEC. 42.— Section 85304 of the Government Code is amended to~~
2 ~~read:~~

3 ~~85304. (a) A candidate for elective state office or an elected~~
4 ~~state officer may establish a separate account to defray attorney's~~
5 ~~fees and other related legal costs incurred for the candidate's or~~
6 ~~officer's legal defense if the candidate or officer is subject to one~~
7 ~~or more civil or criminal proceedings or administrative proceedings~~
8 ~~arising directly out of the conduct of an election campaign, the~~
9 ~~electoral process, or the performance of the officer's governmental~~
10 ~~activities and duties. These funds may be used only to defray those~~
11 ~~attorney's fees and other related legal costs.~~

12 ~~(b) All contributions shall be reported in the manner prescribed~~
13 ~~by Section 84200.~~

14 ~~(c) Once the legal dispute is resolved, the candidate shall dispose~~
15 ~~of any funds remaining after all expenses associated with the~~
16 ~~dispute are discharged for one or more of the purposes set forth in~~
17 ~~paragraphs (1) to (5), inclusive, of subdivision (b) of Section~~
18 ~~89519.~~

19 ~~SEC. 43.— Section 85304.5 of the Government Code is amended~~
20 ~~to read:~~

21 ~~85304.5. (a) A candidate for elective office other than an~~
22 ~~elective state officer or an elected officer other than an elected state~~
23 ~~officer may establish a separate account pursuant to subdivision~~
24 ~~(a) of Section 85304 and may use these funds only to defray~~
25 ~~attorney's fees and other related legal costs.~~

26 ~~(b) A candidate for an elective office other than an elective state~~
27 ~~office may receive contributions to the separate account, which~~
28 ~~shall not be subject to any limitations provided by local ordinance.~~
29 ~~However, all contributions to these separate accounts shall be~~
30 ~~reported in the manner prescribed by Section 84200.~~

31 ~~(c) Once the legal dispute is resolved, the candidate or elected~~
32 ~~officer shall dispose of any funds remaining in the separate~~
33 ~~accounts after all expenses associated with the dispute are~~
34 ~~discharged for one or more of the purposes set forth in paragraphs~~
35 ~~(1) to (5), inclusive, of subdivision (b) of Section 89519.~~

36 ~~SEC. 44.— Section 85305 of the Government Code is repealed.~~

37 ~~SEC. 45.— Section 85306 of the Government Code is amended~~
38 ~~to read:~~

39 ~~85306. (a) A candidate may transfer campaign funds from one~~
40 ~~controlled committee to a controlled committee for elective state~~

1 office of the same candidate. Contributions transferred shall be
2 attributed to specific contributors using a “last in, first out” or “first
3 in, first out” accounting method.

4 (b) Notwithstanding subdivision (a), a candidate for elective
5 state office, other than a candidate for statewide elective office,
6 who possesses campaign funds on January 1, 2001, may use those
7 funds to seek elective office without attributing the funds to specific
8 contributors.

9 (c) Notwithstanding subdivision (a), a candidate for statewide
10 elective office who possesses campaign funds on November 6,
11 2002, may use those funds to seek elective office without
12 attributing the funds to specific contributors.

13 SEC. 46. Section 85307 of the Government Code is repealed.

14 SEC. 47. Section 85309 of the Government Code is repealed.

15 SEC. 48. Section 85310 of the Government Code is amended
16 to read:

17 85310. (a) Any person who makes a payment or a promise of
18 payment totaling fifty thousand dollars (\$50,000) or more for a
19 communication that clearly identifies a candidate for elective state
20 office, but does not expressly advocate the election or defeat of
21 the candidate, and that is disseminated, broadcast, or otherwise
22 published within 45 days of an election, shall file online or
23 electronically with the Secretary of State a report disclosing the
24 name of the person, address, occupation, and employer, and amount
25 of the payment. The report shall be filed within 48 hours of making
26 the payment or the promise to make the payment.

27 (b) (1) Except as provided in paragraph (2), if any person has
28 received a payment or a promise of a payment from other persons
29 totaling five thousand dollars (\$5,000) or more for the purpose of
30 making a communication described in subdivision (a), the person
31 receiving the payments shall disclose on the report the name,
32 address, occupation and employer, and date and amount received
33 from the person.

34 (2) A person who receives or is promised a payment that is
35 otherwise reportable under paragraph (1) is not required to report
36 the payment if the person is in the business of providing goods or
37 services and receives or is promised the payment for the purpose
38 of providing those goods or services.

39 SEC. 49. Section 85314 of the Government Code is repealed.

1 ~~SEC. 50.— Section 85315 of the Government Code is amended to~~
2 ~~read:~~

3 ~~85315. (a) Notwithstanding any other provision of this chapter,~~
4 ~~an elected state officer may establish a committee to oppose the~~
5 ~~qualification of a recall measure and the recall election. This~~
6 ~~committee may be established when the elected state officer~~
7 ~~receives a notice of intent to recall pursuant to Section 11021 of~~
8 ~~the Elections Code. An elected state officer may accept campaign~~
9 ~~contributions to oppose the qualification of a recall measure. The~~
10 ~~voluntary expenditure limits do not apply to expenditures made~~
11 ~~to oppose the qualification of a recall measure or to oppose the~~
12 ~~recall election.~~

13 ~~(b) After the failure of a recall petition or after the recall~~
14 ~~election, the committee formed by the elected state officer shall~~
15 ~~wind down its activities and dissolve. Any remaining funds shall~~
16 ~~be treated as surplus funds and shall be expended within 30 days~~
17 ~~after the failure of the recall petition or after the recall election for~~
18 ~~a purpose specified in subdivision (b) of Section 89519.~~

19 ~~SEC. 51.— Section 85316 of the Government Code is amended~~
20 ~~to read:~~

21 ~~85316. (a) Except as provided in subdivision (b), a contribution~~
22 ~~for an election may be accepted by a candidate for elective state~~
23 ~~office after the date of the election only to the extent that the~~
24 ~~contribution does not exceed net debts outstanding from the~~
25 ~~election.~~

26 ~~(b) Notwithstanding subdivision (a), an elected state officer~~
27 ~~may accept contributions after the date of the election for the~~
28 ~~purpose of paying expenses associated with holding the office~~
29 ~~provided that the contributions are not expended for any~~
30 ~~contribution to any state or local committee. Contributions received~~
31 ~~pursuant to this subdivision shall be deposited into a bank account~~
32 ~~established solely for the purposes specified in this subdivision.~~

33 ~~(c) Any contribution received pursuant to this section shall be~~
34 ~~deemed to be a contribution to that candidate for election to any~~
35 ~~state office that he or she may seek during the term of office to~~
36 ~~which he or she is currently elected, including, but not limited to,~~
37 ~~reelection to the office he or she currently holds. None of the~~
38 ~~expenditures made by elected state officers pursuant to this~~
39 ~~subdivision shall be subject to the voluntary expenditure limitations~~
40 ~~in Section 85400.~~

1 ~~SEC. 52.— Section 85320 of the Government Code is repealed.~~

2 ~~SEC. 53.— Section 85321 of the Government Code is repealed.~~

3 ~~SEC. 54.— Section 85501 of the Government Code is amended~~

4 ~~to read:~~

5 ~~85501.— A controlled committee of a candidate may not make~~
6 ~~independent expenditures to support or oppose other candidates.~~

7 ~~SEC. 55.— Section 85701 of the Government Code is repealed.~~

8 ~~SEC. 56.— Section 85702 of the Government Code is repealed.~~

9 ~~SEC. 57.— Section 85704 of the Government Code is repealed.~~

10 ~~SEC. 58.— Section 89510 of the Government Code is amended~~

11 ~~to read:~~

12 ~~89510.— All contributions deposited into the campaign account~~
13 ~~shall be deemed to be held in trust for expenses associated with~~
14 ~~the election of the candidate or for expenses associated with~~
15 ~~holding office.~~

16 ~~SEC. 36. Section 85309 of the Government Code is repealed.~~

17 ~~85309. (a) In addition to any other report required by this title,~~
18 ~~a candidate for elective state office who is required to file reports~~
19 ~~pursuant to Section 84605 shall file online or electronically with~~
20 ~~the Secretary of State a report disclosing receipt of a contribution~~
21 ~~of one thousand dollars (\$1,000) or more received during an~~
22 ~~election cycle. Those reports shall disclose the same information~~
23 ~~required by subdivision (a) of Section 84203 and shall be filed~~
24 ~~within 24 hours of receipt of the contribution.~~

25 ~~(b) In addition to any other report required by this title, any~~
26 ~~committee primarily formed to support or oppose one or more~~
27 ~~state ballot measures that is required to file reports pursuant to~~
28 ~~Section 84605 shall file online or electronically with the Secretary~~
29 ~~of State a report disclosing receipt of a contribution of one thousand~~
30 ~~dollars (\$1,000) or more received during an election cycle. Those~~
31 ~~reports shall disclose the same information required by subdivision~~
32 ~~(a) of Section 84203 and shall be filed within 24 hours of receipt~~
33 ~~of the contribution.~~

34 ~~(c) In addition to any other report required by this title, a~~
35 ~~candidate for elective state office who is required to file reports~~
36 ~~pursuant to Section 84605 shall file online or electronically with~~
37 ~~the Secretary of State a report disclosing receipt of a contribution~~
38 ~~of five thousand dollars (\$5,000) or more received at any time~~
39 ~~other than during an election cycle. Those reports shall disclose~~
40 ~~the same information required by subdivision (a) of Section 84203~~

1 and shall be filed within 10 business days of receipt of the
2 contribution.

3 (d) In addition to any other report required by this title, a
4 committee primarily formed to support or oppose a state ballot
5 measure that is required to file reports pursuant to Section 84605
6 shall file online or electronically with the Secretary of State a report
7 disclosing receipt of a contribution of five thousand dollars
8 (\$5,000) or more received at any time other than during an election
9 cycle. Those reports shall disclose the same information required
10 by subdivision (a) of Section 84203 and shall be filed within 10
11 business days of receipt of the contribution.

12 *SEC. 37. Section 85500 of the Government Code is amended*
13 *to read:*

14 85500. (a) In addition to any other report required by this title,
15 a committee, including a political party committee, that is required
16 to file reports pursuant to Section 84605 and that makes
17 independent expenditures of one thousand dollars (\$1,000) or more
18 during an election cycle in connection with a candidate for elective
19 state office or state ballot measure, shall file online or electronically
20 a report with the Secretary of State disclosing the making of the
21 independent expenditure. This report shall disclose the same
22 information required by subdivision (b) of Section ~~84204~~ 84200
23 and shall be filed within 24 hours of the time the independent
24 expenditure is made.

25 (b) An expenditure may not be considered independent, and
26 shall be treated as a contribution from the person making the
27 expenditure to the candidate on whose behalf, or for whose benefit,
28 the expenditure is made, if the expenditure is made under any of
29 the following circumstances:

30 (1) The expenditure is made with the cooperation of, or in
31 consultation with, the candidate on whose behalf, or for whose
32 benefit, the expenditure is made, or any controlled committee or
33 any agent of the candidate.

34 (2) The expenditure is made in concert with, or at the request
35 or suggestion of, the candidate on whose behalf, or for whose
36 benefit, the expenditure is made, or any controlled committee or
37 any agent of the candidate.

38 (3) The expenditure is made under any arrangement,
39 coordination, or direction with respect to the candidate or the
40 candidate's agent and the person making the expenditure.

1 ~~SEC. 59.~~

2 *SEC. 38.* Section 89511.5 of the Government Code is amended
3 to read:

4 89511.5. (a) An incumbent elected officer may utilize his or
5 her personal funds for expenditures authorized by Section 89510
6 without first depositing those funds in his or her controlled
7 committee's campaign bank account, if both of the following
8 conditions are met:

9 (1) The expenditures are not campaign expenses.

10 (2) The treasurer of the committee is provided with a dated
11 receipt and a written description of the expenditure.

12 (b) An incumbent elected officer may be reimbursed for
13 expenditures of his or her personal funds, from either the controlled
14 committee campaign bank account established pursuant to Section
15 85201 with respect to election to the incumbent term of office, or
16 from a controlled committee campaign bank account established
17 pursuant to Section 85201 with respect to election to a future term
18 of office, if all of the following conditions are met:

19 (1) The expenditures are not campaign expenses.

20 (2) The incumbent elected officer, prior to reimbursement,
21 provides the treasurer of the committee with a dated receipt and a
22 written description of each expenditure.

23 (3) Reimbursement is paid within 90 days of the expenditure,
24 in the case of a cash expenditure, or within 90 days of the end of
25 the billing period in which it was included, in the case of an
26 expenditure charged to a credit card or charge account.

27 (c) If reimbursement is not paid within the time authorized by
28 this section, the expenditure shall be reported on the campaign
29 statement as a nonmonetary contribution received on the 90th day
30 after the expenditure is paid, in the case of a cash expenditure, or
31 within 90 days of the end of the billing period in which it was
32 included, in the case of an expenditure charged to a credit card or
33 charge account.

34 (d) This section shall not be construed to authorize an incumbent
35 elected officer to make expenditures from any campaign bank
36 account for expenses other than those expenses associated with
37 his or her election to the specific office for which the account was
38 established and expenses associated with holding that office.

39 ~~SEC. 60.~~ Section 89512.5 of the Government Code is amended
40 to read:

1 ~~89512.5.— (a) Subject to the provisions of subdivision (b), any~~
2 ~~expenditure by a committee not subject to the trust imposed by~~
3 ~~Section 89510 shall be reasonably related to a political, legislative,~~
4 ~~or governmental purpose of the committee.~~

5 ~~(b) Any expenditure by a committee that confers a substantial~~
6 ~~personal benefit on any individual or individuals with authority to~~
7 ~~approve the expenditure of campaign funds held by the committee,~~
8 ~~shall be directly related to a political, legislative, or governmental~~
9 ~~purpose of the committee.~~

10 ~~SEC. 61.~~

11 ~~SEC. 39.~~ Section 89513 of the Government Code is amended
12 to read:

13 89513. This section governs the use of campaign funds for the
14 specific expenditures set forth in this section. It is the intent of the
15 Legislature that this section shall guide the interpretation of the
16 standard imposed by Section 89512 as applied to other expenditures
17 not specifically set forth in this section.

18 (a) (1) Campaign funds shall not be used to pay or reimburse
19 the candidate, the elected officer, or any individual or individuals
20 with authority to approve the expenditure of campaign funds held
21 by a committee, or employees or staff of the committee or the
22 elected officer's governmental agency for travel expenses and
23 necessary accommodations except when these expenditures are
24 directly related to a political, legislative, or governmental purpose.

25 (2) For the purposes of this section, payments or reimbursements
26 for travel and necessary accommodations shall be considered as
27 directly related to a political, legislative, or governmental purpose
28 if the payments would meet standards similar to the standards of
29 the Internal Revenue Service pursuant to Sections 162 and 274 of
30 the Internal Revenue Code for deductions of travel expenses under
31 the federal income tax law.

32 (3) For the purposes of this section, payments or reimbursement
33 for travel by the household of a candidate or elected officer when
34 traveling to the same destination in order to accompany the
35 candidate or elected officer shall be considered for the same
36 purpose as the candidate's or elected officer's travel.

37 (4) Whenever campaign funds are used to pay or reimburse for
38 travel expenses and necessary accommodations, any mileage credit
39 that is earned or awarded pursuant to an airline bonus mileage
40 program shall be deemed personally earned by or awarded to the

1 individual traveler. Neither the earning or awarding of mileage
2 credit, nor the redeeming of credit for actual travel, shall be subject
3 to reporting.

4 (b) (1) Campaign funds shall not be used to pay for or reimburse
5 the cost of professional services unless the services are directly
6 related to a political, legislative, or governmental purpose.

7 (2) Expenditures by a committee to pay for professional services
8 reasonably required by the committee to assist it in the performance
9 of its administrative functions are directly related to a political,
10 legislative, or governmental purpose.

11 (3) Campaign funds shall not be used to pay health-related
12 expenses for a candidate, elected officer, or any individual or
13 individuals with authority to approve the expenditure of campaign
14 funds held by a committee, or members of his or her household.
15 “Health-related expenses” includes, but is not limited to,
16 examinations by physicians, dentists, psychiatrists, psychologists,
17 or counselors, expenses for medications, treatments, or medical
18 equipment, and expenses for hospitalization, health club dues, and
19 special dietary foods. However, campaign funds may be used to
20 pay employer costs of health care benefits of a bona fide employee
21 or independent contractor of the committee.

22 (c) Campaign funds shall not be used to pay or reimburse fines,
23 penalties, judgments, or settlements, except those resulting from
24 either of the following:

25 (1) Parking citations incurred in the performance of an activity
26 that was directly related to a political, legislative, or governmental
27 purpose.

28 (2) Any other action for which payment of attorney’s fees from
29 contributions would be permitted pursuant to this title.

30 (d) Campaign funds shall not be used for campaign, business,
31 or casual clothing, except specialty clothing that is not suitable for
32 everyday use, including, but not limited to, formal wear, if this
33 attire is to be worn by the candidate or elected officer and is directly
34 related to a political, legislative, or governmental purpose.

35 (e) (1) Except where otherwise prohibited by law, campaign
36 funds may be used to purchase or reimburse for the costs of
37 purchase of tickets to political fundraising events for the attendance
38 of a candidate, elected officer, or his or her immediate family, or
39 an officer, director, employee, or staff of the committee or the
40 elected officer’s governmental agency.

1 (2) Campaign funds shall not be used to pay for or reimburse
2 for the costs of tickets for entertainment or sporting events for the
3 candidate, elected officer, or members of his or her immediate
4 family, or an officer, director, employee, or staff of the committee,
5 unless their attendance at the event is directly related to a political,
6 legislative, or governmental purpose.

7 (3) The purchase of tickets for entertainment or sporting events
8 for the benefit of persons other than the candidate, elected officer,
9 or his or her immediate family are governed by subdivision (f).

10 (f) (1) Campaign funds shall not be used to make personal gifts
11 unless the gift is directly related to a political, legislative, or
12 governmental purpose. The refund of a campaign contribution
13 does not constitute the making of a gift.

14 (2) Nothing in this section shall prohibit the use of campaign
15 funds to reimburse or otherwise compensate a public employee
16 for services rendered to a candidate or committee while on
17 vacation, leave, or otherwise outside of compensated public time.

18 (3) An election victory celebration or similar campaign event,
19 or gifts with a total cumulative value of less than two hundred fifty
20 dollars (\$250) in a single year made to an individual employee, a
21 committee worker, or an employee of the elected officer's agency,
22 are considered to be directly related to a political, legislative, or
23 governmental purpose. For purposes of this paragraph, a gift to a
24 member of a person's immediate family shall be deemed to be a
25 gift to that person.

26 (g) Campaign funds shall not be used to make loans other than
27 to organizations pursuant to Section 89515, or, unless otherwise
28 prohibited, to a candidate for elective office, political party, or
29 committee.

30 ~~SEC. 62.~~

31 *SEC. 40.* Section 90002 of the Government Code is amended
32 to read:

33 90002. (a) Audits and investigations of lobbying firms and
34 lobbyist employers shall be performed on a biennial basis and shall
35 cover reports filed during a period of two years.

36 (b) If a lobbying firm or lobbyist employer keeps a separate
37 account for all receipts and payments for which reporting is
38 required by this chapter, the requirement of an audit under
39 subdivision (a) of Section 90001 shall be satisfied by an audit of

1 that account and the supporting documentation required to be
2 maintained by Section 86110.

3 (c) No audit or investigation of any candidate, controlled
4 committee, or committee primarily supporting or opposing a
5 candidate or a measure in connection with a report or statement
6 required by Chapter 4 (commencing with Section 84100), shall
7 begin until after the last date for filing the first report or statement
8 following the general, runoff, or special election for the office for
9 which the candidate ran, or following the election at which the
10 measure was adopted or defeated, except that audits and
11 investigations of statewide candidates, their controlled committees,
12 and committees primarily supporting or opposing those statewide
13 candidates who were defeated in the primary election and who are
14 not required to file statements for the general election may begin
15 after the last date for filing the first report or statement following
16 the primary election. When the campaign statements or reports of
17 a candidate, controlled committee, or a committee primarily
18 supporting or opposing a candidate are audited and investigated
19 pursuant to Section 90001, the audit and investigation shall cover
20 all campaign statements and reports filed for the primary and
21 general or special or runoff elections and any previous campaign
22 statement or report filed pursuant to Section 84200 since the last
23 election for that office, but shall exclude any statements or reports
24 which have previously been audited pursuant to Section 90001 or
25 90003. When the campaign statements or reports of a committee
26 primarily supporting or opposing a measure are audited and
27 investigated, the audit and investigation shall cover all campaign
28 statements and reports from the beginning date of the first
29 campaign statement filed by the committee in connection with the
30 measure. For all other committees, the audit and investigation shall
31 cover all campaign statements filed during the previous two
32 calendar years.

33 ~~SEC. 63. No reimbursement is required by this act pursuant to~~
34 ~~Section 6 of Article XIII B of the California Constitution because~~
35 ~~the duties imposed on a local agency or school district by this act~~
36 ~~were expressly included in a ballot measure approved by the voters~~
37 ~~in a statewide election, within the meaning of Section 17556 of~~
38 ~~the Government Code.~~

39 ~~SEC. 64. The Secretary of State shall, pursuant to subdivision~~
40 ~~(b) of Section 81012 of the Government Code, submit Sections 3~~

1 to 62, inclusive, of this act to the voters for approval at a statewide
2 election in accordance with Section 9040 of the Elections Code.

3 ~~SEC. 65. Sections 1 and 2 of this act shall not become operative~~
4 ~~unless and until the voters approve the amendments to the Political~~
5 ~~Reform Act of 1974 (Title 9 (commencing with Section 81000)~~
6 ~~of the Government Code) made by Sections 3 to 62, inclusive, of~~
7 ~~this act, at the statewide election described in Section 64.~~

8 *SEC. 41. No reimbursement is required by this act pursuant*
9 *to Section 6 of Article XIII B of the California Constitution for*
10 *certain costs that may be incurred by a local agency or school*
11 *district because, in that regard, this act creates a new crime or*
12 *infraction, eliminates a crime or infraction, or changes the penalty*
13 *for a crime or infraction, within the meaning of Section 17556 of*
14 *the Government Code, or changes the definition of a crime within*
15 *the meaning of Section 6 of Article XIII B of the California*
16 *Constitution.*

17 *However, if the Commission on State Mandates determines that*
18 *this act contains other costs mandated by the state, reimbursement*
19 *to local agencies and school districts for those costs shall be made*
20 *pursuant to Part 7 (commencing with Section 17500) of Division*
21 *4 of Title 2 of the Government Code.*

22 *SEC. 42. The Legislature finds and declares that this bill*
23 *furtheres the purposes of the Political Reform Act of 1974 within*
24 *the meaning of subdivision (a) of Section 81012 of the Government*
25 *Code.*

Introduced by Senator Steinberg

February 21, 2013

An act relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 477, as introduced, Steinberg. Political Reform Act of 1974: contributions: ballot measures.

The Political Reform Act of 1974 imposes various limitations on contributions made to, or accepted by, candidates for elective office and campaign committees that support or oppose candidates and ballot measures.

This bill would declare the intent of the Legislature to enact legislation that would prohibit a political campaign committee from accepting large contributions made for the purpose of supporting the qualification of a statewide initiative ballot measure until the committee has first received a significant number of small individual contributions made for the same purpose, thereby demonstrating a sufficient degree of public support for the proposed initiative measure.

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

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

1 SECTION 1. It is the intent of the Legislature to enact
2 legislation that would prohibit a political campaign committee
3 from accepting large contributions made for the purpose of
4 supporting the qualification of a statewide initiative ballot measure
5 until the committee has first received a significant number of small
6 individual contributions made for the same purpose, thereby

- 1 demonstrating a sufficient degree of public support for the proposed
- 2 initiative measure.

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AMENDED IN ASSEMBLY MARCH 14, 2013

CALIFORNIA LEGISLATURE—2013—14 REGULAR SESSION

ASSEMBLY BILL

No. 510

Introduced by Assembly Member Ammiano

February 20, 2013

An act to amend Section ~~84200~~ 84511 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 510, as amended, Ammiano. Political Reform Act of 1974: *advertisement disclosures.*

The Political Reform Act of 1974 requires a committee that makes an expenditure of \$5,000 or more to an individual for his or her appearance in an advertisement to support or oppose the qualification, passage, or defeat of a ballot measure to file a report, as specified, and to include in the advertisement a statement regarding payment of the individual by the committee or its donors.

This bill, in addition, would require a committee to comply with these requirements with regard to an expenditure of any amount to an individual for his or her appearance in an advertisement to support or oppose the qualification, passage, or defeat of a ballot measure if the advertisement states or otherwise communicates that the individual is a practitioner or member of a profession having expertise or specialized knowledge relating to the subject of the measure.

Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would impose a state-mandated local program by creating additional crimes.

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

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

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

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

~~The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing, conflicts of interests of public officials, and the lobbying industry, and further establishes the Fair Political Practices Commission to administer and enforce the provisions of the act. The act requires elected officers, candidates, and certain committees to file semiannual statements, except as specified.~~

~~This bill would make a technical, nonsubstantive change to that provision.~~

Vote: ~~majority~~²/₃. Appropriation: no. Fiscal committee: ~~no~~^{yes}. State-mandated local program: ~~no~~^{yes}.

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

- 1 SECTION 1. Section 84511 of the Government Code is
- 2 amended to read:
- 3 84511. (a) (1) A committee that makes an expenditure of
- 4 five thousand dollars (\$5,000) or more to an individual for his or
- 5 her appearance in an advertisement to support or oppose the
- 6 qualification, passage, or defeat of a ballot measure shall file a
- 7 report within 10 days of the expenditure. ~~The report~~
- 8 (2) A committee that makes an expenditure of any amount to an
- 9 individual for his or her appearance in an advertisement to support
- 10 or oppose the qualification, passage, or defeat of a ballot measure
- 11 shall file a report within 10 days of the expenditure if the
- 12 advertisement states or otherwise communicates that the individual
- 13 is a practitioner or member of a profession having expertise or
- 14 specialized knowledge relating to the subject of the measure.

1 (b) A report required by subdivision (a) shall identify the
2 measure, the date of the expenditure, the name of the recipient,
3 and the amount expended.

4 ~~(b) The advertisement~~

5 (c) An advertisement for which a report is required by
6 subdivision (a) shall include the statement “(spokesperson’s name)
7 is being paid by this campaign or its donors” in highly visible
8 roman font shown continuously, if the advertisement consists of
9 printed or televised material, or spoken in a clearly audible format,
10 if the advertisement is a radio broadcast or telephone message.

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

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

23 ~~SECTION 1. Section 84200 of the Government Code is~~
24 ~~amended to read:~~

25 ~~84200. (a) Except as provided in paragraphs (1), (2), and (3),~~
26 ~~elected officers, candidates, and committees pursuant to subdivision~~
27 ~~(a) of Section 82013 shall file semiannual statements each year no~~
28 ~~later than July 31 for the period ending June 30, and no later than~~
29 ~~January 31 for the period ending December 31.~~

30 ~~(1) A candidate who, during the past six months has filed a~~
31 ~~declaration pursuant to Section 84206 shall not be required to file~~
32 ~~a semiannual statement for that six-month period.~~

33 ~~(2) Elected officers whose salaries are less than two hundred~~
34 ~~dollars (\$200) a month, judges, judicial candidates, and their~~
35 ~~controlled committees shall not file semiannual statements pursuant~~
36 ~~to this subdivision for any six-month period in which they have~~
37 ~~not made or received any contributions or made any expenditures.~~

38 ~~(3) A judge who is not listed on the ballot for reelection to, or~~
39 ~~recall from, an elective office during a calendar year shall not file~~

1 ~~semiannual statements pursuant to this subdivision for any~~
2 ~~six-month period in that year if both of the following apply:~~
3 ~~(A) The judge has not received any contributions.~~
4 ~~(B) The only expenditures made by the judge during the calendar~~
5 ~~year are contributions from the judge's personal funds to other~~
6 ~~candidates or committees totaling less than one thousand dollars~~
7 ~~(\$1,000).~~
8 ~~(b) All committees pursuant to subdivision (b) or (c) of Section~~
9 ~~82013 shall file campaign statements each year no later than July~~
10 ~~31 for the period ending June 30, and no later than January 31 for~~
11 ~~the period ending December 31, if they have made contributions~~
12 ~~or independent expenditures, including payments to a slate mailer~~
13 ~~organization, during the six-month period before the closing date~~
14 ~~of the statements.~~