



STATE OF CALIFORNIA  
**FAIR POLITICAL PRACTICES COMMISSION**  
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**To:** Chair Germond, Commissioners Cardenas, Hatch, and Hayward

**From:** Phillip Ung, Director, Legislative and External Affairs

**Subject:** Attachment 5: Principal Officer Signature RN 19 00823

**Date:** December 14, 2018

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**Background**

All recipient committees are required to file a Statement of Organization (Form 410) within 10 days after the committee has qualified as a committee. The committee files the original statement with the Secretary of State and a copy with the local filing officer, if any, with whom the committee will file other campaign statements. The Statement of Organization must contain, among other information pursuant to Section 84102, the full name, street address, email address, and telephone number of the committee's principal officers. The Statement of Organization requires a signature, certifying under penalty of perjury, from the treasurer or assistant treasurer and a controlling officer holder, candidate, or state measure proponent. The signature and verification of a principal officer is not required on the Statement of Organization.

This bill would require any person identified as a principal officer on the Statement of Organization or an amendment, to sign and verify the statement.

**Analysis**

This bill does the following:

1. Amends Section 84102, subdivision (c), to require each person identified as a principal officer on a statement of organization or amendment to sign and verify the statement or amendment.

All forms and statements filed with the Secretary of State, upon certification of the new Cal-Access system, will be filed electronically and:

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

(d) A filing made on behalf of a filer by a vendor or service provider authorized by the filer to make such filings is presumed filed under penalty of perjury by the filer.” (SB 1239, Stats. 2018, Ch. 662)

The proposed bill uses the term “person” which has a specific definition within the Act. The Act defines “person” as an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert. (§82047) Although an “individual” can

be a “person,” only an individual can be a principal officer. Staff recommends amending the word “person” to “individual.”

### **Rationale**

There have been occurrences throughout California where a principal officer is named on a Statement of Organization, but the individual either does not exist or is unaware that they are named as a principal officer to the committee. Principal officers are joint and severally liable for violations of the Act.

The use of strawman principal officers can be prevented by requiring the person(s) identified as principal officers to sign and verify the statement and subsequent amendments.

### **Fiscal Impact**

The bills fiscal impact is minor and absorbable.

Legislative Counsel has keyed the as a state-mandated local program which generally requires the state, under the California Constitution, to reimburse local agencies and school districts for certain costs mandated by the state. However, no reimbursement is required by this bill because the only costs that may be incurred by a local agency or school district will be incurred because this bill 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](#).

### **Staff Recommendation**

1. Approve the Legislative Counsel draft with amendments to change “person” to “individual,”
2. Adopt a sponsorship position for the consolidated bill, and
3. Authorize Commission staff to retain an author for bill introduction.

## LEGISLATIVE COUNSEL'S DIGEST

Bill No. \_\_\_\_\_  
as introduced, \_\_\_\_\_.  
General Subject: Political Reform Act of 1974: statements of organization.

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 certain committees to file a statement of organization that includes, among other information, the full name, street address, email address, and telephone number of the committee's principal officers. Principal officers are not required to sign and verify the statement of organization, however.

This bill would require any person identified as a principal officer on a statement of organization, or an amendment, to sign and verify the statement or amendment.

A violation of the act is punishable as a misdemeanor. 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 of the Legislature 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.



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RN 19 00823 PAGE 1

An act to amend Section 84102 of the Government Code, relating to the  
Political Reform Act of 1974.



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

SECTION 1. Section 84102 of the Government Code is amended to read:

84102. The statement of organization required by Section 84101 shall include all of the following:

(a) The name, street address, email address, and telephone number, if any, of the committee. In the case of a sponsored committee, the name of the committee shall include the name of its sponsor. If a committee has more than one sponsor, and the sponsors are members of an industry or other identifiable group, a term identifying that industry or group shall be included in the name of the committee.

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

(c) The full name, street address, email address, and telephone number, of the treasurer and any other principal officers. Each person identified as a principal officer on a statement of organization, or an amendment filed pursuant to Section 84103 if that person has not been previously identified, shall sign and verify the statement or amendment.

(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. 2. 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. 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.

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