

ASSEMBLY BILL

No. 182

Introduced by Assembly Member Davis

January 24, 2011

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

LEGISLATIVE COUNSEL'S DIGEST

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

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1, 2012, and the provisions of law authorizing the electronic filing of statements of economic interests will be repealed on March 1, 2012.

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

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ 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: no.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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