

AMENDED IN SENATE MAY 6, 2014
AMENDED IN ASSEMBLY JANUARY 6, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 877

**Introduced by Assembly Member Members Bocanegra and
Jones-Sawyer**

February 22, 2013

An act to amend Section 19271 of the Elections Code, relating to voting systems. An act to add Sections 17228 and 24343.8 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 877, as amended, Bocanegra. ~~Direct recording electronic voting systems.~~ *Income and Corporation taxes: denial of deduction: owner fine or penalty.*

The Personal Income Tax Law and the Corporation Tax Law allow various deductions in computing the income that is subject to the taxes imposed by those laws. Both laws allow a deduction for ordinary and necessary business expenses, including a deduction for amounts paid or incurred for specified types of fines or penalties.

This bill, for taxable years beginning on or after January 1, 2014, would disallow, under both laws, a deduction for the amount of any fine or penalty paid or incurred by an owner of all or part of a professional sports franchise where that fine or penalty is assessed or imposed by the professional sports league that includes that franchise.

This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article

XIIIA of the California Constitution, and thus would require for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

This bill would take effect immediately as a tax levy.

~~Existing law prohibits the Secretary of State from approving, and prohibits a city or county from contracting for or purchasing, a direct recording electronic voting system, defined as a voting system that records a vote electronically and does not require or permit the voter to record his or her vote directly onto a tangible ballot. Existing law defines the term “voter verified paper audit trail” as a component of a direct recording electronic voting system that prints a contemporaneous paper record copy of each electronic ballot and allows each voter to confirm his or her selections before the voter casts his or her ballot.~~

~~This bill would revise the definition of “voter verified paper audit trail” to instead mean a component of a direct recording electronic voting system that prints a synchronous paper record facsimile of each electronic ballot and allows each voter to confirm his or her selections before the voter casts his or her ballot.~~

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

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

1 SECTION 1. Section 17228 is added to the Revenue and
2 Taxation Code, to read:

3 17228. For taxable years beginning on or after January 1,
4 2014, a deduction shall not be allowed for the amount of any fine
5 or penalty paid or incurred by an owner of all or part of a
6 professional sports franchise, where that fine or penalty is assessed
7 or imposed by the professional sports league that includes that
8 franchise.

9 SEC. 2. Section 24343.8 is added to the Revenue and Taxation
10 Code, to read:

11 24343.8. For taxable years beginning on or after January 1,
12 2014, a deduction shall not be allowed for the amount of any fine
13 or penalty paid or incurred by an owner of all or part of a
14 professional sports franchise, where that fine or penalty is assessed
15 or imposed by the professional sports league that includes that
16 franchise.

17 SEC. 3. This act provides for a tax levy within the meaning of
18 Article IV of the Constitution and shall go into immediate effect.

1 SECTION 1. ~~Section 19271 of the Elections Code, as amended~~
2 ~~by Section 67 of Chapter 602 of the Statutes of 2013, is amended~~
3 ~~to read:~~

4 19271. As used in this article:

5 (a) ~~“Accessible” means that the information provided on the~~
6 ~~paper record copy from the voter verified paper audit trail~~
7 ~~mechanism is provided or conveyed to voters via both a visual and~~
8 ~~a nonvisual method, such as through an audio component.~~

9 (b) ~~“Direct recording electronic voting system” means a voting~~
10 ~~system that records a vote electronically and does not require or~~
11 ~~permit the voter to record his or her vote directly onto a tangible~~
12 ~~ballot.~~

13 (c) ~~“Voter verified paper audit trail” means a component of a~~
14 ~~direct recording electronic voting system that prints a synchronous~~
15 ~~paper record facsimile of each electronic ballot and allows each~~
16 ~~voter to confirm his or her selections before the voter casts his or~~
17 ~~her ballot.~~

18 (d) ~~“Federal qualification” means the system has been certified,~~
19 ~~if applicable, by means of qualification testing by a nationally~~
20 ~~recognized test laboratory and has met or exceeded the minimum~~
21 ~~requirements set forth in the Performance and Text Standards for~~
22 ~~Punch Card, Mark Sense, and Direct Recording Electronic Voting~~
23 ~~Systems, or in any successor voluntary standard document,~~
24 ~~developed and promulgated by the Federal Election Commission,~~
25 ~~the Election Assistance Commission, or the National Institute of~~
26 ~~Standards and Technology.~~

27 (e) ~~“Paper record copy” means an auditable document printed~~
28 ~~by a voter verified paper audit trail component that corresponds~~
29 ~~to the voter’s electronic vote and lists the contests on the ballot~~
30 ~~and the voter’s selections for those contests. A paper record copy~~
31 ~~is not a ballot.~~

32 (f) ~~“Parallel monitoring” means the testing of a randomly~~
33 ~~selected sampling of voting equipment on election day designed~~
34 ~~to simulate actual election conditions to confirm that the system~~
35 ~~is registering votes accurately.~~