

Senate Bill No. 1442

Passed the Senate August 30, 2014

Secretary of the Senate

Passed the Assembly August 30, 2014

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2014, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 82036, 82036.5, 82048.4, 84101, 84103, 84200, 84200.6, 84215, 84218, and 84252 of, to add Sections 84200.3 and 84620 to, to repeal Sections 84200.7, 84202.3, 84202.5, 84202.7, and 84203.5 of, and to repeal and add Section 84200.5 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 1442, Lara. Political Reform Act of 1974: campaign statements.

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 requires elected officers, candidates, committees, and slate mailer organizations to file various reports, including semiannual reports, preelection statements, and supplemental preelection statements. 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.

This bill would require elected state officers, candidates for elective state office and their controlled committees, committees primarily formed to support or oppose a candidate for elective state office or a statewide ballot measure, and state general purpose committees to file quarterly statements each year instead of semiannual statements, as specified. The bill would recast or repeal other specified reporting requirements, including supplemental preelection statements, supplemental independent expenditure reports, and odd-numbered year reports.

The act defines “late contributions” and “late independent expenditures” for purposes of the act to include certain contributions and independent expenditures, respectively, that are made within 90 days before the date of the election.

This bill would revise the definitions to specify that those terms also include contributions and independent expenditures that are made on the date of the election.

The bill would also make conforming changes.

This bill would require the Secretary of State, in consultation with the Fair Political Practices Commission, to develop a statewide Internet-based system for the electronic filing and public display of all records filed by or for specified entities. This bill would make all other changes to existing law effected by the bill operative on January 1 of the year following the year in which this system becomes operative, as certified by the Secretary of State.

A violation of the act's provisions is punishable as a misdemeanor. By expanding the scope of a 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.

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

SECTION 1. Section 82036 of the Government Code is amended to read:

82036. "Late 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 on the date of the election, or during the 90-day period preceding 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, on the date of a state election or within 90 days before the date of a state election.

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

82036.5. “Late 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 on the date of the election or during the 90-day period preceding 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 82048.4 of the Government Code is amended to read:

82048.4. (a) “Slate mailer organization” means, except as provided in subdivision (b), a person who, directly or indirectly, does all of the following:

(1) Is involved in the production of one or more slate mailers and exercises control over the selection of the candidates and measures to be supported or opposed in the slate mailers.

(2) Receives or is promised payments totaling five hundred dollars (\$500) or more in a calendar year for the production of one or more slate mailers.

(b) “Slate mailer organization” does not include any of the following:

(1) A candidate or officeholder or a candidate’s or officeholder’s controlled committee.

(2) An official committee of a political party.

(3) A legislative caucus committee.

(4) A committee primarily formed to support or oppose a candidate, officeholder, or ballot measure.

(c) The production and distribution of slate mailers by a slate mailer organization shall not be considered making contributions or expenditures for purposes of subdivision (b) or (c) of Section 82013. If a slate mailer organization makes contributions or expenditures other than by producing or distributing slate mailers, and it reports those contributions and expenditures pursuant to

Sections 84218 and 84219, no additional campaign reports shall be required of the slate mailer organization pursuant to Section 84200, 84200.3, or 84200.5.

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 84200.8 or 84200.9, 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 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 82036.5 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 Section 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 84103 of the Government Code is amended to read:

84103. (a) If there is a change in any of the information contained in a statement of organization, an amendment shall be filed within 10 days to reflect the change. The committee shall file the original of the amendment with the Secretary of State and shall also file a copy of the amendment 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.

(b) In addition to filing an amendment to a statement of organization as required by subdivision (a), a committee as defined in subdivision (a) of Section 82013 shall, by facsimile transmission, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours, notify the filing officer with whom it is required to file the originals of its campaign reports pursuant to Section 84215 if the change requiring the amendment occurs before the date of the election in connection with which the committee is required to file a preelection statement, but after the closing date of the last preelection statement required to be filed for the election pursuant to Section 84200.8, if any of the following information is changed:

- (1) The name of the committee.
- (2) The name of the treasurer or other principal officers.

(3) The name of any candidate or committee by which the committee is controlled or with which it acts jointly.

The notification shall include the changed information, the date of the change, the name of the person providing the notification, and the committee's name and identification number.

A committee may file a notification online only if the appropriate filing officer is capable of receiving the notification in that manner.

SEC. 6. Section 84200 of the Government Code is amended to read:

84200. (a) Except as otherwise provided in this section, elected officers, candidates, and committees pursuant to subdivision (a) of Section 82013 shall file semiannual statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.

(1) A candidate who, during the past six months, has filed a declaration pursuant to Section 84206 shall not be required to file a semiannual statement for that six-month period.

(2) Elected officers whose salaries are less than two hundred dollars (\$200) a month, judges, judicial candidates, and their controlled committees shall not file semiannual statements pursuant to this subdivision for any six-month period in which they have not made or received any contributions or made any expenditures.

(3) A judge who is not listed on the ballot for reelection to, or recall from, any elective office during a calendar year shall not file semiannual statements pursuant to this subdivision for any six-month period in that year if both of the following apply:

(A) The judge has not received any contributions.

(B) The only expenditures made by the judge during the calendar year are contributions from the judge's personal funds to other candidates or committees totaling less than one thousand dollars (\$1,000).

(b) All committees pursuant to subdivision (b) or (c) of Section 82013 shall file campaign statements each year no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31, if they have made contributions or independent expenditures, including payments to a slate mailer organization, during the six-month period before the closing date of the statements.

(c) This section does not apply to an elected state officer, a candidate for elective state office, or a committee that is subject to Section 84200.3.

SEC. 7. Section 84200.3 is added to the Government Code, to read:

84200.3. (a) Except as provided in subdivision (b), elected state officers, candidates for elective state office and their controlled committees, committees primarily formed to support or oppose a candidate for elective state office or a statewide ballot measure, and committees formed pursuant to subdivision (a) of Section 82013 that are state general purpose committees pursuant to subdivision (b) of Section 82027.5 shall file quarterly campaign statements each year, as follows:

(1) No later than April 7 for the period commencing January 1 and ending March 31.

(2) No later than July 31 for the period commencing April 1 and ending June 30.

(3) No later than October 7 for the period commencing July 1 and ending September 30.

(4) No later than January 31 for the period commencing October 1 and ending December 31.

(b) A committee formed pursuant to subdivision (b) or (c) of Section 82013 that is a state general purpose committee pursuant to subdivision (b) of Section 82027.5 shall file quarterly campaign statements as required by subdivision (a), unless the committee has not made contributions or independent expenditures during the reporting period.

SEC. 8. Section 84200.5 of the Government Code is repealed.

SEC. 9. Section 84200.5 is added to the Government Code, to read:

84200.5. (a) Elected state officers, candidates for elective state office, and committees filing quarterly campaign statements pursuant to Section 84200.3 shall additionally file one preelection statement and, as appropriate, a runoff preelection statement, as follows:

(1) Candidates for elective state office being voted upon in a state election, controlled committees of those candidates, and committees primarily formed to support or oppose a candidate for elective state office or a state ballot measure being voted on in that

election shall file the appropriate preelection statements specified in subdivisions (b) and (c) of Section 84200.8.

(2) An elected state officer or candidate for elective state office who, during the applicable reporting period covered by subdivision (b) or (c) of Section 84200.8, makes a contribution to any committee required to report receipts, expenditures, or contributions pursuant to this title, or makes an independent expenditure, in connection with a state election, shall file the applicable preelection statements specified in subdivisions (b) and (c) of Section 84200.8.

(3) (A) A state general purpose committee formed pursuant to subdivision (a) of Section 82013, other than a political party committee, as defined in Section 85205, shall file the applicable preelection statements specified in subdivisions (b) and (c) of Section 84200.8 if it makes contributions or independent expenditures totaling five hundred dollars (\$500) or more during the period covered by the preelection statement.

(B) A state general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the preelection statements specified in Section 84200.8.

(4) A political party committee, as defined in Section 85205, shall file the applicable preelection statements specified in subdivisions (b) and (c) of Section 84200.8 in connection with a state election if the committee receives contributions totaling one thousand dollars (\$1,000) or more, or if it makes contributions or independent expenditures totaling five hundred dollars (\$500) or more, during the period covered by the preelection statement.

(b) Local elected officers, candidates for local elective office, and committees filing semiannual statements pursuant to Section 84200, shall file two preelection statements and, as appropriate, a runoff preelection statement, as follows:

(1) Candidates for county, multicounty district, or city elective office being voted upon in an election, controlled committees of those candidates, and committees primarily formed to support or oppose a candidate or measure being voted on in a county, multicounty district, or city election shall file the preelection statements specified in Section 84200.8.

(2) (A) A county general purpose committee formed pursuant to subdivision (a) of Section 82013 shall file the preelection statements specified in Section 84200.8 if it makes contributions

or independent expenditures totaling five hundred dollars (\$500) or more in connection with a county election during the period covered by the preelection statements.

(B) A county general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the preelection statements specified in Section 84200.8.

(3) City general purpose committees shall file the preelection statements specified in Section 84200.8 if they make contributions or independent expenditures totaling five hundred dollars (\$500) or more in connection with a city election during the period covered by the preelection statement.

(c) For elections for the Board of Administration of the Public Employees' Retirement System or the Teachers' Retirement Board, candidates and committees shall file preelection statements, as follows:

(1) During an election period for the Board of Administration of the Public Employees' Retirement System or the Teachers' Retirement Board, all candidates for these boards, their controlled committees, and committees primarily formed to support or oppose the candidates shall file the preelection statements specified in Section 84200.9.

(2) During an election period for the Board of Administration of the Public Employees' Retirement System or the Teachers' Retirement Board, a state or county general purpose committee formed pursuant to subdivision (a) of Section 82013 shall file the preelection statements specified in Section 84200.9 if it makes contributions or independent expenditures totaling five hundred dollars (\$500) or more during the period covered by the preelection statement to support or oppose a candidate, or a committee primarily formed to support or oppose a candidate, on the ballot for the Board of Administration of the Public Employees' Retirement System or the Teachers' Retirement Board. A state or county general purpose committee formed pursuant to subdivision (b) or (c) of Section 82013 is not required to file the statements specified in Section 84200.9.

SEC. 10. Section 84200.6 of the Government Code is amended to read:

84200.6. In addition to the campaign statements required by Sections 84200, 84200.3, and 84200.5, all candidates and committees shall file the following special statements and reports:

(a) Late contribution reports, when required by Section 84203.

(b) Late independent expenditure reports, when required by Section 84204.

SEC. 11. Section 84200.7 of the Government Code is repealed.

SEC. 12. Section 84202.3 of the Government Code is repealed.

SEC. 13. Section 84202.5 of the Government Code is repealed.

SEC. 14. Section 84202.7 of the Government Code is repealed.

SEC. 15. Section 84203.5 of the Government Code is repealed.

SEC. 16. Section 84215 of the Government Code is amended to read:

84215. All candidates and elected officers and their controlled committees, except as provided in subdivisions (d) and (e) of this section and subdivision (h) of Section 84605, shall file one copy of the campaign statements required by Sections 84200 and 84200.3 with the elections official of the county in which the candidate or elected official is domiciled, as defined in subdivision (b) of Section 349 of the Elections Code. In addition, campaign statements shall be filed at the following places:

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

(b) Elected officers in jurisdictions other than legislative districts, State Board of Equalization districts, or appellate court districts that contain parts of two or more counties, candidates for these offices, their controlled committees, and committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in one of these jurisdictions shall file the original and one copy with the elections official of the county with the largest number of registered voters in the jurisdiction.

(c) County elected officers, candidates for these offices, their controlled committees, committees formed or existing primarily

to support or oppose candidates or local measures to be voted upon in any number of jurisdictions within one county, other than those specified in subdivision (d), and county general purpose committees shall file the original and one copy with the elections official of the county, subject to subdivision (j) of Section 84615 with respect to statements filed online or electronically.

(d) City elected officers, candidates for city office, their controlled committees, committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in one city, and city general purpose committees shall file the original and one copy with the clerk of the city and are not required to file with the local elections official of the county in which they are domiciled, subject to subdivision (j) of Section 84615 with respect to statements filed online or electronically.

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

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

(g) If a committee is required to file campaign statements required by Section 84200, 84200.3, or 84200.5 in places designated in subdivisions (a) to (d), inclusive, it shall continue to file these statements in those places, in addition to any other places required by this title, until the end of the calendar year.

SEC. 17. Section 84218 of the Government Code is amended to read:

84218. (a) A slate mailer organization shall file semiannual campaign statements no later than July 31 for the period ending June 30, and no later than January 31 for the period ending December 31.

(b) In addition to the semiannual statements required by subdivision (a), a slate mailer organization which produces a slate mailer supporting or opposing candidates or measures being voted on in an election shall file the statements specified in Section 84200.8 if, during the period covered by the preelection statement, the slate mailer organization receives payments totaling five hundred dollars (\$500) or more from any person for the support of or opposition to candidates or ballot measures in one or more slate mailers, or expends five hundred dollars (\$500) or more to produce one or more slate mailers.

(c) A slate mailer organization shall file two copies of its campaign reports with the clerk of the county in which it is domiciled. A slate mailer organization is domiciled at the address listed on its statement of organization unless it is domiciled outside California, in which case its domicile shall be deemed to be Los Angeles County for purposes of this section.

In addition, slate mailer organizations shall file campaign reports as follows:

(1) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in a state election, or in more than one county, shall file campaign reports in the same manner as state general purpose committees pursuant to subdivision (a) of Section 84215.

(2) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in only one county, or in more than one jurisdiction within one county, shall file campaign reports in the same manner as county general purpose committees pursuant to subdivision (c) of Section 84215.

(3) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in only one city shall file campaign reports in the same manner as city general purpose committees pursuant to subdivision (d) of Section 84215.

(4) Notwithstanding the above, no slate mailer organization shall be required to file more than the original and one copy, or two copies, of a campaign report with any one county or city clerk or with the Secretary of State.

SEC. 18. Section 84252 of the Government Code is amended to read:

84252. A committee primarily formed to support or oppose a LAFCO proposal shall file all statements required under this chapter except that, in lieu of the statements required by Section 84200, the committee shall file monthly campaign statements from the time circulation of a petition begins until a measure is placed on the ballot or, if a measure is not placed on the ballot, until the committee is terminated pursuant to Section 84214. The committee shall file an original and one copy of each statement on the 15th day of each calendar month, covering the prior calendar month, with the clerk of the county in which the measure may be voted on. If the petition results in a measure that is placed on the ballot, the committee thereafter shall file campaign statements required by this chapter.

SEC. 19. Section 84620 is added to the Government Code, to read:

84620. (a) The Secretary of State, in consultation with the Commission, shall develop a statewide Internet-based system for the electronic filing and public display of all records filed with the Secretary of State pursuant to this title, including, but not limited to, statements of organization, campaign statements, reports, registrations, and certifications filed by or for any of the following:

- (1) An officeholder account or legal defense fund.
- (2) A committee that is primarily formed to support or oppose one or more candidates for elective state office or one or more statewide ballot measures, including, but not limited to, major donor and independent expenditure committees formed pursuant to subdivisions (b) and (c) of Section 82013.
- (3) A slate mailer organization.
- (4) A lobbyist, lobbying firm, or lobbyist employer.
- (5) A multipurpose organization that is required to file any report pursuant to this title.

(b) The system developed pursuant to subdivision (a) shall provide both of the following:

- (1) Search capabilities that are data-driven and user-friendly for members of the public.
- (2) Regular availability of all filings in a raw, machine-readable data format that may be downloaded by members of the public.

SEC. 20. 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. 21. Sections 1 to 18, inclusive, of this act shall become operative on January 1 of the year following the year in which the statewide Internet-based system established pursuant to Section 84620 of the Government Code becomes operational, as certified by the Secretary of State.

SEC. 22. 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 _____, 2014

Governor