

AMENDED IN ASSEMBLY JUNE 21, 2016

AMENDED IN SENATE APRIL 18, 2016

AMENDED IN SENATE MARCH 28, 2016

**SENATE BILL**

**No. 1349**

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**Introduced by Senator Hertzberg**

(Principal coauthor: Assembly Member Mullin)

**(Coauthors: Senators ~~Allen and Bates~~ *Bates, and Wieckowski*)**

(Coauthors: Assembly Members Brough, *Dababneh*, Dodd, *Eggman*,  
*Gallagher*, *Cristina Garcia*, *Lackey*, and Olsen)

February 19, 2016

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An act to amend Sections 84601 and 84602 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 1349, as amended, Hertzberg. Political Reform Act of 1974: Secretary of State: online filing and disclosure system.

The Political Reform Act of 1974 generally requires elected officials, candidates for elective office, and committees formed primarily to support or oppose a candidate for public office or a ballot measure, along with other entities, to file periodic campaign statements. The act requires that these campaign statements contain prescribed information related to campaign contributions and expenditures of the filing entities. Existing law, the Online Disclosure Act, requires the Secretary of State, in consultation with the Fair Political Practices Commission, to develop online and electronic filing processes for use by these persons and entities.

This bill, in addition, would require the Secretary of State, in consultation with the Commission, to develop and certify for public

use an online filing and disclosure system for campaign statements and reports that provides public disclosure of campaign finance and lobbying information in a user-friendly, easily understandable format.

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. Section 84601 of the Government Code is  
 2 amended to read:

3 84601. The Legislature finds and declares as follows:

4 (a) The people of California enacted one of the nation’s most  
 5 comprehensive campaign and lobbying financial disclosure laws  
 6 when they voted for Proposition 9, the Political Reform Act of  
 7 1974, an initiative statute.

8 (b) Public access to campaign and lobbying disclosure  
 9 information is a vital and integral component of a fully informed  
 10 electorate.

11 (c) Advances in technology have made it necessary for the State  
 12 of California to develop a new, data-driven online filing and  
 13 disclosure system that provides public disclosure of campaign  
 14 finance and lobbying information in a user-friendly, easily  
 15 understandable format.

16 (d) Members of the public, including voters, journalists, and  
 17 researchers, should be able to access campaign finance and  
 18 lobbying information in a robust and flexible manner, including  
 19 through searches and visual displays such as graphs and maps.

20 SEC. 2. Section 84602 of the Government Code is amended  
 21 to read:

22 84602. (a) To implement the Legislature’s intent, the Secretary  
 23 of State, in consultation with the Commission, notwithstanding  
 24 any other provision of this code, shall do all of the following:

25 (1) Develop online and electronic filing processes for use by  
 26 persons and entities specified in Section 84605 that are required  
 27 to file statements and reports with the Secretary of State’s office

1 pursuant to Chapter 4 (commencing with Section 84100) and  
2 Chapter 6 (commencing with Section 86100). Those processes  
3 shall each enable a user to comply with all the disclosure  
4 requirements of this title and shall include, at a minimum, both of  
5 the following:

6 (A) A means or method whereby filers subject to this chapter  
7 may submit required filings free of charge. Any means or method  
8 developed pursuant to this subparagraph shall not provide any  
9 additional or enhanced functions or services that exceed the  
10 minimum requirements necessary to fulfill the disclosure provisions  
11 of this title. At least one means or method shall be made available  
12 no later than December 31, 2002.

13 (B) The definition of a nonproprietary standardized record  
14 format or formats using industry standards for the transmission of  
15 the data that is required of those persons and entities specified *in*  
16 Section 84605 and that conforms with the disclosure requirements  
17 of this title. The Secretary of State shall hold public hearings before  
18 development of the record format or formats as a means to ensure  
19 that affected entities have an opportunity to provide input into the  
20 development process. The format or formats shall be made public  
21 no later than July 1, 1999, to ensure sufficient time to comply with  
22 this chapter.

23 (2) Accept test files from software vendors and others wishing  
24 to file reports electronically, for the purpose of determining whether  
25 the file format is in compliance with the standardized record format  
26 developed pursuant to paragraph (1) and is compatible with the  
27 Secretary of State's system for receiving the data. A list of the  
28 software and service providers who have submitted acceptable test  
29 files shall be published by the Secretary of State and made available  
30 to the public. Acceptably formatted files shall be submitted by a  
31 filer in order to meet the requirements of this chapter.

32 (3) Develop a system that provides for the online or electronic  
33 transfer of the data specified in this section using  
34 telecommunications technology that ~~assures~~ *ensures* the integrity  
35 of the data transmitted and that creates safeguards against efforts  
36 to tamper with or subvert the data.

37 (4) Make all the data filed available on the Internet in an easily  
38 understood format that provides the greatest public access. The  
39 data shall be made available free of charge and as soon as possible  
40 after receipt. All late contribution and late independent expenditure

1 reports, as defined by Sections 84203 and 84204, respectively,  
2 shall be made available on the Internet within 24 hours of receipt.  
3 The data made available on the Internet shall not contain the street  
4 name and building number of the persons or entity representatives  
5 listed on the electronically filed forms or any bank account number  
6 required to be disclosed pursuant to this title.

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

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

12 (7) Provide assistance to those seeking public access to the  
13 information.

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

16 (9) Provide the Commission with necessary information to  
17 enable it to assist agencies, public officials, and others with the  
18 compliance with, and administration of, this title.

19 (10) Report to the Legislature on the implementation and  
20 development of the online and electronic filing and disclosure  
21 requirements of this chapter. The report shall include an  
22 examination of system security, private security issues, software  
23 availability, compliance costs to filers, use of the filing system and  
24 software provided by the Secretary of State, and other issues  
25 relating to this chapter, and shall recommend appropriate changes  
26 if necessary. In preparing the report, the Commission may present  
27 to the Secretary of State and the Legislature its comments regarding  
28 this chapter as it relates to the duties of the Commission and  
29 suggest appropriate changes if necessary. There shall be one report  
30 due before the system is operational as set forth in Section 84603,  
31 one report due no later than June 1, 2002, and one report due no  
32 later than January 31, 2003.

33 (11) Review the current filing and disclosure requirements of  
34 this chapter and report to the Legislature, no later than June 1,  
35 2005, recommendations on revising these requirements so as to  
36 promote greater reliance on electronic and online submissions.

37 (b) (1) To implement the Legislature's intent, as described in  
38 Section 84601, the Secretary of State, in consultation with the  
39 Commission, shall develop an online filing and disclosure system  
40 for use by persons and entities specified in Section 84605 that are

1 required to file statements and reports with the Secretary of State's  
2 office pursuant to Chapter 4 (commencing with Section 84100)  
3 and Chapter 6 (commencing with Section 86100). The system shall  
4 enable a user to comply with all of the disclosure requirements of  
5 this title and shall include, at minimum, all of the following:

6 (A) A data-driven means or method that allows filers subject  
7 to this chapter to submit required filings free of charge in a manner  
8 that facilitates public searches of the data and does all of the  
9 following:

10 (i) Enables a filer to comply with all of the disclosure  
11 requirements of this title, including by entering or uploading  
12 requisite data or by indicating that the filer had no reportable  
13 activity during a particular reporting period.

14 (ii) Retains previously submitted data so that a filer can access  
15 that data to amend disclosures or prepare future disclosures.

16 (iii) Ensures the security of data entered and stored in the system.

17 (iv) To the extent feasible, is compatible with potential future  
18 capability to accept statements from filers specified in subdivisions  
19 (b) to (e), inclusive, of Section 84215.

20 (B) The definition of a nonproprietary standardized record  
21 format or formats using industry standards for the transmission of  
22 the data that is required of those persons and entities specified in  
23 Section 84605 and that conforms with the disclosure requirements  
24 of this title.

25 (2) The Secretary of State shall do all of the following with  
26 respect to the online filing and disclosure system developed  
27 pursuant to this subdivision:

28 (A) Accept test files from software vendors and others wishing  
29 to file reports electronically for the purpose of determining whether  
30 the file format is in compliance with the standardized record format  
31 developed pursuant to this subdivision and is compatible with the  
32 Secretary of State's system for receiving the data. The Secretary  
33 of State shall publish and make available to the public a list of the  
34 software and service providers who have submitted acceptable test  
35 files. A filer shall submit acceptably formatted files in order to  
36 meet the requirements of this chapter.

37 (B) Make the data filed available on the Internet as follows:

38 (i) In a user-friendly, easily understandable format that provides  
39 the greatest public access, including online searches and

1 machine-readable downloads of all data contained in the system,  
2 except as specified in clause (iii).

3 (ii) Free of charge and as soon as possible after receipt, or, in  
4 the case of late contribution, late in-kind contribution, and late  
5 independent expenditure reports, as defined by Sections 84203,  
6 84203.3, and 84204, respectively, within 24 hours of receipt.

7 (iii) Not containing the street name or building number of the  
8 persons or entity representatives listed on the electronically filed  
9 forms or any bank account number required to be disclosed  
10 pursuant to this title.

11 (iv) In a manner that allows the public to track and aggregate  
12 contributions from the same contributor across filers using a  
13 permanent unique identifier assigned by the Secretary of State for  
14 this purpose. The Secretary of State shall assign this identifier to,  
15 at minimum, each contributor who makes contributions totaling  
16 ten thousand dollars (\$10,000) or more in a calendar year to, or at  
17 the behest of, candidates or committees that file electronically with  
18 the Secretary of State pursuant to subdivision (a) of Section 84215  
19 or who ~~is registered~~ files with the Secretary of State as a major  
20 donor committee under subdivision (c) of Section 82013.

21 (C) Develop a procedure for filers to comply electronically with  
22 the requirement to sign under penalty of perjury pursuant to Section  
23 81004. The electronic signature procedure shall allow the filer to  
24 file with the Secretary of State and shall not require an original  
25 signature to be filed.

26 (D) Maintain all filed data online for at least ~~10~~ 20 years after  
27 the date it is filed, and then archive the information in a secure  
28 format.

29 (E) Provide assistance to those seeking public access to the  
30 information.

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

33 (G) Provide the Commission with necessary information to  
34 enable it to assist agencies, public officials, and others in complying  
35 with and administering this title.

36 (3) The Secretary of State shall do all of the following with  
37 respect to developing the online filing and disclosure system and  
38 record format pursuant to this subdivision:

39 (A) Consult with the Assembly Committee on Elections and  
40 Redistricting, the Senate Committee on Elections and

1 Constitutional Amendments, the Commission, users, filers, and  
2 other stakeholders, as appropriate, about functions of the online  
3 filing and disclosure system.

4 (B) In consultation with the Commission, and no later than July  
5 31, 2017, hold at least one public hearing to receive input about  
6 developing the online filing and disclosure system and record  
7 format.

8 (C) No later than December 31, 2017, submit a report to the  
9 Assembly Committee on Elections and Redistricting and the Senate  
10 Committee on Elections and Constitutional Amendments that  
11 includes a plan for the online filing and disclosure system,  
12 describes how members of the public will be able to query and  
13 retrieve data from the system, and includes a plan for integrating  
14 statements as specified in clause (iv) of subparagraph (A) of  
15 paragraph (1).

16 (4) The Secretary of State shall make the online filing and  
17 disclosure system developed pursuant to this subdivision available  
18 for use no later than February 1, 2019. The Secretary of State may  
19 extend this date to a date no later than December 31, 2019, after  
20 consulting with the Assembly Committee on Elections and  
21 Redistricting and the Senate Committee on Elections and  
22 Constitutional Amendments and providing to those committees a  
23 report that explains the need for the extension and includes a plan  
24 for completion.

25 (5) The Secretary of State may accept any funds, services,  
26 ~~equipment~~ *equipment*, or grants to further this subdivision, provided  
27 that the Secretary of State shall notify the Assembly Committee  
28 on Elections and Redistricting and the Senate Committee on  
29 Elections and Constitutional Amendments upon accepting any  
30 amount valued at one hundred thousand dollars (\$100,000) or  
31 more.

32 (6) Because the provisions of this chapter need to be  
33 implemented as expeditiously as possible, the information  
34 technology procurement requirements described in Chapter 5.6  
35 (commencing with Section 11545) of Part 1 of Division 3 of Title  
36 ~~2~~, *2 of this Code*, and in Section 12100 of the Public Contract  
37 Code, do not apply to development of the online filing and  
38 disclosure system pursuant to this subdivision. The Secretary of  
39 State shall consult with the Department of Technology, as  
40 appropriate, in developing the online filing and disclosure ~~system~~.

1 *system, in order to maximize project success, minimize lifecycle*  
2 *costs, and ensure the security of the system and its data.*

3 (7) (A) Before making the system developed pursuant to this  
4 subdivision available for public use, the Secretary of State, in  
5 consultation with the Commission, shall test the system to ensure  
6 its functionality and then certify that the system meets all the  
7 requirements of this subdivision. The Secretary of State may  
8 consult with the Department of Technology as needed to fulfill  
9 his or her duties under this paragraph.

10 (B) After the system developed pursuant to this subdivision is  
11 certified, the system described in subdivision (a) shall no longer  
12 accept reports and filings, unless otherwise directed by the  
13 Secretary of State and the Commission. The system described in  
14 subdivision (a) shall continue to allow public access to past  
15 disclosures unless the Secretary of State migrates that data into  
16 the system described in this subdivision.

17 (c) *On or before December 31, 2017, and on or before every*  
18 *April 15, July 15, October 15, and January 15 thereafter, the*  
19 *Secretary of State shall submit to the chairs of the Joint Legislative*  
20 *Budget Committee and the fiscal committees of the Legislature a*  
21 *quarterly report on the progress of the Cal-Access Project.*  
22 *Specifically, the Secretary of State shall certify whether he or she*  
23 *(1) anticipates making or has made any changes to the project's*  
24 *scope, schedule, or budget and (2) considers any problems to be*  
25 *a risk to the project's completion according to the approved project*  
26 *schedule and budget. This reporting requirement shall end upon*  
27 *the completion or termination of the Cal-Access Project.*

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