

AMENDED IN ASSEMBLY AUGUST 15, 2016

AMENDED IN ASSEMBLY JUNE 21, 2016

AMENDED IN SENATE APRIL 18, 2016

AMENDED IN SENATE MARCH 28, 2016

**SENATE BILL**

**No. 1349**

---

---

**Introduced by Senator Hertzberg**

(Principal coauthor: Assembly Member Mullin)

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

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

February 19, 2016

---

---

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 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: 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:

1 (1) Develop online and electronic filing processes for use by  
2 persons and entities specified in Section 84605 that are required  
3 to file statements and reports with the Secretary of State's office  
4 pursuant to Chapter 4 (commencing with Section 84100) and  
5 Chapter 6 (commencing with Section 86100). Those processes  
6 shall each enable a user to comply with all *of* the disclosure  
7 requirements of this title and shall include, at a minimum, both of  
8 the following:

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

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

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

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

1 (4) Make all the data filed available on the Internet in an easily  
2 understood format that provides the greatest public access. The  
3 data shall be made available free of charge and as soon as possible  
4 after receipt. All late contribution and late independent expenditure  
5 reports, as defined by Sections 84203 and 84204, respectively,  
6 shall be made available on the Internet within 24 hours of receipt.  
7 The data made available on the Internet shall not contain the street  
8 name and building number of the persons or entity representatives  
9 listed on the electronically filed forms or any bank account number  
10 required to be disclosed pursuant to this title.

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

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

16 (7) Provide assistance to those seeking public access to the  
17 information.

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

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

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

37 (11) Review the current filing and disclosure requirements of  
38 this chapter and report to the Legislature, no later than June 1,  
39 2005, recommendations on revising these requirements so as to  
40 promote greater reliance on electronic and online submissions.

1 (b) (1) To implement the Legislature’s intent, as described in  
2 Section 84601, the Secretary of State, in consultation with the  
3 Commission, shall develop an online filing and disclosure system  
4 for use by persons and entities specified in Section 84605 that are  
5 required to file statements and reports with the Secretary of State’s  
6 office pursuant to Chapter 4 (commencing with Section 84100)  
7 and Chapter 6 (commencing with Section 86100). The system shall  
8 enable a user to comply with all of the disclosure requirements of  
9 this title and shall include, at minimum, all of the following:

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

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

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

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

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

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

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

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

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

2 (i) In a user-friendly, easily understandable format that provides  
3 the greatest public access, including online searches and  
4 machine-readable downloads of all data contained in the system,  
5 except as specified in clause (iii).

6 (ii) Free of charge and as soon as possible after receipt, or, in  
7 the case of late contribution, late in-kind contribution, and late  
8 independent expenditure reports, as defined by Sections 84203,  
9 84203.3, and 84204, respectively, within 24 hours of receipt.

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

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

24 (C) Develop a procedure for filers to comply electronically with  
25 the requirement to sign under penalty of perjury pursuant to Section  
26 81004. The electronic signature procedure shall allow the filer to  
27 file with the Secretary of State and shall not require an original  
28 signature to be filed.

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

31 (E) Provide assistance to those seeking public access to the  
32 information.

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

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

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

1 (A) Consult with the Assembly Committee on Elections and  
2 Redistricting, the Senate Committee on Elections and  
3 Constitutional Amendments, the Commission, users, filers, and  
4 other stakeholders, as appropriate, about functions of the online  
5 filing and disclosure system.

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

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

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

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

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

1 developing the online filing and disclosure system, in order to  
2 maximize project success, minimize lifecycle costs, and ensure  
3 the security of the system and its data.

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

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

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

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