

Sasha Linker

From: Sasha Linker
Sent: Monday, June 18, 2018 3:00 PM
To: Sasha Linker
Subject: RE: SB 1239 - FPPC Law and Policy Committee questions

From: Wagner, Hyla [<mailto:hwagner@sos.ca.gov>]
Sent: Monday, June 18, 2018 2:31 PM
To: Phillip Ung <PUng@fppc.ca.gov>
Subject: SB 1239 - FPPC Law and Policy Committee questions

At its meeting on June 8, the Fair Political Practices Commission's Law and Policy committee, comprised of Commissioners Hatch and Audero, reviewed proposed amendments to SB 1239. The Commissioners requested further information on three questions from the sponsor of the bill. The Secretary of State's Office, working with Senator Hertzberg's Office, is sponsoring this legislation related to the Cal-Access Replacement System (CARS). The following is information on the Subcommittee's questions.

1. Contents of Statement of Organization - Section 84102(b). Why is email for each sponsor not being added to Section 84102(b)? To facilitate electronic filing, SB 1239 is requiring in numerous places that a committee's email address be added as required information, in addition to the committee's address and phone. On the statement of organization an email address is required for the committee, for its treasurer, and for its principal officers. The legislation initially proposed adding the requirement for an email address of each sponsor of a committee on the statement of organization. A Senate Elections Committee consultant received feedback from reviewers of the bill that requiring email for each sponsor of a committee would be excessive. Given the definition of sponsored committee in Section 82048.7, in some cases there are numerous sponsors of a committee. Because as stated above, the email addresses of the committee, its treasurer, and its principal officers are already required, the consultant requested that the added requirement be removed from Section 84102(b).

(A note as to status: though it looks like a proposed amendment on the draft, this amendment to the bill was made by the author and committee staff on April 24, 2019, with the Secretary of State/Political Reform Division legislative staff in agreement. It is not an amendment that the Secretary of State's Office is currently proposing.)

2. Top Contributors - Section 84223. Why do the amendments delete subdivision (d)? Once the Cal-Access Replacement System (CARS) is running, the system will calculate and post the top 10 contributors to committees. The Secretary of State will display them on a web page. The responsibility for maintaining and displaying the the Top 10 Contributor lists will shift from the Fair Political Practices Commission to the Secretary of State's Office. In addition, committees will not be required to submit their Top 10 Contributor lists as a separate reports, because the system will calculate the lists automatically.

Section 84223(d) states: "In listing the top 10 contributors, reasonable efforts shall be made to identify and state the actual individuals or corporations that are the true sources of the contributions made to the committee from other persons or committees."

This language states that when a committee is submitting its list of top 10 contributors, the committee should use reasonable efforts to identify true sources of the contributions. This language makes sense when a committee is submitting its list of Top 10 contributors, because a campaign or measure committee may have special knowledge of where a contribution originated. However, the language is no longer applicable if the Secretary of State's automated system is calculating the list based on campaign statements and late reports received. Accordingly, the amendments propose to delete that subdivision. However, the Top 10 contributor reporting will still reflect all the intermediary reporting requirements in the Act that trace contributions back to the true source.

3. Disclaimer on Political Mailers Directing Public to Top 10 Contributor Lists - Section 84504.2(a)(4). The Disclose Act requires certain political mailers to direct people to the Top 10 Contributor lists by stating "Funding Details at [insert Commission Internet Web site]", e.g., Funding Details at FPPC.ca.gov. With CARS, the responsibility for the Top 10 Contributor lists will move from the Fair Political Practices Commission's website to the Secretary of State's. Therefore this language is amended to "Funding Details at [insert Secretary of State Internet webpage with Top 10 Contributor Lists]." This language of the disclaimer on mailers shifts to the SOS website, and the proposed language of Funding Details at "[insert SOS Internet webpage with Top 10 Contributor Lists]" is more specific than the existing language of "[insert Commission Internet Web site]."
