



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

To: Chair Ravel and Commissioners Eskovitz, Garrett, Montgomery, and Rotunda
From: Sukhi Brar, Commission Counsel and Legislative Coordinator
Subject: Legislative Update
Date: December 3, 2012

The 2012-2013 Legislative Session begins on December 3, 2012. Staff believes it is important to work with the Legislature on legislative proposals that will further the purposes of the Political Reform Act (Act). Staff has discussed a number of ideas and decided to focus on increased disclosure and increased enforcement capabilities for independent expenditures, particularly before an election. General ideas related to these subjects have been discussed and staff is currently putting together specific proposals. The proposals will be forwarded to you for your review and input as soon as they are available.

The last day for the Governor to sign or veto bills was September 30, 2012. The 2013 – 2014 Regular Legislative Session begins on December 3, 2012. The following information summarizes the 2011 – 2012 bills that amend the Political Reform Act that were signed and vetoed by the Governor.

Legislation Approved by the Legislature and Signed by the Governor
Effective Immediately

AB 2062 (Davis), Chapter 500, Statutes of 2012

Statements of Economic Interests – Electronic Filing

This bill contains an urgency clause so the provisions are effective immediately. The bill allows all filing officers to permit the electronic filing of SEIs upon system approval and certification from the Commission. In order to offset estimated costs to the Commission, each agency is required to submit a fee of \$1,000 with the proposed electronic filing system description.

AB 41 (Hill), Chapter 626, Statutes of 2012

High Speed Rail Authority Members – Disqualification

This bill contains an urgency clause so the provisions are effective immediately. The bill adds members of the High Speed Rail Authority to the officials specified in Section 87200 who are required to follow specified conflict of interest disqualification procedures.

Legislation Approved by the Legislature and Signed by the Governor
Effective January 1, 2013

SB 1001 (Yee), Chapter 506, Statutes of 2012

Lobbyist Registration Fees

This bill requires the Secretary of State to charge lobbying firms and lobbyist employers a fee of \$50 per year for each lobbyist required to be listed on its registration statement. In addition, the Secretary of State is required to charge each recipient committee a \$50 per year fee until the committee is terminated. The bill also establishes the Political Disclosure, Accountability, Transparency, and Access Fund in the State Treasury. One-half of the fees collected from lobbyist registration and all of the fees collected from recipient committees will be deposited in the fund for purposes of the maintenance, repair, and improvement of the online disclosure program implemented by the Secretary of State.

SB 488 (Correa), Chapter 865, Statutes of 2012

Slate Mailers

This bill requires that, if a slate mailer organization sends a mailer that displays a logo, insignia, emblem, or trademark that is identical or substantially similar to that of a governmental agency, or of a nongovernmental organization that represents law enforcement, firefighting, emergency medical, or other public safety personnel, the slate mailer organization is required to obtain the express written consent of the agency or organization. In addition, if a slate mailer organization sends a mailer that identifies itself or its source material as representing a nongovernmental organization with a name that would reasonably be understood to imply that the organization is composed of, or affiliated with, law enforcement, firefighting, emergency medical, or other public safety personnel, the mailer is required to disclose the total number of members in the organization identified and the number of members working or living within the county in which the mailer is being delivered.

AB 2691 (Assembly Elections), Chapter 503, Statutes of 2012

Clean Up Bill

This bill repeals three provisions of the Act, which are now obsolete – 84604, 84609, and 84610.

AB 2452 (Ammiano), Chapter 126, Statutes of 2012

Campaign Statements – Electronic Filing for Local Agencies

This bill, with certain exceptions, authorizes a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements or reports to file online or electronically with a local filing officer. The bill prescribes criteria that must be satisfied by a local government agency in order to require electronic filing, including that the agency's system must be compatible with the Secretary of State's electronic filing system.

AB 2191 (Norby), Chapter 502, Statutes of 2012

County Central Committee Members

The bill exempts an elected member of, or a candidate for election to, a county central committee of qualified political party who receives contributions of less than \$1,000 and who makes expenditures of less than \$1,000 in a calendar year from the requirements to file campaign statements. The bill also prohibits a local agency from imposing any filing requirements on such candidates and members and prohibits a local jurisdiction from imposing any contribution limits or prohibitions on such candidates or members.

AB 2146 (Cook), Chapter 169, Statutes of 2012

Enforcement of San Bernardino County Campaign Ordinance

This bill, upon mutual agreement between the Commission and the Board of Supervisors of the County of San Bernardino, authorizes the Commission to have primary responsibility for the impartial, effective administration, implementation, and enforcement of the local campaign reform ordinance of the County of San Bernardino. The Commission is authorized to be the civil prosecutor of the ordinance and may investigate possible violations and bring administrative actions. Costs incurred by the Commission shall be reimbursed by the County.

AB 1509 (Hayashi), Chapter 498, Statutes of 2012

Statements of Economic Interests (SEIs) – Local Agencies Posting Website Notification

This bill requires a city or county clerk who maintains a website to post a notification that identifies the elected officers who file SEIs with that city or county. The notification must also include a statement that the SEIs for those officials may be obtained from the Commission or the city or county clerk.

AB 481 (Gordon), Chapter 496, Statutes of 2012

Independent Expenditures

This Commission sponsored bill amends the Act to include: 1) 24-hour reporting of independent expenditures made in the 90 days prior to an election (state and local); 2) Disclosure of the top two contributors of \$50,000 on *all* advertisements paid for by an independent expenditure; 3) Verification by the principal officer, or in the case of a controlled committee, the candidate or state measure proponent who controls the committee, that he/she has not received any unreported money or reimbursement to make the independent expenditures; and 4) Principal officer liability for violations of the Act.

Legislation Vetoed by the Governor

AB 2220 (Gatto)

Ballot Pamphlets

This bill would have required that a specified paragraph be added to the ballot pamphlet if a fiscal analysis prepared by the Legislative Analyst determined that a measure would provide an increase in revenues to fund new or existing programs, create a new fund, or create or change a funding formula for one or more specified programs.

AB 2162 (Portantino)

Statements of Economic Interests (SEI) – Fair Market Value Ranges

This bill would have revised the fair market value ranges on the Statement of Economic Interest (Form 700) to provide 8 options for investments and real property interests and 10 options for reporting “gross income received.”

Assembly Bill No. 2062

CHAPTER 500

An act to add Section 87500.2 to the Government Code, relating to the Political Reform Act of 1974, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 24, 2012. Filed with
Secretary of State September 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2062, Davis. Political Reform Act of 1974: statements of economic interests: electronic filing.

Existing law establishes, until December 31, 2012, a pilot program authorizing specified local government agencies to develop and implement a system for the electronic filing of statements of economic interests by certain public officials, as specified.

This bill would authorize all agencies to permit the electronic filing of a statement of economic interests, in accordance with regulations adopted by the Fair Political Practices Commission. The bill would require the Commission to approve and certify an electronic filing system proposed by an agency, upon payment by the agency of a fee of \$1,000 to the Commission, if the system meets prescribed requirements. The bill would exempt the city and counties that participated in the existing pilot program from paying the \$1,000 fee. The bill would also authorize the Commission to conduct discretionary audits of an agency's electronic filing system to evaluate its performance and compliance with the requirements of this bill. The bill would require the Commission to accept electronic copies of statements of economic interests forwarded to it by an agency that has received an electronically filed statement from filers.

The bill would authorize a city or county that developed an electronic filing system pursuant to the pilot program to continue to use that system during the time it takes the Commission to adopt the regulations to govern the electronic filing system program, but would require the city or county to submit a description of its electronic filing system to the Commission for approval and certification after the Commission's regulations take effect, as specified.

Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

By creating additional crimes, 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.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 87500.2 is added to the Government Code, to read:

87500.2. (a) An agency may permit the electronic filing of a statement of economic interests required by Article 2 (commencing with Section 87200) or Article 3 (commencing with Section 87300), including amendments, in accordance with regulations adopted by the Commission.

(b) In consultation with interested agencies, the Commission shall use common database integration features in developing database design requirements for all electronic filings that may be used.

(c) (1) An agency that intends to permit electronic filing of a statement of economic interests shall submit a proposal, which shall include a description of the electronic filing system that the agency proposes to use, to the Commission for approval and certification. An agency that submits a proposal shall include a fee of one thousand dollars (\$1,000) that is payable to the Commission for the costs of approving and certifying the proposal. However, the Counties of Los Angeles, Orange, Santa Clara, and Ventura and the City of Long Beach, which participated in the pilot program pursuant to Section 87500.1, shall not be required to pay the one thousand dollar (\$1,000) fee.

(2) An agency shall not charge a person to electronically file a statement of economic interests.

(3) The Commission shall review an agency's proposal for compliance with the system requirement regulations adopted pursuant to subdivisions (a) and (b) and the requirements of subdivision (d). If the proposed system complies with these requirements, the Commission shall approve and certify the agency's electronic filing system as soon as practicable after receiving the agency's submitted proposal.

(d) An agency's proposed electronic filing system shall meet the following requirements:

(1) A statement of economic interests filed electronically shall include an electronic transmission that is submitted under penalty of perjury and that conforms to subdivision (b) of Section 1633.11 of the Civil Code.

(2) (A) The agency's filing officer shall issue to a person who electronically files his or her statement of economic interests or amendment an electronic confirmation that notifies the filer that his or her statement of economic interests or amendment was received. The confirmation shall

include the date and the time that the statement of economic interests or amendment was received by the filing officer and the method by which the filer may view and print the data received by the filing officer.

(B) A copy retained by the filer of a statement of economic interests or amendment that was electronically filed and the confirmation issued pursuant to subparagraph (A) that shows that the filer timely filed his or her statement of economic interests or amendment shall create a rebuttable presumption that the filer timely filed his or her statement of economic interests or amendment.

(3) The agency shall utilize an electronic filing system that includes layered security to ensure data integrity. The system shall have the capability to uniquely identify a filer electronically when he or she accesses the electronic filing system. The operational process for the system shall include industry best practices to ensure that the security and integrity of the data and information contained in the statement of economic interests are not jeopardized or compromised.

(4) The agency shall provide the public with a copy of an official's statement of economic interests upon request, in accordance with Section 81008. The copy of the electronically filed statement of economic interests shall be identical to the statement of economic interests published by the Commission and shall include the date that the statement was filed.

(e) The Commission may adopt regulations to require that an agency redact information on a statement of economic interests prior to posting the statement of economic interests on the Internet.

(f) The Commission may conduct discretionary audits of an agency's approved and certified electronic filing system to evaluate its performance and compliance with the requirements of this section.

(g) The Commission shall accept an electronic copy of a statement of economic interests that is forwarded to it by an agency that has received an electronically filed statement from a filer pursuant to this section.

(h) A city or county that developed an electronic filing system pursuant to the pilot program established by Section 87500.1 may continue to use that system for purposes of this section, including, but not limited to, the time during which the Commission is adopting the regulations required by this section. However, after the Commission's regulations take effect, the city or county shall submit a description of its electronic filing system to the Commission for approval and certification, within a reasonable time to be determined by the Commission. A city or county shall not continue to use an electronic filing system originally developed for purposes of Section 87500.1 if the Commission does not approve and certify that electronic filing system as complying with the requirements of the Commission's regulations and the other requirements of this section.

SEC. 2. 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. 3. 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.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to allow the Fair Political Practices Commission time to develop regulations and procedures critical to the implementation of a system for the electronic filing of statements of economic interests prior to the 2013 filing period, which will allow state and local agencies to achieve significant savings, and to allow the city and county agencies that participated in the pilot program to continue using electronic filing while the Commission develops the necessary regulations in order to preserve the substantial investment those agencies have already made in developing electronic filing systems, it is necessary that this act take immediate effect.

Assembly Bill No. 41

CHAPTER 626

An act to amend Section 87200 of the Government Code, and to add Section 185034.5 to the Public Utilities Code, relating to conflicts of interest, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 27, 2012. Filed with
Secretary of State September 27, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 41, Hill. High-Speed Rail Authority: conflicts of interest: disqualification.

Existing provisions of the Political Reform Act of 1974 prohibit a public official at any level of state or local government from making, participating in making, or attempting to use his or her official position to influence a governmental decision in which he or she knows or has reason to know that he or she has a financial interest, as defined. Existing law also requires specified elected and appointed officers at the state and local levels of government to disclose specified financial interests by filing periodic statements of economic interests. Existing law further requires public officials who hold specified offices and who have a financial interest in a decision within the meaning of the Political Reform Act of 1974 to publicly identify the financial interest giving rise to the conflict of interest or potential conflict of interest, recuse themselves from discussing and voting on the matter, and leave the room until after the discussion, vote, and other disposition of the matter is concluded, except as specified.

This bill would add members of the High-Speed Rail Authority to those specified officers who must publicly identify a financial interest giving rise to a conflict of interest or potential conflict of interest, and recuse themselves accordingly.

Existing law requires each state agency to adopt a conflict-of-interest code and to designate those employees of the agency who are subject to the provisions of the conflict-of-interest code. Existing law requires that each agency's conflict-of-interest code contain specified provisions, including requirements that each designated employee file periodic statements of economic interests and provisions setting forth circumstances under which a designated employee must disqualify himself or herself from participating in a governmental decision. Existing law further imposes various other restrictions on individuals who are designated employees, including postgovernment employment restrictions and restrictions regarding the acceptance of gifts and honoraria.

This bill would provide that each individual who is selected by the authority to serve in a peer review capacity to the authority shall be deemed

to be a designated employee of the authority, thereby making those persons subject to the provisions of the authority's conflict-of-interest code and to the various other restrictions that apply to the designated employees of a state agency.

Existing law makes a violation of the Political Reform Act of 1974 subject to administrative, civil, and criminal penalties. This bill would impose a state-mandated local program by exposing these members and designated employees to potential criminal penalties for failing to make the disclosures and recuse themselves where required by this bill.

This bill would incorporate additional changes in Section 87200 of the Government Code proposed by AB 2609, that would become operative only if AB 2609 and this bill are both chaptered and become effective on or before January 1, 2013, and this bill is chaptered last.

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.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 87200 of the Government Code is amended to read:

87200. This article is applicable to elected state officers, judges and commissioners of courts of the judicial branch of government, members of the Public Utilities Commission, members of the State Energy Resources Conservation and Development Commission, members of the Fair Political Practices Commission, members of the California Coastal Commission, members of the High-Speed Rail Authority, members of planning commissions, members of the board of supervisors, district attorneys, county counsels, county treasurers, and chief administrative officers of counties, mayors, city managers, city attorneys, city treasurers, chief administrative officers and members of city councils of cities, and other public officials who manage public investments, and to candidates for any of these offices at any election.

SEC. 1.5. Section 87200 of the Government Code is amended to read:

87200. This article is applicable to elected state officers, judges and commissioners of courts of the judicial branch of government, members of the Fish and Game Commission, members of the Public Utilities Commission, members of the State Energy Resources Conservation and

Development Commission, members of the Fair Political Practices Commission, members of the California Coastal Commission, members of the High-Speed Rail Authority, members of planning commissions, members of the board of supervisors, district attorneys, county counsels, county treasurers, and chief administrative officers of counties, mayors, city managers, city attorneys, city treasurers, chief administrative officers and members of city councils of cities, and other public officials who manage public investments, and to candidates for any of these offices at any election.

SEC. 2. Section 185034.5 is added to the Public Utilities Code, to read:

185034.5. For purposes of Article 3 (commencing with Section 87300) of Chapter 7 of Title 9 of the Government Code, each individual who is selected by the authority to serve in a peer review capacity to the authority shall be deemed to be a designated employee of the authority, and the authority shall be deemed to be the appointing power. Statements required to be filed pursuant to Section 87302 of the Government Code shall be filed with the authority.

SEC. 3. Section 1.5 of this bill incorporates amendments to Section 87200 of the Government Code proposed by both this bill and Assembly Bill 2609. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2013, (2) each bill amends Section 87200 of the Government Code, and (3) this bill is enacted after Assembly Bill 2609, in which case Section 1 of this bill shall not become operative.

SEC. 4. 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. 5. The Legislature finds and declares that Sections 1 and 1.5 of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that prior to the commencement of major expenditures by the High-Speed Rail Authority, proper disqualification procedures are in place, it is necessary that this act take effect immediately.

Senate Bill No. 1001

CHAPTER 506

An act to amend Section 86102 of, and to add Sections 84101.5 and 84613 to, the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 24, 2012. Filed with Secretary of State September 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1001, Yee. Political Reform Act of 1974: lobbyists and committees: fees.

(1) Existing provisions of the Political Reform Act of 1974 require a committee, as defined, to file a statement of organization with the Secretary of State and, as applicable, to file semiannual campaign statements.

This bill would require the Secretary of State to charge each committee that is required to file a statement of organization, and would require each committee to pay, except as specified and subject to specified deadlines, a fee of \$50 per year until the committee is terminated.

(2) Existing provisions of the Political Reform Act of 1974 regulate the activities of lobbyists, lobbying firms, and lobbyist employers, as defined, in connection with attempts to influence legislative and administrative action by legislative and other state officials. The act requires that lobbying firms and lobbyist employers register with the Secretary of State, and authorizes the Secretary of State to charge each lobbying firm and lobbyist employer a fee of up to \$25 per year for each lobbyist required to be listed on its registration statement.

This bill instead would require the Secretary of State to charge each lobbying firm and lobbyist employer a fee of \$50 per year for each lobbyist required to be listed on its registration statement.

(3) This bill would establish the Political Disclosure, Accountability, Transparency, and Access Fund in the State Treasury and require that moneys collected as fees from committees, as described in (1) above, and one-half of fees collected from lobbying firms and lobbyist employers, as described in (2) above, be deposited in this fund. The bill would require that the other ½ of the fees collected from lobbying firms and lobbyist employers be deposited in the General Fund. The bill would require that moneys deposited in the Political Disclosure, Accountability, Transparency, and Access Fund be expended for the maintenance, repair, and improvement of the online or electronic disclosure program implemented by the Secretary of State, except that the bill would also allow the Secretary of State to use these moneys for purposes of implementing the bill. The bill would provide that expenditures from this fund for purposes of the maintenance, repair, and improvement of the online or electronic disclosure program are subject

to the project approval and oversight process established by the California Technology Agency, as specified.

(4) 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 84101.5 is added to the Government Code, to read:

84101.5. (a) Notwithstanding Section 81006, the Secretary of State shall charge each committee that is required to file a statement of organization pursuant to subdivision (a) of Section 84101, and each committee that is required to file a statement of organization pursuant to subdivision (a) of Section 84101 shall pay, a fee of fifty dollars (\$50) per year until the committee is terminated pursuant to Section 84214.

(b) A committee shall pay the fee prescribed in subdivision (a) no later than 15 days after filing its statement of organization.

(c) (1) A committee annually shall pay the fee prescribed in subdivision (a) no later than January 15 of each year.

(2) A committee that is created and pays the initial fee pursuant to subdivision (b) in the final three months of a calendar year is not subject to the annual fee pursuant to paragraph (1) for the following calendar year.

(3) A committee that existed prior to January 1, 2013, shall pay the fee prescribed in subdivision (a) no later than February 15, 2013, and in accordance with paragraph (1) in each year thereafter. A committee that terminates pursuant to Section 84214 prior to January 31, 2013, is not required to pay a fee pursuant to this paragraph.

(d) (1) A committee that fails to timely pay a fee required by this section is subject to a penalty equal to three times the amount of the fee.

(2) The Commission shall enforce the requirements of this section.

SEC. 2. Section 84613 is added to the Government Code, to read:

84613. (a) The Political Disclosure, Accountability, Transparency, and Access Fund is hereby established in the State Treasury. Moneys collected pursuant to Section 84101.5 and one-half of the moneys collected pursuant to Section 86102 shall be deposited in the Political Disclosure, Accountability, Transparency, and Access Fund.

(b) (1) Moneys deposited in the Political Disclosure, Accountability, Transparency, and Access Fund are subject to appropriation by the Legislature and shall be expended for the maintenance, repair, and improvement of the online or electronic disclosure program implemented by the Secretary of State pursuant to this chapter.

(2) In addition to paragraph (1), the Secretary of State may also use moneys deposited in the Political Disclosure, Accountability, Transparency,

and Access Fund for purposes of implementing the act that added this section.

(c) Any expenditure of moneys from the Political Disclosure, Accountability, Transparency, and Access Fund for the purposes described in paragraph (1) of subdivision (b) is subject to the project approval and oversight process established by the California Technology Agency pursuant to Section 11546.

SEC. 3. Section 86102 of the Government Code is amended to read:

86102. (a) The Secretary of State shall charge each lobbying firm and lobbyist employer required to file a registration statement under this chapter a fee of fifty dollars (\$50) per year for each lobbyist required to be listed on its registration statement.

(b) One-half of the moneys collected pursuant to this section shall be deposited in the Political Disclosure, Accountability, Transparency, and Access Fund, and the other one-half of the moneys shall be deposited in the General Fund.

SEC. 4. 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.

Senate Bill No. 488

CHAPTER 865

An act to add Section 84305.7 to the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 30, 2012. Filed with
Secretary of State September 30, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

SB 488, Correa. Political Reform Act of 1974: slate mailers.

The Political Reform Act of 1974 regulates mass mailings, known as slate mailers, that support or oppose multiple candidates or ballot measures for an election. The act requires that each slate mailer identify the slate mailer organization that is sending the slate mailer and make other specified disclosures, and further requires the slate mailer organization to file periodic statements reporting payments received and expenditures made to produce slate mailers.

This bill would provide that, if a slate mailer organization sends a slate mailer or other mass mailing that displays a logo, insignia, emblem, or trademark that is identical or substantially similar to the logo, insignia, emblem, or trademark of a governmental agency or a nongovernmental organization that represents law enforcement, firefighting, emergency medical, or other public safety personnel, and that would reasonably be understood to imply the participation or endorsement of that governmental agency or nongovernmental organization, the slate mailer organization would be required to obtain the express written consent of the governmental agency or nongovernmental organization associated with the logo, insignia, emblem, or trademark prior to using the logo, insignia, emblem, or trademark in the slate mailer or other mass mailing.

This bill would also provide that, if a slate mailer organization sends a slate mailer or other mass mailing that identifies itself or its source material as representing a nongovernmental organization with a name that would reasonably be understood to imply that the organization is composed of, or affiliated with, law enforcement, firefighting, emergency medical, or other public safety personnel, the slate mailer or mass mailing would be required to disclose the total number of members in the organization identified in the slate mailer or mass mailing.

Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would impose a state-mandated local program by creating additional crimes.

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. The Legislature finds and declares all of the following:

(a) The spirit of existing state law governing the unauthorized use of specified logos for political purposes has, at times, been creatively manipulated by those seeking to influence the voting public.

(b) The unauthorized use of governmental or organizational logos, insignias, emblems, trademarks, and other identifiers of federal, state, and local governments, and of organizations of governmental officials, on political mailers deceives the recipients and leads to an erosion of the public's trust. The unauthorized use of logos, insignias, emblems, and trademarks used by public safety departments, organizations, and professionals further creates a risk that the public will be misled and confused as it attempts to distinguish between legitimate public safety communications and political propaganda.

(c) California's public safety departments and organizations are charged with disseminating and enforcing important emergency warnings to the public, such as reverse 911 calls, Emergency Broadcast System messages, red flag warnings, and other important emergency prevention and evacuation orders that save lives.

(d) The very real potential exists for our state's citizens to disregard important public safety information in the event of an emergency because they inaccurately assume that it is associated with a political candidate or campaign.

(e) It is therefore the intent of the Legislature to ensure that these logos, insignias, emblems, trademarks, and other identifiers are used only with the approval of the governmental agency, department, group, or organization to which the identifier belongs and, in so doing, to ensure that the integrity of the identifier is upheld and the public's trust in these agencies, departments, groups, and organizations is protected.

SEC. 2. Section 84305.7 is added to the Government Code, to read:

84305.7. (a) If a slate mailer organization sends a slate mailer or other mass mailing that displays a logo, insignia, emblem, or trademark that is identical or substantially similar to the logo, insignia, emblem, or trademark of a governmental agency, and that would reasonably be understood to imply the participation or endorsement of that governmental agency, the

slate mailer organization shall obtain the express written consent of the governmental agency associated with the logo, insignia, emblem, or trademark prior to using the logo, insignia, emblem, or trademark in the slate mailer or other mass mailing.

(b) If a slate mailer organization sends a slate mailer or other mass mailing that displays a logo, insignia, emblem, or trademark that is identical or substantially similar to the logo, insignia, emblem, or trademark of a nongovernmental organization that represents law enforcement, firefighting, emergency medical, or other public safety personnel, and that would reasonably be understood to imply the participation or endorsement of that nongovernmental organization, the slate mailer organization shall obtain the express written consent of the nongovernmental organization associated with the logo, insignia, emblem, or trademark prior to using the logo, insignia, emblem, or trademark in the slate mailer or other mass mailing.

(c) If a slate mailer organization sends a slate mailer or other mass mailing that identifies itself or its source material as representing a nongovernmental organization with a name that includes the term “peace officer,” “reserve officer,” “deputy,” “deputy sheriff,” “sheriff,” “police,” “highway patrol,” “California Highway Patrol,” “law enforcement,” “firefighter,” “fire marshal,” “paramedic,” “emergency medical technician,” “public safety,” or any other term that would reasonably be understood to imply that the organization is composed of, or affiliated with, law enforcement, firefighting, emergency medical, or other public safety personnel, the slate mailer or mass mailing shall disclose on the outside of each piece of mail and on at least one of the inserts included with each piece of mail in no less than 12-point roman type, which shall be in a color or print that contrasts with the background so as to be easily legible, the total number of members in the organization identified in the slate mailer or mass mailing.

SEC. 3. 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. 4. 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.

Assembly Bill No. 2691

CHAPTER 503

An act to amend Section 84602 of, and to repeal Sections 84604, 84609, and 84610 of, the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 24, 2012. Filed with
Secretary of State September 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2691, Committee on Elections and Redistricting. Political Reform Act of 1974: online and electronic filing.

The Political Reform Act of 1974 requires the Secretary of State, in consultation with the Fair Political Practices Commission, to develop an online and electronic filing system to be used by certain entities, including specified candidates, general purpose committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers, in filing statements and reports required under the act. The act imposes certain online or electronic disclosure requirements that are specific to the 1998 statewide general election and the 2000 statewide primary election. The act also appropriates to the Secretary of State the sum of \$1,100,000 for the purpose of developing online or electronic disclosure systems, effective September 16, 1999. Under existing law, an appropriation is available to be encumbered for 3 years after the date upon which it first became available for encumbrance.

This bill would repeal the provisions relating to online or electronic disclosure requirements specific to the 1998 statewide general election and the 2000 statewide primary election. The bill would also repeal the provision making a \$1,100,000 appropriation to the Secretary of State, which has been available for encumbrance for more than 3 years.

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 84602 of the Government Code is amended to read:

84602. To implement the Legislature's intent, the Secretary of State, in consultation with the Commission, notwithstanding any other provision of this code, shall do all of the following:

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

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

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

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

(c) Develop a system that provides for the online or electronic transfer of the data specified in this section utilizing telecommunications technology that assures the integrity of the data transmitted and that creates safeguards against efforts to tamper with or subvert the data.

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

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

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

(g) Provide assistance to those seeking public access to the information.
(h) Implement sufficient technology to seek to prevent unauthorized alteration or manipulation of the data.

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

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

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

SEC. 2. Section 84604 of the Government Code is repealed.

SEC. 3. Section 84609 of the Government Code is repealed.

SEC. 4. Section 84610 of the Government Code is repealed.

SEC. 5. 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.

Assembly Bill No. 2452

CHAPTER 126

An act to add Section 84615 to the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 13, 2012. Filed with
Secretary of State July 13, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2452, Ammiano. Political Reform Act of 1974: online disclosure.

The Political Reform Act of 1974 requires specified candidates, committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers to file campaign statements and reports online or electronically with the Secretary of State, as specified. The act requires certain of these entities to also file campaign statements and reports with local filing officers, as specified.

This bill, with certain exceptions, would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury.

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 84615 is added to the Government Code, to read:
84615. A local government agency may require an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 (commencing with Section 84100), except an elected officer, candidate, committee, or other person who receives contributions totaling less than one thousand dollars (\$1,000), and makes expenditures totaling less than one thousand dollars (\$1,000), in a calendar year, to file those statements, reports, or other documents online or

electronically with a local filing officer. A local government agency that requires online or electronic filing pursuant to this section shall comply with all of the following:

(a) The legislative body for the local government agency shall adopt an ordinance approving the use of online or electronic filing, which shall include a legislative finding that the online or electronic filing system will operate securely and effectively and would not unduly burden filers. The ordinance adopted by the legislative body for the local government agency may, at the discretion of that legislative body, specify that the electronic or online filing requirements apply only to specifically identified types of filings or are triggered only by identified monetary thresholds. In any instance in which the original statement, report, or other document is required to be filed with the Secretary of State and a copy of that statement, report, or other document is required to be filed with the local government agency, the ordinance may permit, but shall not require, that the copy be filed online or electronically.

(b) The online or electronic filing system shall only accept a filing in the standardized record format that is developed by the Secretary of State pursuant to paragraph (2) of subdivision (a) of Section 84602 and that is compatible with the Secretary of State's system for receiving an online or electronic filing.

(c) The online or electronic filing system shall ensure the integrity of the data transmitted and shall include safeguards against efforts to tamper with, manipulate, alter, or subvert the data.

(d) (1) The local filing officer shall issue to a person who files a statement, report, or other document online or electronically an electronic confirmation that notifies the filer that the statement, report, or other document was received. The confirmation shall include the date and the time that the statement, report, or other document was received by the filing officer and the method by which the filer may view and print the data received by the filing officer.

(2) A copy retained by the filer of a statement, report, or other document that was filed online or electronically and the confirmation issued pursuant to paragraph (1) that shows the filer timely filed the statement, report, or other document shall create a rebuttable presumption that the filer timely filed the statement, report, or other document.

(e) The date of filing for a statement, report, or other document that is filed online or electronically shall be the day that it is received by the local filing officer.

(f) The local filing officer shall make all the data filed available on the Internet in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. The data made available on the Internet shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed by the filer. The local filing officer shall make a complete, unredacted copy of any statement, report, or other

document filed pursuant to this section, including any street names, building numbers, and bank account numbers disclosed by the filer, available to any person upon request.

(g) The online or electronic filing system shall include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury pursuant to Section 81004.

(h) The local government agency shall enable filers to complete and submit filings free of charge.

(i) The local filing officer shall maintain, for a period of at least 10 years commencing from the date filed, a secured, official version of each online or electronic statement, report, or other document filed pursuant to this section, which shall serve as the official version of that record for purpose of audits and any other legal purpose. Data that has been maintained for at least 10 years may then be archived in a secure format.

(j) Notwithstanding any other provision of law, any statement, report, or other document filed online or electronically pursuant to this section shall not be required to be filed with the local filing officer in paper format.

SEC. 2. 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.

Assembly Bill No. 2191

CHAPTER 502

An act to amend Section 85703 of, and to add Section 84207 to, the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 24, 2012. Filed with
Secretary of State September 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2191, Norby. Political Reform Act of 1974: county central committees.

The Political Reform Act of 1974 requires elected officers, candidates for elective office, and committees to prepare and file various campaign finance reports, as specified.

This bill would exempt an elected member of, or a candidate for election to, a county central committee of a qualified political party who receives contributions of less than \$1,000 and who makes expenditures of less than \$1,000 in a calendar year from the requirements to file specified campaign statements.

The act imposes limitations on contributions by persons to candidates for elective state office and permits local jurisdictions to impose additional contribution limitations, as specified. The act also authorizes a local agency to impose additional filing requirements on a person, except as specified.

This bill would prohibit a local government agency from imposing any filing requirements on an elected member of, or a candidate for election to, a county central committee of a qualified political party who receives contributions of less than \$1,000 and who makes expenditures of less than \$1,000 in a calendar year. The bill would also prohibit a local jurisdiction from imposing any contribution limitations or prohibitions on an elected member of, or a candidate for election to, a county central committee of a qualified political party, or on a committee primarily formed to support or oppose a person seeking election to a county central committee of a qualified political party.

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 84207 is added to the Government Code, to read:

84207. (a) An elected member of, or a candidate for election to, a county central committee of a qualified political party who receives contributions of less than one thousand dollars (\$1,000) and who makes expenditures of less than one thousand dollars (\$1,000) in a calendar year shall not be required to file any campaign statements required by this title.

(b) Notwithstanding Sections 81009.5 and 81013, a local government agency shall not impose any filing requirements on an elected member of, or a candidate for election to, a county central committee of a qualified political party who receives contributions of less than one thousand dollars (\$1,000) and who makes expenditures of less than one thousand dollars (\$1,000) in a calendar year.

SEC. 2. Section 85703 of the Government Code is amended to read:

85703. (a) Nothing in this act shall nullify contribution limitations or prohibitions of any local jurisdiction that apply to elections for local elective office, except that these limitations and prohibitions may not conflict with Section 85312. However, a local jurisdiction shall not impose any contribution limitations or prohibitions on an elected member of, or a candidate for election to, a county central committee of a qualified political party, or on a committee primarily formed to support or oppose a person seeking election to a county central committee of a qualified political party.

(b) Limitations and prohibitions imposed by a local jurisdiction on payments for a member communication, as defined in subdivision (c), that conflict with Section 85312 and which are thereby prohibited by subdivision (a) include, but are not limited to, any of the following:

(1) Source restrictions on payments for member communications that are not expressly made applicable to member communications by a state statute or by a regulation adopted by the Commission pursuant to Section 83112.

(2) Limitations on payments to a political party committee for a member communication that are not expressly made applicable to member communications by a state statute or by a regulation adopted by the Commission pursuant to Section 83112.

(3) Limitations on the scope of payments considered directly related to the making of a member communication, including costs associated with the formulation, design, production, and distribution of the communication such as surveys, list acquisition, and consulting fees that are not expressly made applicable to member communications by a state statute or by a regulation adopted by the Commission pursuant to Section 83112.

(c) For purposes of this section, “member communication” means a communication, within the meaning of Section 85312, to members, employees, shareholders, or families of members, employees, or shareholders of an organization, including a communication by a political party to a member who is registered as expressing a preference for that party on his or her affidavit of registration pursuant to Sections 2150, 2151, and 2152 of the Elections Code.

SEC. 3. 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.

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Assembly Bill No. 2146

CHAPTER 169

An act to add and repeal Section 83123.5 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor July 24, 2012. Filed with
Secretary of State July 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2146, Cook. Political Reform Act of 1974: local campaign reform: County of San Bernardino.

The Political Reform Act of 1974 establishes the Fair Political Practices Commission, which has the primary responsibility for the impartial, effective administration and implementation of the act, including acting as the civil prosecutor responsible for the enforcement of the penalty provisions of the act.

This bill would, upon mutual agreement between the Fair Political Practices Commission and the Board of Supervisors of the County of San Bernardino, authorize the Commission to have primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance reform ordinance of the County of San Bernardino. The bill would authorize the Commission to investigate possible violations of the local county campaign finance reform ordinance and bring administrative actions against persons who violate the ordinance, as specified. The bill would require the Board of Supervisors of the County of San Bernardino to consult with the Commission prior to adopting and amending any local campaign finance reform ordinance that is subsequently enforced by the Commission. The bill would specify that the Board of Supervisors of the County of San Bernardino and the Commission may enter into any agreements necessary and appropriate for the operation of these provisions, including agreements for reimbursement of state costs with county funds, as specified. The bill would provide that the Board of Supervisors of the County of San Bernardino or the Commission may, at any time, by ordinance or resolution, terminate any agreement for the Commission to administer, implement, or enforce the local campaign finance reform ordinance or any provision thereof.

The bill would require the Commission to report to the Legislature with specified information on or before January 1, 2017, if the Commission enters into an agreement with the Board of Supervisors of the County of San Bernardino.

This bill would repeal its provisions on January 1, 2018, as specified.

The bill would make legislative findings and declarations concerning the need for special legislation.

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 83123.5 is added to the Government Code, to read:

83123.5. (a) Upon mutual agreement between the Commission and the Board of Supervisors of the County of San Bernardino, the Commission is authorized to assume primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance reform ordinance passed by the Board of Supervisors of the County of San Bernardino. The Commission is authorized to be the civil prosecutor responsible for the civil enforcement of that local campaign finance reform ordinance in accordance with this title. As the civil prosecutor of the County of San Bernardino's local campaign finance reform ordinance, the Commission may do both of the following:

(1) Investigate possible violations of the local campaign finance reform ordinance.

(2) Bring administrative actions in accordance with this title and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2.

(b) Any local campaign finance reform ordinance of the County of San Bernardino enforced by the Commission pursuant to this section shall comply with this title.

(c) The Board of Supervisors of the County of San Bernardino shall consult with the Commission prior to adopting and amending any local campaign finance reform ordinance that is subsequently enforced by the Commission pursuant to this section.

(d) (1) The Board of Supervisors of the County of San Bernardino and the Commission may enter into any agreements necessary and appropriate to carry out the provisions of this section, including agreements pertaining to any necessary reimbursement of state costs with county funds for costs incurred by the Commission in administering, implementing, or enforcing a local campaign finance reform ordinance pursuant to this section.

(2) An agreement entered into pursuant to this subdivision shall not contain any form of a cancellation fee, a liquidated damages provision, or other financial disincentive to the exercise of the right to terminate the agreement pursuant to subdivision (e), except that the Commission may require the Board of Supervisors of the County of San Bernardino to pay the Commission for services rendered and any other expenditures reasonably made by the Commission in anticipation of services to be rendered pursuant to the agreement in the event that the Board of Supervisors of the County of San Bernardino terminates the agreement.

(e) The Board of Supervisors of the County of San Bernardino or the Commission may, at any time, by ordinance or resolution, terminate any

agreement made pursuant to this section for the Commission to administer, implement, or enforce a local campaign finance reform ordinance or any provision thereof.

(f) If an agreement is entered into pursuant to this section, the Commission shall report to the Legislature regarding the performance of that agreement on or before January 1, 2017, and shall submit that report in compliance with Section 9795. The Commission shall develop the report in consultation with the County of San Bernardino. The report shall include, but not be limited to, all of the following:

(1) The status of the agreement.

(2) The estimated annual cost savings, if any, for the County of San Bernardino.

(3) A summary of relevant annual performance metrics, including measures of utilization, enforcement, and customer satisfaction.

(4) Any public comments submitted to the Commission or the County of San Bernardino relative to the operation of the agreement.

(5) Any legislative recommendations.

(g) This section shall remain in effect only until January 1, 2018, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2018, deletes or extends that date.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the necessity to avoid an appearance of corruption in the County of San Bernardino's electoral process. The proposed local campaign finance reform ordinance is intended to make it more difficult for candidates and influential individuals and entities to engage in quid pro quo corruption, make the financing of campaigns for elective county offices more transparent, and to make more information, especially financial information, regarding candidates and their supporters available to voters. Enforcement of the local campaign finance reform ordinance by the Commission is needed to ensure the integrity of the ordinance.

SEC. 3. 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.

Assembly Bill No. 1509

CHAPTER 498

An act to add Section 87505 to the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 24, 2012. Filed with
Secretary of State September 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1509, Hayashi. Political Reform Act of 1974: statement of economic interests.

The Political Reform Act of 1974 requires persons holding specified public offices to file disclosures of investments, real property interests, and income within specified periods of assuming or leaving office, and annually while holding the office. Specified local elected officers file their statements of economic interests with the city clerk or county clerk, who makes and retains a copy of each statement and forwards the original to the Fair Political Practices Commission, which is the filing officer.

This bill would require a city or county clerk who maintains an Internet Web site to post a notification on that Internet Web site that identifies the elected officers who file statements of economic interests with that city or county clerk. The bill would also require the notification to include a statement that a copy of a statement of economic interests for those filers can be obtained by visiting the offices of the Commission or the city or county clerk, as specified. The bill would also require that the notification include a link to the Commission's Internet Web site and a statement that certain statements of economic interests may be available in an electronic format by visiting the Commission's Internet Web site. By imposing additional duties on a local official, 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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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 87505 is added to the Government Code, to read:
87505. Each city clerk or county clerk who maintains an Internet Web site shall post on that Internet Web site a notification that includes all of the following:

(a) A list of the elected officers identified in Section 87200 who file statements of economic interests with that city clerk or county clerk pursuant to Section 87500.

(b) A statement that copies of the statements of economic interests filed by the elected officers described in subdivision (a) may be obtained by visiting the offices of the Commission or that city clerk or county clerk, as appropriate. The statement shall include the physical address for the Commission's office and the city clerk's office or the county clerk's office, as appropriate.

(c) A link to the Commission's Internet Web site and a statement that statements of economic interests for some state and local government agency elected officers may be available in an electronic format on the Commission's Internet Web site.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 3. 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.

Assembly Bill No. 481

CHAPTER 496

An act to amend Sections 82036, 82036.5, 84102, 84104,84213, and 84506 of, and to amend, renumber, and add Section 82047.6 of, the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 24, 2012. Filed with
Secretary of State September 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 481, Gordon. Political Reform Act of 1974: campaign disclosure.

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.

This bill would require each campaign committee to identify its principal officer or officers, as defined, and would require each principal officer to maintain the committee's accounts and records. In addition, the bill would require a committee's principal officer, in the event the committee files a statement or report disclosing an independent expenditure, to sign a verification verifying that the committee has not received unreported contributions or reimbursements to make the independent expenditure and has not coordinated with the candidate or the opponent of the candidate or the proponent or the opponent of the state measure that is the subject of the expenditure.

The Political Reform Act of 1974 defines "late contribution" and "late independent expenditure" as any contribution or independent expenditure totaling in the aggregate \$1,000 or more that is made for or against any specific candidate, committee, or measure involved in an election that is made or received before the date of the election but after the closing date of the last campaign statement required to be filed prior to the election.

This bill would instead define "late contribution" and "late independent expenditure" to mean a contribution or independent expenditure made within 90 days before the date of the election at which the candidate or measure is to be voted on.

The Political Reform Act of 1974 requires that broadcast and mass mailing advertisements supporting or opposing candidates or ballot measures include disclosure statements that reflect specified information.

This bill would require any advertisement supporting or opposing candidates or ballot measures to include such disclosure statements.

Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would impose a state-mandated local program by creating additional crimes.

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 within 90 days before 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, 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 within 90 days before 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 82047.6 of the Government Code is amended and renumbered to read:

82047.7 "Proponent of a state ballot measure" means "proponent" as defined in Section 9002 of the Elections Code.

SEC. 4. Section 82047.6 is added to the Government Code, to read:

82047.6. (a) "Principal officer" means the individual primarily responsible for approving the political activities of a committee, including, but not limited to, the following activities:

(1) Authorizing the content of communications made by the committee.

(2) Authorizing expenditures, including contributions, on behalf of the committee.

(3) Determining the committee's campaign strategy.

(b) If two or more individuals share the primary responsibility for approving the political activities of a committee, each individual is a principal officer.

SEC. 5. Section 84102 of the Government Code is amended to read:

84102. The statement of organization required by Section 84101 shall include all of the following:

(a) The name, street address, and telephone number, if any, of the committee. In the case of a sponsored committee, the name of the committee shall include the name of its sponsor. Whenever a committee has more than one sponsor, and the sponsors are members of an industry or other identifiable group, a term identifying that industry or group shall be included in the name of the committee.

(b) In the case of a sponsored committee, the name, street address, and telephone number of each sponsor.

(c) The full name, street address, and telephone number, if any, of the treasurer and any other principal officers. A committee with more than one principal officer shall identify its principal officers as follows:

(1) A committee with three or fewer principal officers shall identify all principal officers.

(2) A committee with more than three principal officers shall identify no fewer than three principal officers.

If no individual other than the treasurer is a principal officer, the treasurer shall be identified as both the treasurer and the principal officer.

(d) The full name and office sought by any candidate, and the title and ballot number, if any, of any measure, that the committee supports or opposes as its primary activity. A committee that does not support or oppose one or more candidates or ballot measures as its primary activity shall provide a brief description of its political activities, including whether it supports or opposes candidates or measures and whether such candidates or measures have common characteristics, such as a political party affiliation.

(e) A statement whether the committee is independent or controlled and, if it is controlled, the name of each candidate or state measure proponent by which it is controlled, or the name of any controlled committee with which it acts jointly. If a committee is controlled by a candidate for partisan office, the controlled committee shall indicate the political party, if any, with which the candidate is affiliated.

(f) For a committee that is a committee by virtue of subdivision (a) or (b) of Section 82013, the name and address of the financial institution where the committee has established an account and the account number.

(g) Such other information as shall be required by the rules or regulations of the Commission consistent with the purposes and provisions of this chapter.

SEC. 6. Section 84104 of the Government Code is amended to read:

84104. It shall be the duty of each candidate, treasurer, principal officer, and elected officer to maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that campaign statements were properly filed, and to otherwise comply with the provisions of this chapter. The detailed accounts, records, bills, and receipts shall be retained by the filer for a period specified by the Commission. However, the Commission shall not require retention of records for a period longer than the statute of limitations specified in Section 91000.5 or two years after the adoption of an audit report pursuant to Chapter 10 (commencing with Section 90000), whichever is less.

SEC. 7. Section 84213 of the Government Code is amended to read:

84213. (a) A candidate and state measure proponent shall verify his or her campaign statement and the campaign statement of each committee subject to his or her control. The verification shall be in accordance with the provisions of Section 81004 except that it shall state that to the best of his or her knowledge the treasurer of each controlled committee used all reasonable diligence in the preparation of the committee's statement. This section does not relieve the treasurer of any committee from the obligation to verify each campaign statement filed by the committee pursuant to Section 81004.

(b) If a committee is required to file a campaign statement or report disclosing an independent expenditure pursuant to this title, a principal officer of the committee or, in the case of a controlled committee, the candidate or state measure proponent or opponent who controls the committee shall sign a verification on a report prescribed by the Commission. Notwithstanding any other provision of this title, the report containing the verification required by this subdivision shall be filed only with the Commission. The verification shall read as follows:

I have not received any unreported contributions or reimbursements to make these independent expenditures. I have not coordinated any expenditure made during this reporting period with the candidate or the opponent of the candidate who is the subject of the expenditure, with the proponent or the opponent of the state measure that is the subject of the expenditure, or with the agents of the candidate or the opponent of the candidate or the state measure proponent or opponent.

SEC. 8. Section 84506 of the Government Code is amended to read:

84506. (a) An advertisement supporting or opposing a candidate or ballot measure, that is paid for by an independent expenditure, shall include a disclosure statement that identifies both of the following:

(1) The name of the committee making the independent expenditure.

(2) The names of the persons from whom the committee making the independent expenditure has received its two highest cumulative contributions of fifty thousand dollars (\$50,000) or more during the 12-month period prior to the expenditure. If the committee can show, on the basis that contributions are spent in the order they are received, that contributions received from the two highest contributors have been used for expenditures unrelated to the candidate or ballot measure featured in the communication,

the committee shall disclose the contributors making the next largest cumulative contributions of fifty thousand dollars (\$50,000) or more.

(b) If an acronym is used to identify any committee names required by this section, the names of any sponsoring organization of the committee shall be printed on print advertisements or spoken in broadcast advertisements.

SEC. 9. 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. 10. 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.

BILL NUMBER: AB 2220
VETOED DATE: 09/30/2012

To the Members of the California State Assembly:

I am returning Assembly Bill 2220 without my signature.

I continue to share the author's concern that voters should understand the impact of their vote for or against an initiative measure.

The Legislative Analyst already prepares a detailed fiscal summary about each measure, and I am not convinced that adding one of these rote disclaimers will provide more clarity for voters.

Sincerely,

Edmund G. Brown Jr.

Assembly Bill No. 2220

Passed the Assembly August 29, 2012

Chief Clerk of the Assembly

Passed the Senate August 27, 2012

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2012, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 9085 of the Elections Code, and to amend Section 88002.5 of the Government Code, relating to elections.

LEGISLATIVE COUNSEL'S DIGEST

AB 2220, Gatto. Elections: statewide ballot pamphlet.

The Political Reform Act of 1974 requires the Legislative Analyst to prepare an impartial analysis of each initiative measure to appear on the ballot, and provides that the Legislative Analyst is solely responsible for determining the content of the analysis. The act requires the Legislative Analyst to prepare an impartial fiscal analysis of a measure that is included in the ballot pamphlet stating whether the measure would increase or decrease any revenue or cost to state or local government. Existing law also requires the Legislative Analyst to prepare for inclusion in the ballot pamphlet a summary statement regarding the general meaning and effect of “yes” and “no” votes on each state measure.

The Political Reform Act of 1974, an initiative statute, generally 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. The act also provides that, notwithstanding this requirement, the Legislature may, without restriction, amend specified provisions of the act to add to the ballot pamphlet information regarding candidates or other information.

This bill would, except as specified, require, if a fiscal analysis prepared by the Legislative Analyst determines that a measure would provide an increase in revenues to fund new or existing programs, create a new fund, or create or change a funding formula for one or more specified programs, that a specified paragraph, if applicable, be added at the end of the “yes” and “no” summary statement in the ballot pamphlet advising voters as to the effect of the initiative measure on state funding requirements. The bill also would contain a finding and declaration of the Legislature that the bill permits or requires additional information to be included in the ballot pamphlet in accordance with the provision of the Political

Reform Act of 1974 described above that authorizes the Legislature to add information to the ballot pamphlet.

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

SECTION 1. Section 9085 of the Elections Code is amended to read:

9085. (a) The ballot pamphlet shall also contain a section, located near the front of the pamphlet, that provides a concise summary of the general meaning and effect of “yes” and “no” votes on each state measure.

(b) The summary statements required by this section shall be prepared by the Legislative Analyst. These statements are not intended to provide comprehensive information on each measure. The Legislative Analyst shall be solely responsible for determining the contents of these statements. The statements shall be available for public examination and amendment pursuant to Section 9092.

(c) (1) Except as provided in paragraphs (2) and (3), if an initiative measure qualifies for the ballot and the analysis prepared pursuant to Section 9087 determines that the initiative measure would provide for an increase in revenues to fund new or existing programs, create a new fund, or create or change a funding formula for one or more specified programs, the Legislative Analyst shall add a paragraph at the end of the summary statement prepared pursuant to this section, stating in boldface type one of the following, if applicable:

(A) “Unless changed by a future voter-approved ballot measure, this initiative would permanently dedicate state funding to the program(s) identified, and these funds would not be available to meet other responsibilities of the state.”

(B) “Unless changed by a future voter-approved ballot measure, or by a supermajority vote of each house of the Legislature and approval by the Governor, this initiative would permanently dedicate state funding to the program(s) identified, and these funds would not be available to meet other responsibilities of the state.”

(C) “Unless changed by a future voter-approved ballot measure, or by a supermajority vote of each house of the Legislature and approval by the Governor, this initiative would permanently create and lock in a formula for the state budget.”

(D) “Unless changed by a future voter-approved ballot measure, this initiative would permanently dedicate the revenue it generates to the program(s) identified, and these revenues would not be available to meet other responsibilities of the state.”

(2) Subparagraph (D) of paragraph (1) shall not apply if the measure provides that the increase in revenues is to be deposited without restriction into the General Fund commencing at a future date after its enactment, or if the initiative measure allows the Legislature to reallocate the increase in revenues.

(3) If the Legislative Analyst determines that no subparagraph set forth in paragraph (1) is applicable, the Legislative Analyst shall add a paragraph at the end of the summary statement prepared pursuant to this section stating, in boldface type and in a form similar to that prescribed by the subparagraphs set forth in paragraph (1), the effect of the initiative measure on state funding requirements.

SEC. 2. Section 88002.5 of the Government Code is amended to read:

88002.5. (a) The ballot pamphlet shall also contain a section, located near the front of the pamphlet, that provides a concise summary of the general meaning and effect of “yes” and “no” votes on each state measure.

(b) The summary statements required by this section shall be prepared by the Legislative Analyst. These statements are not intended to provide comprehensive information on each measure. The Legislative Analyst shall be solely responsible for determining the contents of these statements. The statements shall be available for public examination and amendment pursuant to Section 88006.

(c) (1) Except as provided in paragraphs (2) and (3), if an initiative measure qualifies for the ballot and the analysis prepared pursuant to Section 88003 determines that the initiative measure would provide for an increase in revenues to fund new or existing programs, create a new fund, or create or change a funding formula for one or more specified programs, the Legislative Analyst shall add a paragraph at the end of the summary statement prepared pursuant to this section, stating in boldface type one of the following, if applicable:

(A) “Unless changed by a future voter-approved ballot measure, this initiative would permanently dedicate state funding to the

program(s) identified, and these funds would not be available to meet other responsibilities of the state.”

(B) “Unless changed by a future voter-approved ballot measure, or by a supermajority vote of each house of the Legislature and approval by the Governor, this initiative would permanently dedicate state funding to the program(s) identified, and these funds would not be available to meet other responsibilities of the state.”

(C) “Unless changed by a future voter-approved ballot measure, or by a supermajority vote of each house of the Legislature and approval by the Governor, this initiative would permanently create and lock in a formula for the state budget.”

(D) “Unless changed by a future voter-approved ballot measure, this initiative would permanently dedicate the revenue it generates to the program(s) identified, and these revenues would not be available to meet other responsibilities of the state.”

(2) Subparagraph (D) of paragraph (1) shall not apply if the measure provides that the increase in revenues is to be deposited without restriction into the General Fund commencing at a future date after its enactment, or if the initiative measure allows the Legislature to reallocate the increase in revenues.

(3) If the Legislative Analyst determines that no subparagraph set forth in paragraph (1) is applicable, the Legislative Analyst shall add a paragraph at the end of the summary statement prepared pursuant to this section stating, in boldface type and in a form similar to that prescribed by the subparagraphs set forth in paragraph (1), the effect of the initiative measure on state funding requirements.

SEC. 3. The Legislature finds and declares that this act permits or requires the inclusion of additional information on the ballot pamphlet in accordance with Section 88007 of the Government Code.

Approved _____, 2012

Governor

BILL NUMBER: AB 2162
VETOED DATE: 09/30/2012

To the Members of the California State Assembly:

I am returning Assembly Bill 2162 without my signature.

The law already requires public officials to disclose their income and investments with enough particularity so that conflicts of interest can be identified. I am not convinced that this bill will provide more useful information to the public.

Sincerely,

Edmund G. Brown Jr.

Assembly Bill No. 2162

Passed the Assembly May 3, 2012

Chief Clerk of the Assembly

Passed the Senate August 23, 2012

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2012, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 87206 and 87207 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2162, Portantino. Political Reform Act of 1974: economic interest disclosure.

The Political Reform Act of 1974 requires persons holding specified public offices to file disclosures of investments, real property interests, and income within specified periods of assuming or leaving office, and annually while holding the office. The act requires the disclosures to include a statement indicating, within a specified value range, the fair market value of investments or interests in real property and the aggregate value of income received from a source.

This bill would revise the dollar amounts associated with these ranges to provide for 8 total ranges of fair market value of investments and real property interests and 10 total ranges of aggregate value of income.

Existing law makes a knowing or willful violation of the act a misdemeanor and subjects offenders to criminal penalties.

By creating additional crimes, 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 87206 of the Government Code is amended to read:

87206. (a) If an investment or an interest in real property is required to be disclosed under this article, the statement shall contain all of the following:

- (1) A statement of the nature of the investment or interest.
- (2) The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged.
- (3) The address or other precise location of the real property.
- (4) A statement indicating which of the following ranges represents the fair market value of the investment or interest in real property:
 - (A) At least two thousand dollars (\$2,000) but not greater than twenty-five thousand dollars (\$25,000).
 - (B) More than twenty-five thousand dollars (\$25,000) but not greater than one hundred thousand dollars (\$100,000).
 - (C) More than one hundred thousand dollars (\$100,000) but not greater than two hundred fifty thousand dollars (\$250,000).
 - (D) More than two hundred fifty thousand dollars (\$250,000) but not greater than five hundred thousand dollars (\$500,000).
 - (E) More than five hundred thousand dollars (\$500,000) but not greater than one million dollars (\$1,000,000).
 - (F) More than one million dollars (\$1,000,000) but not greater than five million dollars (\$5,000,000).
 - (G) More than five million dollars (\$5,000,000) but not greater than ten million dollars (\$10,000,000).
 - (H) More than ten million dollars (\$10,000,000).
- (5) In the case of a statement filed under Section 87203 or 87204, if the investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal.

(b) For purposes of disclosure under this article, “interest in real property” does not include the principal residence of the filer or any other property which the filer utilizes exclusively as the personal residence of the filer.

SEC. 2. Section 87207 of the Government Code is amended to read:

87207. (a) Except as provided in subdivision (b), when income is required to be reported under this article, the statement shall contain the following:

(1) The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.

(2) A statement indicating which of the following ranges represents the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source:

(A) At least five hundred dollars (\$500) but not greater than one thousand dollars (\$1,000).

(B) More than one thousand dollars (\$1,000) but not greater than ten thousand dollars (\$10,000).

(C) More than ten thousand dollars (\$10,000) but not greater than twenty-five thousand dollars (\$25,000).

(D) More than twenty-five thousand dollars (\$25,000) but not greater than one hundred thousand dollars (\$100,000).

(E) More than one hundred thousand dollars (\$100,000) but not greater than two hundred fifty thousand dollars (\$250,000).

(F) More than two hundred fifty thousand dollars (\$250,000) but not greater than five hundred thousand dollars (\$500,000).

(G) More than five hundred thousand dollars (\$500,000) but not greater than one million dollars (\$1,000,000).

(H) More than one million dollars (\$1,000,000) but not greater than five million dollars (\$5,000,000).

(I) More than five million dollars (\$5,000,000) but not greater than ten million dollars (\$10,000,000).

(J) More than ten million dollars (\$10,000,000).

(3) A description of the consideration, if any, for which the income was received.

(4) In the case of a gift, the amount and the date on which the gift was received.

(5) In the case of a loan, the annual interest rate, the security, if any, given for the loan, and the term of the loan.

(b) When the filer's pro rata share of income to a business entity, including income to a sole proprietorship, is required to be reported under this article, the statement shall contain the following:

(1) The name, address, and a general description of the business activity of the business entity.

(2) The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from that person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year.

(c) When a payment, including an advance or reimbursement, for travel is required to be reported pursuant to this section, it may be reported on a separate travel reimbursement schedule which shall be included in the filer's statement of economic interest. A filer who chooses not to use the travel schedule shall disclose payments for travel as a gift, unless it is clear from all surrounding circumstances that the services provided were equal to or greater in value than the payments for the travel, in which case the travel may be reported as income.

SEC. 3. 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. 4. 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 _____, 2012

Governor