

Date of Hearing: July 12, 2017

ASSEMBLY COMMITTEE ON ELECTIONS AND REDISTRICTING

Marc Berman, Chair

SB 358 (Stern) – As Introduced February 14, 2017

SENATE VOTE: 39-0

SUBJECT: Political Reform Act of 1974: Secretary of State: online filing and disclosure system.

SUMMARY: Requires the Secretary of State's (SOS) Internet Web site to include conspicuous hyperlinks to local government agency web sites that contain publically disclosed campaign finance information. Requires the SOS to update these hyperlinks no later than December 31 of each year.

EXISTING LAW:

- 1) Creates the Fair Political Practices Commission (FPPC), and makes it responsible for the impartial, effective administration and implementation of the Political Reform Act (PRA).
- 2) Requires, pursuant to the PRA, that elected officials, candidates for state elective office, and committees formed primarily to support or oppose a candidate for public office or a ballot measure, file periodic campaign statements, as specified.
- 3) Requires campaign statements to contain prescribed information related to campaign contributions and expenditures, as specified.
- 4) Requires the SOS, in consultation with the FPPC, to develop and certify for public use a new online filing and disclosure system for statements and reports that provides public disclosure of campaign finance and lobbying information in a user-friendly, easily understandable format, as specified.
- 5) Requires the SOS, in consultation with the FPPC, to develop and certify a new online filing and disclosure system to replace the existing Cal-Access system.
- 6) Requires the SOS to submit a report no later than December 31, 2017, to the Legislature that includes a plan for the new state online filing and disclosure system, describes how members of the public will be able to query and retrieve data from the system, and includes a plan for integrating statements for specified local filers.
- 7) Permits, but does not require, local jurisdictions to provide online and electronic filing and disclosure systems for use by local candidates, officeholders, and committees.

FISCAL EFFECT: According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

COMMENTS:1) **Purpose of the Bill:** According to the author:

SB 358 requires the Secretary of State to conspicuously post a list of hyperlinks on his website connecting the public to any local government site that displays campaign finance information.

The bill also requires the SOS to update these hyperlinks annually.

Although not required by law, the SOS website currently displays hyperlinks to the websites of the 30 cities and 18 counties that provide an actual online filing and display system. The SOS website does not however, display hyperlinks to the cities and counties that do not provide an online filing system but merely posts the campaign reports online for public viewing.

SB 358 would require the SOS to display the links to all 28 counties and 151 cities that currently provide any means to publicly view campaign reports on their websites. As California Common Cause stated in its 2016 California Municipal Democracy Index, there is no centralized state archive for local campaign finance reports and the ease of finding them online varies greatly by jurisdiction.

SB 358 will provide the public and the press with a comprehensive and easily accessible portal to every local California jurisdiction that displays their campaign finance reports on the Internet. While the forthcoming replacement for the existing Cal-Access system may ultimately include this information, this bill will provide a convenient way for voters and other interested persons to locate and view campaign finance reports for local officeholders, candidates, and ballot measure committees in a timely manner.

- 2) **Previous Legislation:** SB 1349 (Hertzberg), Chapter 845, Statutes of 2016, directs the SOS, in consultation with the FPPC, to develop a modern campaign finance disclosure system that is more user-friendly, and will allow the public access to campaign information. The new online filing and disclosure system is expected to be available for use by February 2019, but may be delayed until December 2019 if certain conditions are met.
- 3) **Related Legislation:** AB 1458 (Friedman) requires a candidate for elective office to include and conspicuously place on the homepage of his or her campaign Internet Web site a hyperlink to the SOS's Internet Web site that displays the candidate's campaign finance information pursuant to existing law, as specified. AB 1458 was approved by this committee on a 4-2 vote, but failed passage on the Assembly Floor on a 53-17 vote (as a bill amending the PRA without being submitted to the voters, 54 votes were required for passage).
- 4) **Political Reform Act of 1974:** California voters passed an initiative, Proposition 9, in 1974 that created the FPPC and codified significant restrictions and prohibitions on candidates, officeholders and lobbyists. That initiative is commonly known as the PRA. Amendments to the PRA that are not submitted to the voters, such as those contained in this bill, must further the purposes of the initiative and require a two-thirds vote of both houses of the Legislature.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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