

Date of Hearing: April 9, 2025

ASSEMBLY COMMITTEE ON ELECTIONS

Gail Pellerin, Chair

AB 808 (Addis) – As Amended March 18, 2025

SUBJECT: Campaign statements and other reports: submission by facsimile.

SUMMARY: Eliminates the option for campaign disclosure reports to be filed by fax. Provides for a required independent expenditure (IE) verification statement to appear only on the semiannual or preelection campaign statement that discloses the IE. Specifically, **this bill:**

- 1) Eliminates various provisions of law that permits certain disclosure reports or statements that are filed pursuant to the Political Reform Act (PRA) to be filed by fax, and instead permits such reports or statements to be filed by email.
- 2) Provides that when the law requires an officer of a political committee to complete a verification statement on a campaign statement or report that discloses an IE, that verification statement must appear on the semiannual or preelection campaign statement that discloses the IE, and therefore is not required to appear on certain reports that require an IE to be disclosed 24 hours or within 10 business days in certain circumstances.
- 3) Makes minor, technical, and corresponding changes.

EXISTING LAW:

- 1) Creates the Fair Political Practices Commission (FPPC), and makes it responsible for the impartial, effective administration and implementation of the PRA. (Government Code §§83100, 83111)
- 2) Requires the Secretary of State (SOS), in consultation with the FPPC, to develop and certify a new online filing and disclosure system for public use that provides public disclosure of campaign finance and lobbying information in a user-friendly, easily understandable format, as specified. This system commonly is referred to as the Cal-Access Replacement System (CARS). (Government Code §84602(b))
- 3) Permits various campaign and conflict of interest disclosure reports and statements to be filed by fax, as specified. (Government Code §§81007.5, 84101, 84103, 84108, 84203, 84204)
- 4) Defines the term “campaign statement,” for purposes of the PRA, to mean an itemized report that is prepared on a form or in a manner prescribed by the FPPC and that provides specified information. (Government Code §82006)
- 5) Requires candidates, political committees, and slate mailer organizations to file specified periodic and activity-based campaign finance reports, including semiannual statements, pre-election statements, and late IE reports, as specified, that include specified campaign finance information. (Government Code §§84200, 84200.5, 84204, 84204.5, 84211, 85500)

- 6) Requires the principal officer of a committee, or the person who controls the committee in the case of a controlled committee, to sign a verification in connection with any campaign statement or report on which the committee is required to disclose an IE, that reads 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.” (Government Code §84213)

FISCAL EFFECT: Unknown

COMMENTS:

- 1) **Purpose of the Bill:** According to the author, “AB 808 modernizes California’s campaign finance laws to support a digital system—enhancing efficiency, accuracy, and transparency for better public access to financial disclosures.”
- 2) **Cal-Access and CARS:** In 1997, the Legislature passed and Governor Pete Wilson signed SB 49 (Karnette), Chapter 866, Statutes of 1997, which amended the PRA and established the Online Disclosure Act of 1997. SB 49 required the SOS, in consultation with the FPPC, to develop and implement, by the year 2000, an online filing and disclosure system for reports and statements required to be filed under the PRA, as specified. As a result, the SOS created and deployed a system called the California Automated Lobby Activity and Campaign Contribution and Expenditure Search System, commonly referred to as Cal-Access.

Cal-Access is now 26 years old, and the SOS reports that components of the system are no longer supported by their vendor. As a result the system has periodically crashed and denied public access. Additionally, the SOS has indicated that the ability to make modifications to the existing Cal-Access system is very limited. While the Legislature has taken steps to replace the Cal-Access system with a new disclosure system commonly referred to as CARS, the SOS does not expect to fully deploy CARS until late 2026 at the earliest.

- 3) **Seeing Double:** The PRA includes various sections that exist in two different versions with the same code section number. The existence of multiple versions of the code with the same code section number reflects a technical mechanism to allow certain changes to state law to go into effect when CARS is deployed.

Specifically, in 2018, the Legislature approved and Governor Brown signed SB 1239 (Hertzberg), Chapter 662, Statutes of 2018, which made numerous substantive and technical changes related to the procedures associated with filing campaign and lobbying reports in anticipation of the deployment of CARS. Because CARS was in development at the time, SB 1239 made changes to campaign and lobbying disclosure rules that were incorporated into the design of CARS, but specified that those changes would not go into effect until the SOS certified that CARS was functional and met the requirements of state law. As a result,

various provisions of the PRA exist in two different versions: one version that is operative now, and a second version that will become operative when the SOS certifies that the CARS system meets specified requirements of state law (at which point, the currently operative version of the section will become inoperative).

- 4) **Faxing of Disclosure Reports and Suggested Amendments:** As detailed above, existing law allows various reports that are required by the PRA to be filed by fax. In some circumstances where the reports must be filed by fax, the PRA additionally requires that the filer subsequently send a paper version of the report to the relevant filing officer.

As email and the internet have increasingly been used for the electronic transmission of documents, faxing generally has become a less common method of transmission. While the SOS does not have data on the number of PRA reports filed via fax in recent years, they nonetheless report that the use of fax for filing those reports has waned considerably. This bill generally would eliminate the ability of entities to file PRA reports by fax, and instead generally would allow those reports to be transmitted by email, in addition to other filing methods (like electronic transmission through the Cal-Access system) that already exist.

For some reporting requirements, however, it is unclear whether a filer would be permitted to file the report via email prior to the CARS system being deployed. Accordingly, to ensure that ample options are available for filing reports by those entities that do not file statements electronically with the Cal-Access system, committee staff recommends that this bill be amended so that the currently-operative versions of Sections 84101, 84108, 84203, and 84204 of the Government Code (sections 4, 7, 8, and 10 of the bill) expressly state that the reports filed under those sections may be filed via email.

- 5) **Independent Expenditure Verification:** Among other provisions, AB 481 (Gordon), Chapter 496, Statutes of 2012, requires a specified officer of a campaign committee, in connection with the filing of a campaign statement or report that discloses an IE made by the committee, to sign a verification declaring that the person has not received unreported contributions or reimbursements for making the IE, and has not coordinated any expenditure made during the reporting period with the candidate, proponent of the measure, or opponent of the candidate or measure, that is the subject of the IE. According to analyses of AB 481, that requirement was enacted in response to various campaign money laundering investigations by the FPPC, and was intended to “increase accountability... regarding the true source of the contribution or expenditure.”

While the verification statement required by AB 481 must be completed and filed in connection with a campaign statement or report that discloses an IE, the Cal-Access system could not be modified to allow for this verification statement to be included as part of the campaign statement or report, nor could it be modified to allow the statement to be submitted separately through the Cal-Access system. Accordingly, under existing law, these verification statements must be filed separately by email with the FPPC.

Once CARS becomes operative, however, SB 1239 (described above in comment #3 of the committee analysis) will require the verification to be made *on* the campaign statement or report on which the IE is disclosed, rather than on a separate form that is filed by email with

the FPPC.

Under the PRA, there are two general types of reporting requirements. The first type of report is referred to as a periodic report. Periodic reports must be filed according to a specified time schedule for all similarly-situated committees, regardless of the amount of campaign activity during the period of time covered by the report. These reports generally include all campaign activity (contributions, loans, expenditures, etc.) that occurred over a specified period of time. Semiannual reports and preelection reports are two examples of periodic reports that are required under the PRA. Any IE made by a campaign committee would be disclosed either on a semiannual report or a preelection report.

The second type of report that the PRA requires is an activity-based report. An activity-based report is triggered when a committee has campaign activity that meets or exceeds a specific dollar threshold. When a campaign committee makes an IE of more than a specified dollar amount during certain periods of time during a campaign cycle, that committee may be required to disclose that IE within either 24 hours or within 10 business days of making the IE on an activity-based report. Any IE that is disclosed on such an activity-based report would also be disclosed on either on a semiannual or a preelection report.

While semiannual and preelection reports must include a signature by the responsible campaign officer who is filing the report, activity-based reports like those disclosing IEs within either 24 hours or 10 business days of the expenditure generally have not required a signature to file. In order to maintain that policy, this bill would specify that the verification statement filed by the officer of a committee that makes an IE would be filed on the semiannual or a preelection report on which the IE is disclosed, thereby ensuring that the verification statement does not need to be included on an activity-based report that historically has not included a signature or attestation by the filer.

- 6) **Campaign Disclosure Forms:** Unlike the current Cal-Access disclosure system, which is structured around campaign disclosure statements being filed on reporting forms that are developed by the FPPC, the new CARS system is required to be developed as a “data-driven” means for filers to submit required information that must be disclosed under state law. To reflect that data-driven approach, this bill deletes a reference to campaign disclosure statements being prepared on “a form” from a provision of the PRA that will become operative when the SOS certifies the CARS system.
- 7) **Arguments in Support:** One of the co-sponsors of this bill, the Fair Political Practices Commission, writes in support:

AB 808 will make important technical updates to the Political Reform Act of 1974 (PRA) consistent with the transition to the new Cal-Access Replacement System (CARS) while maintaining existing practices.

Specifically, it will make the following three critical changes:

- 1) Clarifies that the 24-hour Independent Expenditure Report (Form 496) will not

require a signature for filing when CARS goes online, which is consistent with existing requirements under current law.

2) Removes the term “form” from the definition of a campaign statement in Government Code Section 82006, allowing greater flexibility in how filing statements will appear in the new system.

3) Eliminates the option to submit filings via fax in both the current and future versions of the PRA.

These changes are consistent with advances in modern technology and will apply to political campaigns, lobbying firms, and individual lobbyists who file with the Secretary of State. They will actively support the State of California in its transition to CARS.

- 8) **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

Fair Political Practices Commission (co-sponsor)
Secretary of State Shirley N. Weber, Ph.D. (co-sponsor)

Opposition

None on file.

Analysis Prepared by: Ethan Jones / ELECTIONS / (916) 319-2094