

**Introduced by Senator Gaines**

February 13, 2013

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An act to amend Section 170.1 of the Code of Civil Procedure, and to amend Sections 56100.1, ~~82036.5, 83124,~~ 84101, 84103, 84108, 84203.3, ~~84203.5, 84204, 84204.5,~~ 84215, 84216, 84218, 84300, ~~84308,~~ 84602, 84605, ~~85304, 85304.5, 85306, 85310, 85315, 85316, 85501,~~ ~~89510, 85500,~~ 89511.5, ~~89512.5,~~ 89513, and 90002 of, to repeal Sections ~~82036, 82036.5, 84200.5, 84200.6, 84200.7, 84200.8, 84200.9, 84202.3,~~ 84202.5, 84202.7, 84203, ~~84203.5, 84204, 84204.5,~~ 84205, 84206, 84209, 84211, 84216.5, 84220, ~~84302, 85300, 85301, 85302, 85303,~~ 85305, 85307, 85309, 85314, 85320, 85321, 85701, 85702, and ~~85704~~ *and 85309* of, to repeal Article 2.5 (commencing with Section 84250) of Chapter 4 of Title 9 of, and to repeal and add Section 84200 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 268, as amended, Gaines. Political Reform Act of 1974.

~~The Political Reform Act of 1974 imposes various limitations on contributions that may be made to, or accepted by, candidates for elective office and campaign committees that support or oppose candidates and ballot measures, including, among other things, limiting the maximum dollar amount of contributions that may be accepted by candidates for elective state office, prohibiting candidates from accepting public funds for the purpose of seeking public office, limiting contributions to an officer of an agency from a party who has a financial interest in a permit or license proceeding before that agency, and prohibiting elected state officers or candidates for elective state office~~

~~from accepting contributions from lobbyists registered to lobby the governmental agency of which the elected official is a member or for which the candidate seeks election.~~

~~This bill would repeal limitations on contributions that may be made to, or accepted by, candidates for elective office.~~

~~The act *Political Reform Act of 1974* requires candidates and committees to file specified campaign finance reports, including semiannual statements, preelection statements, supplemental preelection statements, and late contribution reports, that include prescribed campaign finance information. *A knowing and willful violation of these provisions is a crime.*~~

This bill would repeal the requirements to file these reports and would, instead, require that a candidate or committee who makes or receives a contribution of \$100 or more to report that contribution to specified filing officers within 24 hours of receiving the contribution. The bill would require a candidate or committee making the contribution to report his, her, or its full name and address, the full name and address of the recipient, the office sought by the candidate or the ballot measure, as appropriate, and the date and amount of the contribution. The bill would require the recipient of the contribution to report his, her, or its full name and address, the date and amount of the contribution, whether the contribution is in the form of a loan, and the full name of the contributor, and his or her street address, occupation, and employer or the name of the business, if self-employed.

The bill would require a candidate or committee that makes an expenditure of \$100 or more to report the expenditure to specified filing officers within 24 hours. The bill would require the candidate or committee making the expenditure to report his, her, or its full name and street address, the amount of the expenditure, the full name and street address for the person to whom the expenditure was made, and a brief description of the consideration for which the expenditure was made. The bill would require the disclosure of additional information if the expenditure is a contribution to a candidate, elected officer, or committee or an independent expenditure to support or oppose a candidate or measure.

The bill would require a candidate or committee who is required to report a contribution or expenditure to the Secretary of State to file that report online or by electronic transmission only.

The bill would also make conforming changes.

By increasing the duties of local government officials *and expanding the scope of an existing crime*, 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 act may be amended by a statute that becomes effective upon approval of the voters.~~

~~This bill would require the Secretary of State to submit the provisions of the bill that would amend the Political Reform Act of 1974 to the voters for approval at a statewide election, as specified.~~

*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 with regard to certain mandates no reimbursement is required by this act for a specified reason.*

*With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.*

*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.*

Vote: ~~majority~~ <sup>$\frac{2}{3}$</sup> . Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

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

- 1 SECTION 1. Section 170.1 of the Code of Civil Procedure is
- 2 amended to read:
- 3 170.1. (a) A judge shall be disqualified if any one or more of
- 4 the following are true:
- 5 (1) (A) The judge has personal knowledge of disputed
- 6 evidentiary facts concerning the proceeding.

1 (B) A judge shall be deemed to have personal knowledge within  
2 the meaning of this paragraph if the judge, or the spouse of the  
3 judge, or a person within the third degree of relationship to either  
4 of them, or the spouse of such a person, is to the judge's knowledge  
5 likely to be a material witness in the proceeding.

6 (2) (A) The judge served as a lawyer in the proceeding, or in  
7 any other proceeding involving the same issues he or she served  
8 as a lawyer for a party in the present proceeding, or gave advice  
9 to a party in the present proceeding upon a matter involved in the  
10 action or proceeding.

11 (B) A judge shall be deemed to have served as a lawyer in the  
12 proceeding if within the past two years:

13 (i) A party to the proceeding, or an officer, director, or trustee  
14 of a party, was a client of the judge when the judge was in the  
15 private practice of law or a client of a lawyer with whom the judge  
16 was associated in the private practice of law.

17 (ii) A lawyer in the proceeding was associated in the private  
18 practice of law with the judge.

19 (C) A judge who served as a lawyer for, or officer of, a public  
20 agency that is a party to the proceeding shall be deemed to have  
21 served as a lawyer in the proceeding if he or she personally advised  
22 or in any way represented the public agency concerning the factual  
23 or legal issues in the proceeding.

24 (3) (A) The judge has a financial interest in the subject matter  
25 in a proceeding or in a party to the proceeding.

26 (B) A judge shall be deemed to have a financial interest within  
27 the meaning of this paragraph if:

28 (i) A spouse or minor child living in the household has a  
29 financial interest.

30 (ii) The judge or the spouse of the judge is a fiduciary who has  
31 a financial interest.

32 (C) A judge has a duty to make reasonable efforts to inform  
33 himself or herself about his or her personal and fiduciary interests  
34 and those of his or her spouse and the personal financial interests  
35 of children living in the household.

36 (4) The judge, or the spouse of the judge, or a person within the  
37 third degree of relationship to either of them, or the spouse of such  
38 a person, is a party to the proceeding or an officer, director, or  
39 trustee of a party.

1 (5) A lawyer or a spouse of a lawyer in the proceeding is the  
2 spouse, former spouse, child, sibling, or parent of the judge or the  
3 judge's spouse or if such a person is associated in the private  
4 practice of law with a lawyer in the proceeding.

5 (6) (A) For any reason:

6 (i) The judge believes his or her recusal would further the  
7 interests of justice.

8 (ii) The judge believes there is a substantial doubt as to his or  
9 her capacity to be impartial.

10 (iii) A person aware of the facts might reasonably entertain a  
11 doubt that the judge would be able to be impartial.

12 (B) Bias or prejudice toward a lawyer in the proceeding may  
13 be grounds for disqualification.

14 (7) By reason of permanent or temporary physical impairment,  
15 the judge is unable to properly perceive the evidence or is unable  
16 to properly conduct the proceeding.

17 (8) (A) The judge has a current arrangement concerning  
18 prospective employment or other compensated service as a dispute  
19 resolution neutral or is participating in, or within the last two years  
20 has participated in, discussions regarding prospective employment  
21 or service as a dispute resolution neutral, or has been engaged in  
22 that employment or service, and any of the following applies:

23 (i) The arrangement is, or the prior employment or discussion  
24 was, with a party to the proceeding.

25 (ii) The matter before the judge includes issues relating to the  
26 enforcement of either an agreement to submit a dispute to an  
27 alternative dispute resolution process or an award or other final  
28 decision by a dispute resolution neutral.

29 (iii) The judge directs the parties to participate in an alternative  
30 dispute resolution process in which the dispute resolution neutral  
31 will be an individual or entity with whom the judge has the  
32 arrangement, has previously been employed or served, or is  
33 discussing or has discussed the employment or service.

34 (iv) The judge will select a dispute resolution neutral or entity  
35 to conduct an alternative dispute resolution process in the matter  
36 before the judge, and among those available for selection is an  
37 individual or entity with whom the judge has the arrangement,  
38 with whom the judge has previously been employed or served, or  
39 with whom the judge is discussing or has discussed the employment  
40 or service.

(B) For the purposes of this paragraph, all of the following apply:

(i) “Participating in discussions” or “has participated in discussion” means that the judge solicited or otherwise indicated an interest in accepting or negotiating possible employment or service as an alternative dispute resolution neutral, or responded to an unsolicited statement regarding, or an offer of, that employment or service by expressing an interest in that employment or service, making an inquiry regarding the employment or service, or encouraging the person making the statement or offer to provide additional information about that possible employment or service. If a judge’s response to an unsolicited statement regarding, a question about, or offer of, prospective employment or other compensated service as a dispute resolution neutral is limited to responding negatively, declining the offer, or declining to discuss that employment or service, that response does not constitute participating in discussions.

(ii) “Party” includes the parent, subsidiary, or other legal affiliate of any entity that is a party and is involved in the transaction, contract, or facts that gave rise to the issues subject to the proceeding.

(iii) “Dispute resolution neutral” means an arbitrator, mediator, temporary judge appointed under Section 21 of Article VI of the California Constitution, referee appointed under Section 638 or 639, special master, neutral evaluator, settlement officer, or settlement facilitator.

(9) (A) The judge has received a contribution in excess of one thousand five hundred dollars (\$1,500) from a party or lawyer in the proceeding, and either of the following applies:

(i) The contribution was received in support of the judge’s last election, if the last election was within the last six years.

(ii) The contribution was received in anticipation of an upcoming election.

(B) Notwithstanding subparagraph (A), the judge shall be disqualified based on a contribution of a lesser amount if subparagraph (A) of paragraph (6) applies.

(C) The judge shall disclose any contribution from a party or lawyer in a matter that is before the court that is required to be reported under Section 84200 of the Government Code, even if the amount would not require disqualification under this paragraph.

1 The manner of disclosure shall be the same as that provided in  
2 Canon 3E of the Code of Judicial Ethics.

3 (D) Notwithstanding paragraph (1) of subdivision (b) of Section  
4 170.3, the disqualification required under this paragraph may be  
5 waived by the party that did not make the contribution unless there  
6 are other circumstances that would prohibit a waiver pursuant to  
7 paragraph (2) of subdivision (b) of Section 170.3.

8 (b) A judge before whom a proceeding was tried or heard shall  
9 be disqualified from participating in any appellate review of that  
10 proceeding.

11 (c) At the request of a party or on its own motion an appellate  
12 court shall consider whether in the interests of justice it should  
13 direct that further proceedings be heard before a trial judge other  
14 than the judge whose judgment or order was reviewed by the  
15 appellate court.

16 SEC. 2. Section 56100.1 of the Government Code is amended  
17 to read:

18 56100.1. (a) Contributions and expenditures for political  
19 purposes related to a proposal or proceeding shall be disclosed and  
20 reported pursuant to Article 2 (commencing with Section 84200)  
21 of Chapter 4 of the Political Reform Act of 1974 (Title 9  
22 (commencing with Section 81000)).

23 (b) A commission may require, through the adoption of written  
24 policies and procedures, additional disclosure of contributions in  
25 support of or opposition to a proposal, which shall be made either  
26 to the commission's executive officer, in which case it shall be  
27 posted on the commission's Internet Web site, if applicable, or to  
28 the board of supervisors of the county in which the commission  
29 is located, which may designate a county officer to receive the  
30 disclosure. Disclosure pursuant to a requirement under the authority  
31 provided in this section shall be in addition to any disclosure  
32 otherwise required by Section 56700.1, 57009, or local ordinance.

33 SEC. 3. ~~Section 82036.5 of the Government Code is amended~~  
34 ~~to read:~~

35 ~~82036.5. "Late independent expenditure" means any~~  
36 ~~independent expenditure that totals in the aggregate one thousand~~  
37 ~~dollars (\$1,000) or more and is made for or against any specific~~  
38 ~~candidate or measure involved in an election within the 12 days~~  
39 ~~before the date of the election. For purposes of the Board of~~  
40 ~~Administration of the Public Employees' Retirement System and~~

1 the Teachers' Retirement Board, "the date of the election" is the  
2 deadline to return ballots.

3 SEC. 4. Section 83124 of the Government Code is amended  
4 to read:

5 83124. The commission shall adjust the voluntary expenditure  
6 limitations provisions in Section 85400 in January of every  
7 odd-numbered year to reflect any increase or decrease in the  
8 Consumer Price Index. Those adjustments shall be rounded to the  
9 nearest one thousand dollars (\$1,000).

10 SEC. 3. Section 82036 of the Government Code is repealed.

11 82036. "Late contribution" means any of the following:

12 (a) A contribution, including a loan, that totals in the aggregate  
13 one thousand dollars (\$1,000) or more and is made to or received  
14 by a candidate, a controlled committee, or a committee formed or  
15 existing primarily to support or oppose a candidate or measure  
16 within 90 days before the date of the election at which the candidate  
17 or measure is to be voted on. For purposes of the Board of  
18 Administration of the Public Employees' Retirement System and  
19 the Teachers' Retirement Board, "the date of the election" is the  
20 deadline to return ballots.

21 (b) A contribution, including a loan, that totals in the aggregate  
22 one thousand dollars (\$1,000) or more and is made to or received  
23 by a political party committee, as defined in Section 85205, within  
24 90 days before the date of a state election.

25 SEC. 4. Section 82036.5 of the Government Code is repealed.

26 82036.5. "Late independent expenditure" means an independent  
27 expenditure that totals in the aggregate one thousand dollars  
28 (\$1,000) or more and is made for or against a specific candidate  
29 or measure involved in an election within 90 days before the date  
30 of the election. For purposes of the Board of Administration of the  
31 Public Employees' Retirement System and the Teachers'  
32 Retirement Board, "the date of the election" is the deadline to  
33 return ballots.

34 SEC. 5. Section 84101 of the Government Code is amended  
35 to read:

36 84101. (a) A committee that is a committee by virtue of  
37 subdivision (a) of Section 82013 shall file a statement of  
38 organization. The committee shall file the original of the statement  
39 of organization with the Secretary of State and shall also file a  
40 copy of the statement of organization with the local filing officer,



1 if any, with whom the committee is required to file the originals  
2 of its campaign reports pursuant to Section 84215. The original  
3 and copy of the statement of organization shall be filed within 10  
4 days after the committee has qualified as a committee. The  
5 Secretary of State shall assign a number to each committee that  
6 files a statement of organization and shall notify the committee of  
7 the number. The Secretary of State shall send a copy of statements  
8 filed pursuant to this section to the county elections official of each  
9 county that he or she deems appropriate. A county elections official  
10 who receives a copy of a statement of organization from the  
11 Secretary of State pursuant to this section shall send a copy of the  
12 statement to the clerk of each city in the county that he or she  
13 deems appropriate.

14 (b) In addition to filing the statement of organization as required  
15 by subdivision (a), if a committee qualifies as a committee under  
16 subdivision (a) of Section 82013 within the 12 days before the  
17 date of an election in connection with which the committee is  
18 required to file campaign statements, the committee shall file, by  
19 facsimile transmission, guaranteed overnight delivery, or personal  
20 delivery within 24 hours of qualifying as a committee, the  
21 information required to be reported in the statement of organization.  
22 The information required by this subdivision shall be filed with  
23 the filing officer with whom the committee is required to file the  
24 originals of its campaign reports pursuant to Section 84215.

25 (c) If an independent expenditure committee qualifies as a  
26 committee pursuant to subdivision (a) of Section 82013 ~~during the~~  
27 ~~time period described in Section 82036.5~~ *within the 12 days before*  
28 *the date of an election in connection with which the committee is*  
29 *required to file campaign statements* and makes independent  
30 expenditures of one thousand dollars (\$1,000) or more to support  
31 or oppose a candidate or candidates for office, the committee shall  
32 file, by facsimile transmission, online transmission, guaranteed  
33 overnight delivery, or personal delivery within 24 hours of  
34 qualifying as a committee, the information required to be reported  
35 in the statement of organization. The information required by this  
36 section shall be filed with the filing officer with whom the  
37 committee is required to file the original of its campaign reports  
38 pursuant to Section 84215, and shall be filed at all locations  
39 required for the candidate or candidates supported or opposed by  
40 the independent expenditures. The filings required by this section

1 are in addition to filings that may be required by Section ~~84204~~  
2 ~~84200~~.

3 (d) For purposes of this section, in calculating whether one  
4 thousand dollars (\$1,000) in contributions has been received,  
5 payments for a filing fee or for a statement of qualifications to  
6 appear in a sample ballot shall not be included if these payments  
7 have been made from the candidate's personal funds.

8 SEC. 6. Section 84103 of the Government Code is amended  
9 to read:

10 84103. (a) Whenever there is a change in any of the  
11 information contained in a statement of organization, an  
12 amendment shall be filed within 10 days to reflect the change. The  
13 committee shall file the original of the amendment with the  
14 Secretary of State and shall also file a copy of the amendment with  
15 the local filing officer, if any, with whom the committee is required  
16 to file the originals of its campaign reports pursuant to Section  
17 84215.

18 (b) In addition to filing an amendment to a statement of  
19 organization as required by subdivision (a), a committee as defined  
20 in subdivision (a) of Section 82013 shall, by facsimile transmission,  
21 online transmission, guaranteed overnight delivery, or personal  
22 delivery within 24 hours, notify the filing officer with whom it is  
23 required to file the originals of its campaign reports pursuant to  
24 Section 84215 when the change requiring the amendment occurs  
25 within the 12 days before the date of the election in connection  
26 with which the committee is required to file a campaign statement,  
27 if any of the following information is changed:

28 (1) The name of the committee.

29 (2) The name of the treasurer or other principal officers.

30 (3) The name of any candidate or committee by which the  
31 committee is controlled or with which it acts jointly.

32 The notification shall include the changed information, the date  
33 of the change, the name of the person providing the notification,  
34 and the committee's name and identification number.

35 A committee may file a notification online only if the appropriate  
36 filing officer is capable of receiving the notification in that manner.

37 SEC. 7. Section 84108 of the Government Code is amended  
38 to read:

39 84108. (a) Every slate mailer organization shall comply with  
40 the requirements of Sections 84100, 84101, 84103, and 84104.

1 (b) The statement of organization of a slate mailer organization  
2 shall include:

3 (1) The name, street address, and telephone number of the  
4 organization. In the case of an individual or business entity that  
5 qualifies as a slate mailer organization, the name of the slate mailer  
6 organization shall include the name by which the individual or  
7 entity is identified for legal purposes. Whenever identification of  
8 a slate mailer organization is required by this title, the identification  
9 shall include the full name of the slate mailer organization as  
10 contained in its statement of organization.

11 (2) The full name, street address, and telephone number of the  
12 treasurer and other principal officers.

13 (3) The full name, street address, and telephone number of each  
14 person with final decisionmaking authority as to which candidates  
15 or measures will be supported or opposed in the organization's  
16 slate mailers.

17 (c) The statement of organization shall be filed with the  
18 Secretary of State within 10 days after the slate mailer organization  
19 receives or is promised five hundred dollars (\$500) or more for  
20 producing one or more slate mailers. However, if an entity qualifies  
21 as a slate mailer organization within the 12 days before the date  
22 of an election in which it is required to file campaign statements,  
23 the slate mailer organization shall file with the Secretary of State,  
24 by facsimile transmission, guaranteed overnight delivery, or  
25 personal delivery within 24 hours of qualifying as a slate mailer  
26 organization, the information required to be reported in the  
27 statement of organization.

28 SEC. 8. Section 84200 of the Government Code is repealed.

29 SEC. 9. Section 84200 is added to the Government Code, to  
30 read:

31 84200. (a) (1) Each candidate or committee that makes or  
32 receives a contribution of one hundred dollars (\$100) or more shall  
33 report the contribution to each office with which the candidate or  
34 committee is required to file its statements pursuant to Section  
35 84215 or 84218. The candidate or committee that makes the  
36 contribution shall report his or her full name and street address  
37 and the full name and street address of the person to whom the  
38 contribution has been made, the office sought if the recipient is a  
39 candidate, or the ballot measure number or letter if the recipient  
40 is a committee primarily formed to support or oppose a ballot

1 measure, and the date and amount of the contribution. The recipient  
2 of the contribution shall report his or her full name and street  
3 address, the date and amount of the contribution, and whether the  
4 contribution was made in the form of a loan. The recipient shall  
5 also report the full name of the contributor, his or her street address,  
6 occupation, and the name of his or her employer, or if  
7 self-employed, the name of the business.

8 (2) A contribution need not be reported, nor shall it be deemed  
9 accepted, if it is not cashed, negotiated, or deposited and is returned  
10 to the contributor within 24 hours of its receipt.

11 (b) Each candidate or committee that makes an expenditure of  
12 one hundred dollars (\$100) or more shall report the expenditure  
13 to each office with which the candidate or committee is required  
14 to file its statements pursuant to Section 84215 or 84218. The  
15 candidate or committee that makes the expenditure shall report his  
16 or her full name and street address, the amount of the expenditure,  
17 the full name and street address for the person to whom the  
18 expenditure was made, and a brief description of the consideration  
19 for which the expenditure was made. In the case of an expenditure  
20 that is a contribution to a candidate, elected officer, or committee  
21 or an independent expenditure to support or oppose a candidate  
22 or measure, the report shall *designate the expenditure as a*  
23 *contribution or independent expenditure, as appropriate, and shall*  
24 also include the date of the contribution or independent  
25 expenditure, the cumulative amount of contributions made to the  
26 candidate, elected officer, or committee, or the cumulative amount  
27 of independent expenditures made relative to a candidate or  
28 measure, the full name of the candidate, and the office and district  
29 for which he or she seeks nomination or election, or the number  
30 or letter of the measure, and the jurisdiction in which the measure  
31 or candidate is voted upon.

32 (c) A contribution or expenditure shall be reported by facsimile  
33 transmission, guaranteed overnight delivery, or personal delivery  
34 within 24 hours of the time it is made in the case of the candidate  
35 or committee that makes the contribution and within 24 hours of  
36 the time it is received in the case of the recipient. If a contribution  
37 or expenditure is required to be reported to the Secretary of State,  
38 the report to the Secretary of State shall be by online or electronic  
39 transmission only.

40 SEC. 10. Section 84200.5 of the Government Code is repealed.

SEC. 11. Section 84200.6 of the Government Code is repealed.  
 SEC. 12. Section 84200.7 of the Government Code is repealed.  
 SEC. 13. Section 84200.8 of the Government Code is repealed.  
 SEC. 14. Section 84200.9 of the Government Code is repealed.  
 SEC. 15. Section 84202.3 of the Government Code is repealed.  
 SEC. 16. Section 84202.5 of the Government Code is repealed.  
 SEC. 17. Section 84202.7 of the Government Code is repealed.  
 SEC. 18. Section 84203 of the Government Code is repealed.  
 SEC. 19. Section 84203.3 of the Government Code is amended

to read:

84203.3. Any candidate or committee that makes a contribution that is an in-kind contribution shall notify the recipient in writing of the value of the in-kind contribution. The notice shall be received by the recipient within 24 hours of the time the contribution is made.

~~SEC. 20. Section 84203.5 of the Government Code is amended to read:~~

~~84203.5. (a) In addition to any campaign statements required by this article, if a candidate or committee has made independent expenditures totaling one thousand dollars (\$1,000) or more in a calendar year to support or oppose a candidate, a measure or qualification of a measure, it shall file independent expenditure reports at the times prescribed by the Commission.~~

~~(b) An independent expenditure report shall contain the following information:~~

~~(1) The name, street address, and telephone number of the candidate or committee making the expenditure and of the committee's treasurer, and the number assigned to the committee by the Secretary of State.~~

~~(2) If the report is related to a candidate, the full name of the candidate and the office and district for which the candidate seeks nomination or election. If the report is related to a measure or qualification of a measure, the number or letter of the measure, or if none has yet been assigned, a brief description of the subject matter of the measure, and the jurisdiction in which the measure is to be voted on or would be voted on if it qualified.~~

~~(3) The total amount of expenditures related to the candidate or measure during the period covered by the report made to persons who have received less than one hundred dollars (\$100).~~

~~(4) The total amount of expenditures related to the candidate or measure during the period covered by the report made to persons who have received one hundred dollars (\$100) or more.~~

~~(5) For each person to whom an expenditure of one hundred dollars (\$100) or more related to the candidate or measure has been made during the period covered by the report and for each person who has provided consideration for an expenditure of one hundred dollars (\$100) or more during the period covered by the report:~~

~~(A) His or her full name.~~

~~(B) His or her street address.~~

~~(C) If the person is a committee, the name of the committee, the number assigned to the committee by the Secretary of State, or if no number has been assigned, the full name and street address of the treasurer of the committee.~~

~~(D) The date of the expenditure.~~

~~(E) The amount of the expenditure.~~

~~(F) A brief description of the consideration for which each expenditure was made and the value of the consideration if less than the total amount of the expenditure.~~

~~(G) The cumulative amount of expenditures to the person.~~

~~(6) A list of all the filing officers with whom the committee filed its most recent campaign statement.~~

~~(c) Filing officers shall maintain paper reports filed pursuant to this section under the name of the candidate or measure supported or opposed by the independent expenditure.~~

~~SEC. 21. Section 84204 of the Government Code is amended to read:~~

~~84204. (a) A committee that makes a late independent expenditure, as defined in Section 82036.5, shall report the late independent expenditure by facsimile transmission, guaranteed overnight delivery, or personal delivery within 24 hours of the time it is made. If a late independent expenditure is required to be reported to the Secretary of State, the report to the Secretary of State shall be by online or electronic transmission only. A late independent expenditure shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section.~~

~~(b) A committee that makes a late independent expenditure shall report its full name and street address, as well as the name, office, and district of the candidate if the report is related to a candidate,~~

1 or if the report is related to a measure, the number or letter of the  
2 measure, the jurisdiction in which the measure is to be voted upon,  
3 and the amount and the date, as well as a description of goods or  
4 services for which the late independent expenditure was made.

5 (c) A committee that makes a late independent expenditure shall  
6 file a late independent expenditure report in the places where it  
7 would be required to file campaign statements under this article  
8 as if it were formed or existing primarily to support or oppose the  
9 candidate or measure for or against which it is making the late  
10 independent expenditure.

11 (d) A report filed pursuant to this section shall be in addition to  
12 any other campaign statement required to be filed by this article.

13 (e) Expenditures that have been disclosed by candidates and  
14 committees pursuant to Section 85500 are not required to be  
15 disclosed pursuant to this section.

16 SEC. 22. Section 84204.5 of the Government Code is amended  
17 to read:

18 84204.5. (a) In addition to any other report required by this  
19 title, a committee pursuant to subdivision (a) of Section 82013 that  
20 is required to file reports pursuant to Section 84605 shall file online  
21 or electronically with the Secretary of State each time it makes  
22 independent expenditures totaling five thousand dollars (\$5,000)  
23 or more to support or oppose the qualification or passage of a  
24 single state ballot measure. The report shall be filed within 10  
25 business days of making the contributions or independent  
26 expenditures and shall contain all of the following:

27 (1) The full name, street address, and identification number of  
28 the committee.

29 (2) The number or letter of the measure if the measure has  
30 qualified for the ballot and has been assigned a number or letter;  
31 the title of the measure if the measure has not been assigned a  
32 number or letter but has been issued a title by the Attorney General;  
33 or the subject of the measure if the measure has not been assigned  
34 a number or letter and has not been issued a title by the Attorney  
35 General.

36 (3) The date, amount, and a description of the goods or services  
37 for which the expenditure was made.

38 (b) Reports required by this section are not required to be filed  
39 by a committee primarily formed to support or oppose the  
40 qualification or passage of a state ballot measure for expenditures

1 made on behalf of the ballot measure or measures for which it is  
2 formed.

3 (c) Independent expenditures that have been disclosed by a  
4 committee pursuant to Section 84204 or 85500 are not required to  
5 be disclosed pursuant to this section.

6 *SEC. 20. Section 84203.5 of the Government Code is repealed.*

7 84203.5. (a) In addition to any campaign statements required  
8 by this article, if a candidate or committee has made independent  
9 expenditures totaling one thousand dollars (\$1,000) or more in a  
10 calendar year to support or oppose a candidate, a measure or  
11 qualification of a measure, it shall file independent expenditure  
12 reports at the same time, covering the same periods, and in the  
13 places where the candidate or committee would be required to file  
14 campaign statements under this article, as if it were formed or  
15 existing primarily to support or oppose the candidate or measure  
16 or qualification of the measure. No independent expenditure report  
17 need be filed to cover a period for which there has been no activity  
18 to report.

19 (b) An independent expenditure report shall contain the  
20 following information:

21 (1) The name, street address, and telephone number of the  
22 candidate or committee making the expenditure and of the  
23 committee's treasurer, and the number assigned to the committee  
24 by the Secretary of State.

25 (2) If the report is related to a candidate, the full name of the  
26 candidate and the office and district for which the candidate seeks  
27 nomination or election. If the report is related to a measure or  
28 qualification of a measure, the number or letter of the measure, or  
29 if none has yet been assigned, a brief description of the subject  
30 matter of the measure, and the jurisdiction in which the measure  
31 is to be voted on or would be voted on if it qualified.

32 (3) The total amount of expenditures related to the candidate or  
33 measure during the period covered by the report made to persons  
34 who have received less than one hundred dollars (\$100).

35 (4) The total amount of expenditures related to the candidate or  
36 measure during the period covered by the report made to persons  
37 who have received one hundred dollars (\$100) or more.

38 (5) For each person to whom an expenditure of one hundred  
39 dollars (\$100) or more related to the candidate or measure has  
40 been made during the period covered by the report and for each



1 person who has provided consideration for an expenditure of one  
2 hundred dollars (\$100) or more during the period covered by the  
3 report:

4 (A) His or her full name.

5 (B) His or her street address.

6 (C) If the person is a committee, the name of the committee,  
7 the number assigned to the committee by the Secretary of State,  
8 or if no number has been assigned, the full name and street address  
9 of the treasurer of the committee.

10 (D) The date of the expenditure.

11 (E) The amount of the expenditure.

12 (F) A brief description of the consideration for which each  
13 expenditure was made and the value of the consideration if less  
14 than the total amount of the expenditure.

15 (G) The cumulative amount of expenditures to such person.

16 (6) A list of all the filing officers with whom the committee  
17 filed its most recent campaign statement.

18 (c) Filing officers shall maintain paper reports filed pursuant to  
19 this section under the name of the candidate or measure supported  
20 or opposed by the independent expenditure.

21 *SEC. 21. Section 84204 of the Government Code is repealed.*

22 84204. (a) A committee that makes a late independent  
23 expenditure, as defined in Section 82036.5, shall report the late  
24 independent expenditure by facsimile transmission, guaranteed  
25 overnight delivery, or personal delivery within 24 hours of the  
26 time it is made. If a late independent expenditure is required to be  
27 reported to the Secretary of State, the report to the Secretary of  
28 State shall be by online or electronic transmission only. A late  
29 independent expenditure shall be reported on subsequent campaign  
30 statements without regard to reports filed pursuant to this section.

31 (b) A committee that makes a late independent expenditure shall  
32 report its full name and street address, as well as the name, office,  
33 and district of the candidate if the report is related to a candidate,  
34 or if the report is related to a measure, the number or letter of the  
35 measure, the jurisdiction in which the measure is to be voted upon,  
36 and the amount and the date, as well as a description of goods or  
37 services for which the late independent expenditure was made. In  
38 addition to the information required by this subdivision, a  
39 committee that makes a late independent expenditure shall include  
40 with its late independent expenditure report the information

1 required by paragraphs (1) to (5), inclusive, of subdivision (f) of  
2 Section 84211, covering the period from the day after the closing  
3 date of the last campaign report filed to the date of the late  
4 independent expenditure, or if the committee has not previously  
5 filed a campaign statement, covering the period from the previous  
6 January 1 to the date of the late independent expenditure. No  
7 information required by paragraphs (1) to (5), inclusive, of  
8 subdivision (f) of Section 84211 that is required to be reported  
9 with a late independent expenditure report by this subdivision is  
10 required to be reported on more than one late independent  
11 expenditure report.

12 (c) A committee that makes a late independent expenditure shall  
13 file a late independent expenditure report in the places where it  
14 would be required to file campaign statements under this article  
15 as if it were formed or existing primarily to support or oppose the  
16 candidate or measure for or against which it is making the late  
17 independent expenditure.

18 (d) A report filed pursuant to this section shall be in addition to  
19 any other campaign statement required to be filed by this article.

20 (e) Expenditures that have been disclosed by candidates and  
21 committees pursuant to Section 85500 are not required to be  
22 disclosed pursuant to this section.

23 *SEC. 22. Section 84204.5 of the Government Code is repealed.*

24 84204.5. (a) In addition to any other report required by this  
25 title, a committee pursuant to subdivision (a) of Section 82013 that  
26 is required to file reports pursuant to Section 84605 shall file online  
27 or electronically with the Secretary of State each time it makes  
28 contributions totaling five thousand dollars (\$5,000) or more or  
29 each time it makes independent expenditures totaling five thousand  
30 dollars (\$5,000) or more to support or oppose the qualification or  
31 passage of a single state ballot measure. The report shall be filed  
32 within 10 business days of making the contributions or independent  
33 expenditures and shall contain all of the following:

34 (1) The full name, street address, and identification number of  
35 the committee.

36 (2) The number or letter of the measure if the measure has  
37 qualified for the ballot and has been assigned a number or letter;  
38 the title of the measure if the measure has not been assigned a  
39 number or letter but has been issued a title by the Attorney General;  
40 or the subject of the measure if the measure has not been assigned

1 a number or letter and has not been issued a title by the Attorney  
2 General.

3 ~~(3) In the case of a contribution, the date and amount of the~~  
4 ~~contribution and the name, address, and identification number of~~  
5 ~~the committee to whom the contribution was made. In addition,~~  
6 ~~the report shall include the information required by paragraphs (1)~~  
7 ~~to (5), inclusive, of subdivision (f) of Section 84211, regarding~~  
8 ~~contributions or loans received from a person described in that~~  
9 ~~subdivision, covering the period from the day after the closing~~  
10 ~~date of the last campaign report filed to the date of the contribution~~  
11 ~~requiring a report under this section, or if the committee has not~~  
12 ~~previously filed a campaign statement, covering the period from~~  
13 ~~the previous January 1 to the date of the contribution requiring a~~  
14 ~~report under this section. No information described in paragraphs~~  
15 ~~(1) to (5), inclusive, of subdivision (f) of Section 84211 that is~~  
16 ~~required to be reported pursuant to this subdivision is required to~~  
17 ~~be reported in more than one report provided for in this subdivision~~  
18 ~~for each contribution or loan received from a person described in~~  
19 ~~subdivision (f) of Section 84211.~~

20 ~~(4) In the case of an independent expenditure, the date, amount,~~  
21 ~~and a description of the goods or services for which the expenditure~~  
22 ~~was made. In addition, the report shall include the information~~  
23 ~~required by paragraphs (1) to (5), inclusive, of subdivision (f) of~~  
24 ~~Section 84211 regarding contributions or loans received from a~~  
25 ~~person described in that subdivision, covering the period from the~~  
26 ~~day after the closing date of the last campaign report filed to the~~  
27 ~~date of the expenditure, or if the committee has not previously~~  
28 ~~filed a campaign statement, covering the period from the previous~~  
29 ~~January 1 to the date of the expenditure. No information described~~  
30 ~~in paragraphs (1) to (5), inclusive, of subdivision (f) of Section~~  
31 ~~84211 that is required to be reported pursuant to this subdivision~~  
32 ~~is required to be reported in more than one report provided for in~~  
33 ~~this subdivision for each contribution or loan received from a~~  
34 ~~person described in subdivision (f) of Section 84211.~~

35 ~~(b) Reports required by this section are not required to be filed~~  
36 ~~by a committee primarily formed to support or oppose the~~  
37 ~~qualification or passage of a state ballot measure for expenditures~~  
38 ~~made on behalf of the ballot measure or measures for which it is~~  
39 ~~formed.~~

1 ~~(c) Independent expenditures that have been disclosed by a~~  
2 ~~committee pursuant to Section 84204 or 85500 are not required to~~  
3 ~~be disclosed pursuant to this section.~~

4 SEC. 23. Section 84205 of the Government Code is repealed.

5 SEC. 24. Section 84206 of the Government Code is repealed.

6 SEC. 25. Section 84209 of the Government Code is repealed.

7 SEC. 26. Section 84211 of the Government Code is repealed.

8 SEC. 27. Section 84215 of the Government Code is amended  
9 to read:

10 84215. All candidates and elected officers and their controlled  
11 committees, except as provided in subdivisions (d) and (e), shall  
12 file one copy of the campaign statements required by Section 84200  
13 with the elections official of the county in which the candidate or  
14 elected official is domiciled, as defined in subdivision (b) of  
15 Section 349 of the Elections Code. In addition, campaign  
16 statements shall be filed at the following places:

17 (a) Statewide elected officers, including members of the State  
18 Board of Equalization; Members of the Legislature; Supreme Court  
19 justices, court of appeal justices, and superior court judges;  
20 candidates for those offices and their controlled committees;  
21 committees formed or existing primarily to support or oppose these  
22 candidates, elected officers, justices and judges, or statewide  
23 measures, or the qualification of state ballot measures; and all state  
24 general purpose committees and filers not specified in subdivisions  
25 (b) to (e), inclusive, shall file a campaign statement by online or  
26 electronic means, as specified in Section 84605, and shall file the  
27 original and one copy of the campaign statement in paper format  
28 with the Secretary of State.

29 (b) Elected officers in jurisdictions other than legislative  
30 districts, State Board of Equalization districts, or appellate court  
31 districts that contain parts of two or more counties, candidates for  
32 these offices, their controlled committees, and committees formed  
33 or existing primarily to support or oppose candidates or local  
34 measures to be voted upon in one of these jurisdictions shall file  
35 the original and one copy with the elections official of the county  
36 with the largest number of registered voters in the jurisdiction.

37 (c) County elected officers, candidates for these offices, their  
38 controlled committees, committees formed or existing primarily  
39 to support or oppose candidates or local measures to be voted upon  
40 in any number of jurisdictions within one county, other than those

1 specified in subdivision (d), and county general purpose  
2 committees shall file the original and one copy with the elections  
3 official of the county.

4 (d) City elected officers, candidates for city office, their  
5 controlled committees, committees formed or existing primarily  
6 to support or oppose candidates or local measures to be voted upon  
7 in one city, and city general purpose committees shall file the  
8 original and one copy with the clerk of the city and are not required  
9 to file with the local elections official of the county in which they  
10 are domiciled.

11 (e) Elected members of the Board of Administration of the  
12 Public Employees' Retirement System, elected members of the  
13 Teachers' Retirement Board, candidates for these offices, their  
14 controlled committees, and committees formed or existing  
15 primarily to support or oppose these candidates or elected members  
16 shall file the original and one copy with the Secretary of State, and  
17 a copy shall be filed at the relevant board's office in Sacramento.  
18 These elected officers, candidates, and committees need not file  
19 with the elections official of the county in which they are  
20 domiciled.

21 (f) Notwithstanding any other provision of this section, a  
22 committee, candidate, or elected officer is not required to file more  
23 than the original and one copy, or one copy, of a campaign  
24 statement with any one county elections official or city clerk or  
25 with the Secretary of State.

26 (g) If a committee is required to file campaign statements  
27 required by Section 84200 in places designated in subdivisions (a)  
28 to (d), inclusive, it shall continue to file these statements in those  
29 places, in addition to any other places required by this title, until  
30 the end of the calendar year.

31 SEC. 28. Section 84216 of the Government Code is amended  
32 to read:

33 84216. (a) Notwithstanding Section 82015, a loan received  
34 by a candidate or committee is a contribution unless the loan is  
35 received from a commercial lending institution in the ordinary  
36 course of business, or it is clear from the surrounding circumstances  
37 that it is not made for political purposes.

38 (b) A loan, whether or not there is a written contract for the  
39 loan, shall be reported as provided in Section 84200 when any of  
40 the following apply:

1 (1) The loan is a contribution.

2 (2) The loan is received by a committee.

3 (3) The loan is received by a candidate and is used for political  
4 purposes.

5 SEC. 29. Section 84216.5 of the Government Code is repealed.

6 SEC. 30. Section 84218 of the Government Code is amended  
7 to read:

8 84218. (a) A slate mailer organization shall file semiannual  
9 campaign statements no later than July 31 for the period ending  
10 June 30, and no later than January 31 for the period ending  
11 December 31.

12 (b) A slate mailer organization shall file two copies of its  
13 campaign reports with the clerk of the county in which it is  
14 domiciled. A slate mailer organization is domiciled at the address  
15 listed on its statement of organization unless it is domiciled outside  
16 California, in which case its domicile shall be deemed to be Los  
17 Angeles County for purposes of this section.

18 In addition, slate mailer organizations shall file campaign reports  
19 as follows:

20 (1) A slate mailer organization which produces one or more  
21 slate mailers supporting or opposing candidates or measures voted  
22 on in a state election, or in more than one county, shall file  
23 campaign reports in the same manner as state general purpose  
24 committees pursuant to subdivision (a) of Section 84215.

25 (2) A slate mailer organization which produces one or more  
26 slate mailers supporting or opposing candidates or measures voted  
27 on in only one county, or in more than one jurisdiction within one  
28 county, shall file campaign reports in the same manner as county  
29 general purpose committees pursuant to subdivision (c) of Section  
30 84215.

31 (3) A slate mailer organization which produces one or more  
32 slate mailers supporting or opposing candidates or measures voted  
33 on in only one city shall file campaign reports in the same manner  
34 as city general purpose committees pursuant to subdivision (d) of  
35 Section 84215.

36 (4) Notwithstanding the above, no slate mailer organization  
37 shall be required to file more than the original and one copy, or  
38 two copies, of a campaign report with any one county or city clerk  
39 or with the Secretary of State.

40 SEC. 31. Section 84220 of the Government Code is repealed.

1 SEC. 32. Article 2.5 (commencing with Section 84250) of  
2 Chapter 4 of Title 9 of the Government Code is repealed.

3 ~~SEC. 33. Section 84300 of the Government Code is amended~~  
4 ~~to read:~~

5 ~~84300. (a) No expenditure of one hundred dollars (\$100) or~~  
6 ~~more shall be made in cash.~~

7 ~~(b) The value of all in-kind contributions of one hundred dollars~~  
8 ~~(\$100) or more shall be reported in writing to the recipient upon~~  
9 ~~the request in writing of the recipient.~~

10 ~~SEC. 34. Section 84302 of the Government Code is repealed.~~

11 ~~SEC. 35. Section 84308 of the Government Code is amended~~  
12 ~~to read:~~

13 ~~84308. (a) The definitions set forth in this subdivision shall~~  
14 ~~govern the interpretation of this section.~~

15 ~~(1) "Party" means any person who files an application for, or~~  
16 ~~is the subject of, a proceeding involving a license, permit, or other~~  
17 ~~entitlement for use.~~

18 ~~(2) "Participant" means any person who is not a party but who~~  
19 ~~actively supports or opposes a particular decision in a proceeding~~  
20 ~~involving a license, permit, or other entitlement for use and who~~  
21 ~~has a financial interest in the decision, as described in Article 1~~  
22 ~~(commencing with Section 87100) of Chapter 7. A person actively~~  
23 ~~supports or opposes a particular decision in a proceeding if he or~~  
24 ~~she lobbies in person the officers or employees of the agency,~~  
25 ~~testifies in person before the agency, or otherwise acts to influence~~  
26 ~~officers of the agency.~~

27 ~~(3) "Agency" means an agency as defined in Section 82003,~~  
28 ~~except that it does not include the courts or any agency in the~~  
29 ~~judicial branch of government, local governmental agencies whose~~  
30 ~~members are directly elected by the voters, the Legislature, the~~  
31 ~~State Board of Equalization, or constitutional officers. However,~~  
32 ~~this section applies to any person who is a member of an exempted~~  
33 ~~agency but is acting as a voting member of another agency.~~

34 ~~(4) "Officer" means any elected or appointed officer of an~~  
35 ~~agency, any alternate to an elected or appointed officer of an~~  
36 ~~agency, and any candidate for elective office in an agency.~~

37 ~~(5) "License, permit, or other entitlement for use" means all~~  
38 ~~business, professional, trade, and land use licenses and permits~~  
39 ~~and all other entitlements for use, including all entitlements for~~

1 land use, all contracts (other than competitively bid, labor, or  
2 personal employment contracts), and all franchises.

3 (6) “Contribution” includes contributions to candidates and  
4 committees in federal, state, or local elections.

5 (b) Prior to rendering any decision in a proceeding involving a  
6 license, permit, or other entitlement for use pending before an  
7 agency, each officer of the agency who received a contribution  
8 within the preceding 12 months in an amount of more than two  
9 hundred fifty dollars (\$250) from a party or from any participant  
10 shall disclose that fact on the record of the proceeding. No officer  
11 of an agency shall make, participate in making, or in any way  
12 attempt to use his or her official position to influence the decision  
13 in a proceeding involving a license, permit, or other entitlement  
14 for use pending before the agency if the officer has willfully or  
15 knowingly received a contribution in an amount of more than two  
16 hundred fifty dollars (\$250) within the preceding 12 months from  
17 a party or his or her agent, or from any participant, or his or her  
18 agent if the officer knows or has reason to know that the participant  
19 has a financial interest in the decision, as that term is described  
20 with respect to public officials in Article 1 (commencing with  
21 Section 87100) of Chapter 7.

22 If an officer receives a contribution that would otherwise require  
23 disqualification under this section, and returns the contribution  
24 within 30 days from the time he or she knows, or should have  
25 known, about the contribution and the proceeding involving a  
26 license, permit, or other entitlement for use, he or she shall be  
27 permitted to participate in the proceeding.

28 (c) A party to a proceeding before an agency involving a license,  
29 permit, or other entitlement for use shall disclose on the record of  
30 the proceeding any contribution in an amount of more than two  
31 hundred fifty dollars (\$250) made within the preceding 12 months  
32 by the party, or his or her agent, to any officer of the agency. No  
33 party, or his or her agent, to a proceeding involving a license,  
34 permit, or other entitlement for use pending before any agency  
35 and no participant, or his or her agent, in the proceeding shall make  
36 a contribution of more than two hundred fifty dollars (\$250) to  
37 any officer of that agency during the proceeding and for three  
38 months following the date a final decision is rendered by the  
39 agency in the proceeding. When a closed corporation is a party to,  
40 or a participant in, a proceeding involving a license, permit, or



1 ~~other entitlement for use pending before an agency, the majority~~  
2 ~~shareholder is subject to the disclosure and prohibition~~  
3 ~~requirements specified in subdivision (b) and this subdivision.~~

4 ~~(d) Nothing in this section shall be construed to imply that any~~  
5 ~~contribution subject to being reported under this title shall not be~~  
6 ~~so reported.~~

7 *SEC. 33. Section 84300 of the Government Code is amended*  
8 *to read:*

9 84300. (a) No contribution of one hundred dollars (\$100) or  
10 more shall be made or received in cash.

11 ~~A cash contribution shall not be deemed received if it is not~~  
12 ~~negotiated or deposited and is returned to the contributor before~~  
13 ~~the closing date of the campaign statement on which the~~  
14 ~~contribution would otherwise be reported. If a cash contribution,~~  
15 ~~other than a late contribution, as defined in Section 82036, is~~  
16 ~~negotiated or deposited, it shall not be deemed received if it is~~  
17 ~~refunded within 72 hours of receipt. In the case of a late~~  
18 ~~contribution, as defined in Section 82036, it shall not be deemed~~  
19 ~~received if it is returned to the contributor within 48 hours of~~  
20 ~~receipt.~~

21 (b) No expenditure of one hundred dollars (\$100) or more shall  
22 be made in cash.

23 (c) No contribution of one hundred dollars (\$100) or more other  
24 than an in-kind contribution shall be made unless in the form of a  
25 written instrument containing the name of the donor and the name  
26 of the payee and drawn from the account of the donor or the  
27 intermediary, as defined in Section 84302.

28 (d) The value of all in-kind contributions of one hundred dollars  
29 (\$100) or more shall be reported in writing to the recipient upon  
30 the request in writing of the recipient.

31 ~~SEC. 36.~~

32 *SEC. 34. Section 84602 of the Government Code is amended*  
33 *to read:*

34 84602. To implement the Legislature's intent, the Secretary of  
35 State, in consultation with the commission, notwithstanding any  
36 other provision of this code, shall do all of the following:

37 (a) Develop online and electronic filing processes for use by  
38 persons and entities specified in Section 84605 that are required  
39 to file statements and reports with the Secretary of State's office  
40 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 in 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 the requirements of 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 contribution reports and ~~late-independent~~ expenditure reports shall be made available on the Internet within

1 24 hours of receipt. The data made available on the Internet shall  
2 not contain the street name and building number of the persons or  
3 entity representatives listed on the electronically filed forms or  
4 any bank account number required to be disclosed pursuant to this  
5 title.

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

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

11 (g) Provide assistance to those seeking public access to the  
12 information.

13 (h) Implement sufficient technology to seek to prevent  
14 unauthorized alteration or manipulation of the data.

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

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

32 (k) Review the current filing and disclosure requirements of  
33 this chapter and report to the Legislature, no later than June 1,  
34 2005, recommendations on revising these requirements so as to  
35 promote greater reliance on electronic and online submissions.

36 ~~SEC. 37.~~

37 *SEC. 35.* Section 84605 of the Government Code is amended  
38 to read:

39 84605. (a) The following persons shall file online or  
40 electronically with the Secretary of State:

1 (1) Any candidate, including superior court, appellate court,  
2 and Supreme Court candidates and officeholders, committee, or  
3 other persons who are required, pursuant to Chapter 4 (commencing  
4 with Section 84100), to file statements, reports, or other documents  
5 in connection with a state elective office or state measure, provided  
6 that the total cumulative reportable amount of contributions  
7 received, expenditures made, loans made, or loans received is  
8 twenty-five thousand dollars (\$25,000) or more. In determining  
9 the cumulative reportable amount, all controlled committees, as  
10 defined by Section 82016, shall be included. For a committee  
11 subject to this title prior to January 1, 2000, the beginning date for  
12 calculating cumulative totals is January 1, 2000. For a committee  
13 that is first subject to this title on or after January 1, 2000, the  
14 beginning date for calculating cumulative totals is the date the  
15 committee is first subject to this title. A committee, as defined in  
16 subdivision (c) of Section 82013, shall file online or electronically  
17 if it makes contributions of twenty-five thousand dollars (\$25,000)  
18 or more in a calendar year.

19 (2) Any general purpose committees, as defined in Section  
20 82027.5, including the general purpose committees of political  
21 parties, and small contributor committees, as defined in Section  
22 85203, that cumulatively receive contributions or make  
23 expenditures totaling twenty-five thousand dollars (\$25,000) or  
24 more to support or oppose candidates for any elective state office  
25 or state measure. For a committee subject to this title prior to  
26 January 1, 2000, the beginning date for calculating cumulative  
27 totals is January 1, 2000. For a committee that first is subject to  
28 this title on or after January 1, 2000, the beginning date for  
29 calculating cumulative totals is the date the committee is first  
30 subject to this title.

31 (3) Any slate mailer organization with cumulative reportable  
32 payments received or made for the purposes of producing slate  
33 mailers of twenty-five thousand dollars (\$25,000) or more. For a  
34 slate mailer organization subject to this title prior to January 1,  
35 2000, the beginning date for calculating cumulative totals is  
36 January 1, 2000. For a slate mailer organization that first is subject  
37 to this title on or after January 1, 2000, the beginning date for  
38 calculating cumulative totals is the date the organization is first  
39 subject to this title.

(4) Any lobbyist, lobbying firm, lobbyist employer, or other persons required, pursuant to Chapter 6 (commencing with Section 86100), to file statements, reports, or other documents, provided that the total amount of any category of reportable payments, expenses, contributions, gifts, or other items is two thousand five hundred dollars (\$2,500) or more in a calendar quarter.

(b) The Secretary of State shall also disclose on the Internet any contribution report or late independent or expenditure report not covered by paragraph (1), (2), or (3) of subdivision (a) or any other provision of law.

(c) Committees and other persons that are not required to file online or electronically by this section may do so voluntarily.

(d) Once a person or entity is required to file online or electronically, subject to subdivision (a) or (c), the person or entity shall be required to file all subsequent reports online or electronically.

(e) It shall be presumed that online or electronic filers file under penalty of perjury.

(f) Persons filing online or electronically shall also continue to file required disclosure statements and reports in paper format. The paper copy shall continue to be the official filing for audit and other legal purposes until the Secretary of State, pursuant to Section 84606, determines the system is operating securely and effectively.

(g) The Secretary of State shall maintain at all times a secured, official version of all original online and electronically filed statements and reports required by this chapter. Upon determination by the Secretary of State, pursuant to Section 84606, that the system is operating securely and effectively, this online or electronic version shall be the official version for audit and other legal purposes.

(h) Except for statements related to a local elective office or a local ballot measure filed by a candidate for local elective office who is also a candidate for elective state office, a copy of a statement, report, or other document filed by online or electronic means with the Secretary of State shall not be filed with a local filing officer.

~~SEC. 38. Section 85300 of the Government Code is repealed.~~

~~SEC. 39. Section 85301 of the Government Code is repealed.~~

~~SEC. 40. Section 85302 of the Government Code is repealed.~~

~~SEC. 41. Section 85303 of the Government Code is repealed.~~

1 SEC. 42. ~~Section 85304 of the Government Code is amended to~~  
2 ~~read:~~

3 ~~85304. (a) A candidate for elective state office or an elected~~  
4 ~~state officer may establish a separate account to defray attorney's~~  
5 ~~fees and other related legal costs incurred for the candidate's or~~  
6 ~~officer's legal defense if the candidate or officer is subject to one~~  
7 ~~or more civil or criminal proceedings or administrative proceedings~~  
8 ~~arising directly out of the conduct of an election campaign, the~~  
9 ~~electoral process, or the performance of the officer's governmental~~  
10 ~~activities and duties. These funds may be used only to defray those~~  
11 ~~attorney's fees and other related legal costs.~~

12 ~~(b) All contributions shall be reported in the manner prescribed~~  
13 ~~by Section 84200.~~

14 ~~(c) Once the legal dispute is resolved, the candidate shall dispose~~  
15 ~~of any funds remaining after all expenses associated with the~~  
16 ~~dispute are discharged for one or more of the purposes set forth in~~  
17 ~~paragraphs (1) to (5), inclusive, of subdivision (b) of Section~~  
18 ~~89519.~~

19 SEC. 43. ~~Section 85304.5 of the Government Code is amended~~  
20 ~~to read:~~

21 ~~85304.5. (a) A candidate for elective office other than an~~  
22 ~~elective state office or an elected officer other than an elected state~~  
23 ~~officer may establish a separate account pursuant to subdivision~~  
24 ~~(a) of Section 85304 and may use these funds only to defray~~  
25 ~~attorney's fees and other related legal costs.~~

26 ~~(b) A candidate for an elective office other than an elective state~~  
27 ~~office may receive contributions to the separate account, which~~  
28 ~~shall not be subject to any limitations provided by local ordinance.~~  
29 ~~However, all contributions to these separate accounts shall be~~  
30 ~~reported in the manner prescribed by Section 84200.~~

31 ~~(c) Once the legal dispute is resolved, the candidate or elected~~  
32 ~~officer shall dispose of any funds remaining in the separate~~  
33 ~~accounts after all expenses associated with the dispute are~~  
34 ~~discharged for one or more of the purposes set forth in paragraphs~~  
35 ~~(1) to (5), inclusive, of subdivision (b) of Section 89519.~~

36 SEC. 44. ~~Section 85305 of the Government Code is repealed.~~

37 SEC. 45. ~~Section 85306 of the Government Code is amended~~  
38 ~~to read:~~

39 ~~85306. (a) A candidate may transfer campaign funds from one~~  
40 ~~controlled committee to a controlled committee for elective state~~

1 office of the same candidate. Contributions transferred shall be  
2 attributed to specific contributors using a “last in, first out” or “first  
3 in, first out” accounting method.

4 (b) Notwithstanding subdivision (a), a candidate for elective  
5 state office, other than a candidate for statewide elective office,  
6 who possesses campaign funds on January 1, 2001, may use those  
7 funds to seek elective office without attributing the funds to specific  
8 contributors.

9 (c) Notwithstanding subdivision (a), a candidate for statewide  
10 elective office who possesses campaign funds on November 6,  
11 2002, may use those funds to seek elective office without  
12 attributing the funds to specific contributors.

13 SEC. 46. Section 85307 of the Government Code is repealed.

14 SEC. 47. Section 85309 of the Government Code is repealed.

15 SEC. 48. Section 85310 of the Government Code is amended  
16 to read:

17 85310. (a) Any person who makes a payment or a promise of  
18 payment totaling fifty thousand dollars (\$50,000) or more for a  
19 communication that clearly identifies a candidate for elective state  
20 office, but does not expressly advocate the election or defeat of  
21 the candidate, and that is disseminated, broadcast, or otherwise  
22 published within 45 days of an election, shall file online or  
23 electronically with the Secretary of State a report disclosing the  
24 name of the person, address, occupation, and employer, and amount  
25 of the payment. The report shall be filed within 48 hours of making  
26 the payment or the promise to make the payment.

27 (b) (1) Except as provided in paragraph (2), if any person has  
28 received a payment or a promise of a payment from other persons  
29 totaling five thousand dollars (\$5,000) or more for the purpose of  
30 making a communication described in subdivision (a), the person  
31 receiving the payments shall disclose on the report the name,  
32 address, occupation and employer, and date and amount received  
33 from the person.

34 (2) A person who receives or is promised a payment that is  
35 otherwise reportable under paragraph (1) is not required to report  
36 the payment if the person is in the business of providing goods or  
37 services and receives or is promised the payment for the purpose  
38 of providing those goods or services.

39 SEC. 49. Section 85314 of the Government Code is repealed.

1 SEC. 50. ~~Section 85315 of the Government Code is amended to~~  
2 ~~read:~~

3 ~~85315. (a) Notwithstanding any other provision of this chapter,~~  
4 ~~an elected state officer may establish a committee to oppose the~~  
5 ~~qualification of a recall measure and the recall election. This~~  
6 ~~committee may be established when the elected state officer~~  
7 ~~receives a notice of intent to recall pursuant to Section 11021 of~~  
8 ~~the Elections Code. An elected state officer may accept campaign~~  
9 ~~contributions to oppose the qualification of a recall measure. The~~  
10 ~~voluntary expenditure limits do not apply to expenditures made~~  
11 ~~to oppose the qualification of a recall measure or to oppose the~~  
12 ~~recall election.~~

13 ~~(b) After the failure of a recall petition or after the recall~~  
14 ~~election, the committee formed by the elected state officer shall~~  
15 ~~wind down its activities and dissolve. Any remaining funds shall~~  
16 ~~be treated as surplus funds and shall be expended within 30 days~~  
17 ~~after the failure of the recall petition or after the recall election for~~  
18 ~~a purpose specified in subdivision (b) of Section 89519.~~

19 SEC. 51. ~~Section 85316 of the Government Code is amended~~  
20 ~~to read:~~

21 ~~85316. (a) Except as provided in subdivision (b), a contribution~~  
22 ~~for an election may be accepted by a candidate for elective state~~  
23 ~~office after the date of the election only to the extent that the~~  
24 ~~contribution does not exceed net debts outstanding from the~~  
25 ~~election.~~

26 ~~(b) Notwithstanding subdivision (a), an elected state officer~~  
27 ~~may accept contributions after the date of the election for the~~  
28 ~~purpose of paying expenses associated with holding the office~~  
29 ~~provided that the contributions are not expended for any~~  
30 ~~contribution to any state or local committee. Contributions received~~  
31 ~~pursuant to this subdivision shall be deposited into a bank account~~  
32 ~~established solely for the purposes specified in this subdivision.~~

33 ~~(c) Any contribution received pursuant to this section shall be~~  
34 ~~deemed to be a contribution to that candidate for election to any~~  
35 ~~state office that he or she may seek during the term of office to~~  
36 ~~which he or she is currently elected, including, but not limited to,~~  
37 ~~reelection to the office he or she currently holds. None of the~~  
38 ~~expenditures made by elected state officers pursuant to this~~  
39 ~~subdivision shall be subject to the voluntary expenditure limitations~~  
40 ~~in Section 85400.~~



1 ~~SEC. 52. Section 85320 of the Government Code is repealed.~~

2 ~~SEC. 53. Section 85321 of the Government Code is repealed.~~

3 ~~SEC. 54. Section 85501 of the Government Code is amended~~  
4 ~~to read:~~

5 ~~85501. A controlled committee of a candidate may not make~~  
6 ~~independent expenditures to support or oppose other candidates.~~

7 ~~SEC. 55. Section 85701 of the Government Code is repealed.~~

8 ~~SEC. 56. Section 85702 of the Government Code is repealed.~~

9 ~~SEC. 57. Section 85704 of the Government Code is repealed.~~

10 ~~SEC. 58. Section 89510 of the Government Code is amended~~  
11 ~~to read:~~

12 ~~89510. All contributions deposited into the campaign account~~  
13 ~~shall be deemed to be held in trust for expenses associated with~~  
14 ~~the election of the candidate or for expenses associated with~~  
15 ~~holding office.~~

16 ~~SEC. 36. Section 85309 of the Government Code is repealed.~~

17 ~~85309. (a) In addition to any other report required by this title,~~  
18 ~~a candidate for elective state office who is required to file reports~~  
19 ~~pursuant to Section 84605 shall file online or electronically with~~  
20 ~~the Secretary of State a report disclosing receipt of a contribution~~  
21 ~~of one thousand dollars (\$1,000) or more received during an~~  
22 ~~election cycle. Those reports shall disclose the same information~~  
23 ~~required by subdivision (a) of Section 84203 and shall be filed~~  
24 ~~within 24 hours of receipt of the contribution.~~

25 ~~(b) In addition to any other report required by this title, any~~  
26 ~~committee primarily formed to support or oppose one or more~~  
27 ~~state ballot measures that is required to file reports pursuant to~~  
28 ~~Section 84605 shall file online or electronically with the Secretary~~  
29 ~~of State a report disclosing receipt of a contribution of one thousand~~  
30 ~~dollars (\$1,000) or more received during an election cycle. Those~~  
31 ~~reports shall disclose the same information required by subdivision~~  
32 ~~(a) of Section 84203 and shall be filed within 24 hours of receipt~~  
33 ~~of the contribution.~~

34 ~~(c) In addition to any other report required by this title, a~~  
35 ~~candidate for elective state office who is required to file reports~~  
36 ~~pursuant to Section 84605 shall file online or electronically with~~  
37 ~~the Secretary of State a report disclosing receipt of a contribution~~  
38 ~~of five thousand dollars (\$5,000) or more received at any time~~  
39 ~~other than during an election cycle. Those reports shall disclose~~  
40 ~~the same information required by subdivision (a) of Section 84203~~

1 and shall be filed within 10 business days of receipt of the  
2 contribution.

3 (d) ~~In addition to any other report required by this title, a~~  
4 ~~committee primarily formed to support or oppose a state ballot~~  
5 ~~measure that is required to file reports pursuant to Section 84605~~  
6 ~~shall file online or electronically with the Secretary of State a report~~  
7 ~~disclosing receipt of a contribution of five thousand dollars~~  
8 ~~(\$5,000) or more received at any time other than during an election~~  
9 ~~cycle. Those reports shall disclose the same information required~~  
10 ~~by subdivision (a) of Section 84203 and shall be filed within 10~~  
11 ~~business days of receipt of the contribution.~~

12 *SEC. 37. Section 85500 of the Government Code is amended*  
13 *to read:*

14 85500. (a) In addition to any other report required by this title,  
15 a committee, including a political party committee, that is required  
16 to file reports pursuant to Section 84605 and that makes  
17 independent expenditures of one thousand dollars (\$1,000) or more  
18 during an election cycle in connection with a candidate for elective  
19 state office or state ballot measure, shall file online or electronically  
20 a report with the Secretary of State disclosing the making of the  
21 independent expenditure. This report shall disclose the same  
22 information required by subdivision (b) of Section ~~84204~~ 84200  
23 and shall be filed within 24 hours of the time the independent  
24 expenditure is made.

25 (b) An expenditure may not be considered independent, and  
26 shall be treated as a contribution from the person making the  
27 expenditure to the candidate on whose behalf, or for whose benefit,  
28 the expenditure is made, if the expenditure is made under any of  
29 the following circumstances:

30 (1) The expenditure is made with the cooperation of, or in  
31 consultation with, the candidate on whose behalf, or for whose  
32 benefit, the expenditure is made, or any controlled committee or  
33 any agent of the candidate.

34 (2) The expenditure is made in concert with, or at the request  
35 or suggestion of, the candidate on whose behalf, or for whose  
36 benefit, the expenditure is made, or any controlled committee or  
37 any agent of the candidate.

38 (3) The expenditure is made under any arrangement,  
39 coordination, or direction with respect to the candidate or the  
40 candidate's agent and the person making the expenditure.

~~SEC. 59.~~

SEC. 38. Section 89511.5 of the Government Code is amended to read:

89511.5. (a) An incumbent elected officer may utilize his or her personal funds for expenditures authorized by Section 89510 without first depositing those funds in his or her controlled committee's campaign bank account, if both of the following conditions are met:

(1) The expenditures are not campaign expenses.

(2) The treasurer of the committee is provided with a dated receipt and a written description of the expenditure.

(b) An incumbent elected officer may be reimbursed for expenditures of his or her personal funds, from either the controlled committee campaign bank account established pursuant to Section 85201 with respect to election to the incumbent term of office, or from a controlled committee campaign bank account established pursuant to Section 85201 with respect to election to a future term of office, if all of the following conditions are met:

(1) The expenditures are not campaign expenses.

(2) The incumbent elected officer, prior to reimbursement, provides the treasurer of the committee with a dated receipt and a written description of each expenditure.

(3) Reimbursement is paid within 90 days of the expenditure, in the case of a cash expenditure, or within 90 days of the end of the billing period in which it was included, in the case of an expenditure charged to a credit card or charge account.

(c) If reimbursement is not paid within the time authorized by this section, the expenditure shall be reported on the campaign statement as a nonmonetary contribution received on the 90th day after the expenditure is paid, in the case of a cash expenditure, or within 90 days of the end of the billing period in which it was included, in the case of an expenditure charged to a credit card or charge account.

(d) This section shall not be construed to authorize an incumbent elected officer to make expenditures from any campaign bank account for expenses other than those expenses associated with his or her election to the specific office for which the account was established and expenses associated with holding that office.

~~SEC. 60.~~ Section 89512.5 of the Government Code is amended to read:

1     ~~89512.5.—(a) Subject to the provisions of subdivision (b), any~~  
2 ~~expenditure by a committee not subject to the trust imposed by~~  
3 ~~Section 89510 shall be reasonably related to a political, legislative,~~  
4 ~~or governmental purpose of the committee.~~

5     ~~(b) Any expenditure by a committee that confers a substantial~~  
6 ~~personal benefit on any individual or individuals with authority to~~  
7 ~~approve the expenditure of campaign funds held by the committee,~~  
8 ~~shall be directly related to a political, legislative, or governmental~~  
9 ~~purpose of the committee.~~

10     ~~SEC. 61.~~

11     ~~SEC. 39.~~ Section 89513 of the Government Code is amended  
12 to read:

13     89513. This section governs the use of campaign funds for the  
14 specific expenditures set forth in this section. It is the intent of the  
15 Legislature that this section shall guide the interpretation of the  
16 standard imposed by Section 89512 as applied to other expenditures  
17 not specifically set forth in this section.

18     (a) (1) Campaign funds shall not be used to pay or reimburse  
19 the candidate, the elected officer, or any individual or individuals  
20 with authority to approve the expenditure of campaign funds held  
21 by a committee, or employees or staff of the committee or the  
22 elected officer's governmental agency for travel expenses and  
23 necessary accommodations except when these expenditures are  
24 directly related to a political, legislative, or governmental purpose.

25     (2) For the purposes of this section, payments or reimbursements  
26 for travel and necessary accommodations shall be considered as  
27 directly related to a political, legislative, or governmental purpose  
28 if the payments would meet standards similar to the standards of  
29 the Internal Revenue Service pursuant to Sections 162 and 274 of  
30 the Internal Revenue Code for deductions of travel expenses under  
31 the federal income tax law.

32     (3) For the purposes of this section, payments or reimbursement  
33 for travel by the household of a candidate or elected officer when  
34 traveling to the same destination in order to accompany the  
35 candidate or elected officer shall be considered for the same  
36 purpose as the candidate's or elected officer's travel.

37     (4) Whenever campaign funds are used to pay or reimburse for  
38 travel expenses and necessary accommodations, any mileage credit  
39 that is earned or awarded pursuant to an airline bonus mileage  
40 program shall be deemed personally earned by or awarded to the

1 individual traveler. Neither the earning or awarding of mileage  
2 credit, nor the redeeming of credit for actual travel, shall be subject  
3 to reporting.

4 (b) (1) Campaign funds shall not be used to pay for or reimburse  
5 the cost of professional services unless the services are directly  
6 related to a political, legislative, or governmental purpose.

7 (2) Expenditures by a committee to pay for professional services  
8 reasonably required by the committee to assist it in the performance  
9 of its administrative functions are directly related to a political,  
10 legislative, or governmental purpose.

11 (3) Campaign funds shall not be used to pay health-related  
12 expenses for a candidate, elected officer, or any individual or  
13 individuals with authority to approve the expenditure of campaign  
14 funds held by a committee, or members of his or her household.  
15 “Health-related expenses” includes, but is not limited to,  
16 examinations by physicians, dentists, psychiatrists, psychologists,  
17 or counselors, expenses for medications, treatments, or medical  
18 equipment, and expenses for hospitalization, health club dues, and  
19 special dietary foods. However, campaign funds may be used to  
20 pay employer costs of health care benefits of a bona fide employee  
21 or independent contractor of the committee.

22 (c) Campaign funds shall not be used to pay or reimburse fines,  
23 penalties, judgments, or settlements, except those resulting from  
24 either of the following:

25 (1) Parking citations incurred in the performance of an activity  
26 that was directly related to a political, legislative, or governmental  
27 purpose.

28 (2) Any other action for which payment of attorney’s fees from  
29 contributions would be permitted pursuant to this title.

30 (d) Campaign funds shall not be used for campaign, business,  
31 or casual clothing, except specialty clothing that is not suitable for  
32 everyday use, including, but not limited to, formal wear, if this  
33 attire is to be worn by the candidate or elected officer and is directly  
34 related to a political, legislative, or governmental purpose.

35 (e) (1) Except where otherwise prohibited by law, campaign  
36 funds may be used to purchase or reimburse for the costs of  
37 purchase of tickets to political fundraising events for the attendance  
38 of a candidate, elected officer, or his or her immediate family, or  
39 an officer, director, employee, or staff of the committee or the  
40 elected officer’s governmental agency.

(2) Campaign funds shall not be used to pay for or reimburse for the costs of tickets for entertainment or sporting events for the candidate, elected officer, or members of his or her immediate family, or an officer, director, employee, or staff of the committee, unless their attendance at the event is directly related to a political, legislative, or governmental purpose.

(3) The purchase of tickets for entertainment or sporting events for the benefit of persons other than the candidate, elected officer, or his or her immediate family are governed by subdivision (f).

(f) (1) Campaign funds shall not be used to make personal gifts unless the gift is directly related to a political, legislative, or governmental purpose. The refund of a campaign contribution does not constitute the making of a gift.

(2) Nothing in this section shall prohibit the use of campaign funds to reimburse or otherwise compensate a public employee for services rendered to a candidate or committee while on vacation, leave, or otherwise outside of compensated public time.

(3) An election victory celebration or similar campaign event, or gifts with a total cumulative value of less than two hundred fifty dollars (\$250) in a single year made to an individual employee, a committee worker, or an employee of the elected officer's agency, are considered to be directly related to a political, legislative, or governmental purpose. For purposes of this paragraph, a gift to a member of a person's immediate family shall be deemed to be a gift to that person.

(g) Campaign funds shall not be used to make loans other than to organizations pursuant to Section 89515, or, unless otherwise prohibited, to a candidate for elective office, political party, or committee.

~~SEC. 62.~~

*SEC. 40.* Section 90002 of the Government Code is amended to read:

90002. (a) Audits and investigations of lobbying firms and lobbyist employers shall be performed on a biennial basis and shall cover reports filed during a period of two years.

(b) If a lobbying firm or lobbyist employer keeps a separate account for all receipts and payments for which reporting is required by this chapter, the requirement of an audit under subdivision (a) of Section 90001 shall be satisfied by an audit of

1 that account and the supporting documentation required to be  
2 maintained by Section 86110.

3 (c) No audit or investigation of any candidate, controlled  
4 committee, or committee primarily supporting or opposing a  
5 candidate or a measure in connection with a report or statement  
6 required by Chapter 4 (commencing with Section 84100), shall  
7 begin until after the last date for filing the first report or statement  
8 following the general, runoff, or special election for the office for  
9 which the candidate ran, or following the election at which the  
10 measure was adopted or defeated, except that audits and  
11 investigations of statewide candidates, their controlled committees,  
12 and committees primarily supporting or opposing those statewide  
13 candidates who were defeated in the primary election and who are  
14 not required to file statements for the general election may begin  
15 after the last date for filing the first report or statement following  
16 the primary election. When the campaign statements or reports of  
17 a candidate, controlled committee, or a committee primarily  
18 supporting or opposing a candidate are audited and investigated  
19 pursuant to Section 90001, the audit and investigation shall cover  
20 all campaign statements and reports filed for the primary and  
21 general or special or runoff elections and any previous campaign  
22 statement or report filed pursuant to Section 84200 since the last  
23 election for that office, but shall exclude any statements or reports  
24 which have previously been audited pursuant to Section 90001 or  
25 90003. When the campaign statements or reports of a committee  
26 primarily supporting or opposing a measure are audited and  
27 investigated, the audit and investigation shall cover all campaign  
28 statements and reports from the beginning date of the first  
29 campaign statement filed by the committee in connection with the  
30 measure. For all other committees, the audit and investigation shall  
31 cover all campaign statements filed during the previous two  
32 calendar years.

33 ~~SEC. 63. No reimbursement is required by this act pursuant to~~  
34 ~~Section 6 of Article XIII B of the California Constitution because~~  
35 ~~the duties imposed on a local agency or school district by this act~~  
36 ~~were expressly included in a ballot measure approved by the voters~~  
37 ~~in a statewide election, within the meaning of Section 17556 of~~  
38 ~~the Government Code.~~

39 ~~SEC. 64. The Secretary of State shall, pursuant to subdivision~~  
40 ~~(b) of Section 81012 of the Government Code, submit Sections 3~~

1 to 62, inclusive, of this act to the voters for approval at a statewide  
2 election in accordance with Section 9040 of the Elections Code.

3 ~~SEC. 65. Sections 1 and 2 of this act shall not become operative~~  
4 ~~unless and until the voters approve the amendments to the Political~~  
5 ~~Reform Act of 1974 (Title 9 (commencing with Section 81000)~~  
6 ~~of the Government Code) made by Sections 3 to 62, inclusive, of~~  
7 ~~this act, at the statewide election described in Section 64.~~

8 *SEC. 41. No reimbursement is required by this act pursuant*  
9 *to Section 6 of Article XIII B of the California Constitution for*  
10 *certain costs that may be incurred by a local agency or school*  
11 *district because, in that regard, this act creates a new crime or*  
12 *infraction, eliminates a crime or infraction, or changes the penalty*  
13 *for a crime or infraction, within the meaning of Section 17556 of*  
14 *the Government Code, or changes the definition of a crime within*  
15 *the meaning of Section 6 of Article XIII B of the California*  
16 *Constitution.*

17 *However, if the Commission on State Mandates determines that*  
18 *this act contains other costs mandated by the state, reimbursement*  
19 *to local agencies and school districts for those costs shall be made*  
20 *pursuant to Part 7 (commencing with Section 17500) of Division*  
21 *4 of Title 2 of the Government Code.*

22 *SEC. 42. The Legislature finds and declares that this bill*  
23 *furtheres the purposes of the Political Reform Act of 1974 within*  
24 *the meaning of subdivision (a) of Section 81012 of the Government*  
25 *Code.*