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**SB-1027 Political Reform Act of 1974: disclosures.** (2023-2024)

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**Senate Bill No. 1027**

**CHAPTER 180**

An act to amend Sections 84101 and 84615 of the Government Code, relating to the Political Reform Act of 1974.

[ Approved by Governor August 19, 2024. Filed with Secretary of State August 19, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1027, Menjivar. Political Reform Act of 1974: disclosures.

The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. The act requires a committee that receive contributions totaling \$2,000 or more in a calendar year to file a statement of organization with the Secretary of State and, if applicable, a local filing officer.

This bill would authorize a campaign committee to redact the bank account number on a copy of a statement of organization filed with a local filing officer, and it would require the Secretary of State to redact the bank account number on a statement of organization filed with the Secretary of State before making the statement available to the public in any form.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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 of the Legislature and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: 2/3 Appropriation: no Fiscal Committee: yes Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 84101 of the Government Code, as amended by Section 158 of Chapter 50 of the Statutes of 2021, is amended to read:

**84101.** (a) A committee that is a committee by virtue of subdivision (a) of Section 82013 shall file a statement of organization. The committee shall file the original of the statement of organization with the Secretary of State and shall also file a copy of the statement of organization with the local filing officer, if any, with whom the committee is required to file an original campaign

statement pursuant to Section 84215. The original and copy of the statement of organization shall be filed within 10 days after the committee has qualified as a committee. The Secretary of State shall assign a number to each committee that files a statement of organization and shall notify the committee of the number. The Secretary of State shall send a copy of statements filed pursuant to this section, with the information specified in paragraph (2) of subdivision (e) redacted, to the county elections official of each county that the Secretary of State deems appropriate. A county elections official who receives a copy of a statement of organization from the Secretary of State pursuant to this section shall send a copy of the statement to the clerk of each city in the county that the county elections official deems appropriate.

(b) In addition to filing the statement of organization as required by subdivision (a), if a committee qualifies as a committee under subdivision (a) of Section 82013 before the date of an election in connection with which the committee is required to file preelection statements, but after the closing date of the last campaign statement required to be filed before the election pursuant to Section 84200.8 or 84200.9, the committee shall file, by facsimile transmission, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a committee, the information required to be reported in the statement of organization. The information required by this subdivision shall be filed with the filing officer with whom the committee is required to file an original campaign statement pursuant to Section 84215.

(c) If an independent expenditure committee qualifies as a committee pursuant to subdivision (a) of Section 82013 during the time period described in Section 82036.5 and makes independent expenditures of one thousand dollars (\$1,000) or more to support or oppose a candidate or candidates for office, the committee shall file, by facsimile transmission, online transmission, guaranteed overnight delivery, or personal delivery within 24 hours of qualifying as a committee, the information required to be reported in the statement of organization. The information required by this section shall be filed with the filing officer with whom the committee is required to file an original campaign statement pursuant to Section 84215, and shall be filed at all locations required for the candidate or candidates supported or opposed by the independent expenditures. The filings required by this section are in addition to filings that may be required by Section 84204.

(d) For purposes of this section, in calculating whether two thousand dollars (\$2,000) in contributions has been received, payments for a filing fee or for a statement of qualifications to appear in a sample ballot shall not be included if these payments have been made from the candidate's personal funds.

(e) (1) A committee may redact, or otherwise omit, a bank account number included on the copy of the statement of organization filed with the local filing officer pursuant to subdivision (a). A local filing officer shall not require a committee to disclose a bank account number on the copy of the statement of organization filed with the local filing officer as a condition of accepting that filing.

(2) Notwithstanding Section 81008 or the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), the Secretary of State shall redact the bank account number on a statement of organization filed with the Secretary of State before making the statement available to the public in any form.

**SEC. 2.** Section 84101 of the Government Code, as amended by Section 159 of Chapter 50 of the Statutes of 2021, is amended to read:

**84101.** (a) A committee that is a committee by virtue of subdivision (a) of Section 82013 shall file a statement of organization. The committee shall file the original of the statement of organization online or electronically with the Secretary of State and shall also file a copy of the statement of organization with the local filing officer, if any, with whom the committee is required to file an original campaign statement pursuant to Section 84215. The original and copy of the statement of organization shall be filed within 10 days after the committee has qualified as a committee. The Secretary of State shall assign a number to each committee that files a statement of organization and shall notify the committee of the number. The Secretary of State shall email or send a copy of statements filed pursuant to this section, with the information specified in paragraph (3) of subdivision (e) redacted, to the county elections official of each county that the Secretary of State deems appropriate. A county elections official who receives a copy of a statement of organization from the Secretary of State pursuant to this section shall email or send a copy of the statement to the clerk of each city in the county that the county elections official deems appropriate.

(b) In addition to filing the statement of organization as required by subdivision (a), if a committee qualifies as a committee under subdivision (a) of Section 82013 within 16 days before the date of an election in connection with which the committee is required to file preelection statements, the committee shall file, within 24 hours of qualifying as a committee, an original statement of organization online or electronically with the Secretary of State, and a copy with the local filing officer, if any, with whom the committee is required to file an original campaign statement pursuant to Section 84215 by email, fax, online transmission, guaranteed overnight delivery, or personal delivery.

(c) If an independent expenditure committee qualifies as a committee pursuant to subdivision (a) of Section 82013 during the time period described in Section 82036.5 and makes independent expenditures of one thousand dollars (\$1,000) or more to support or oppose a candidate or candidates for office, the committee shall file, within 24 hours of qualifying as a committee, the original of its statement of organization online or electronically with the Secretary of State. The committee shall also file a copy of the

statement of organization with the local filing officer with whom the committee is required to file an original campaign statement pursuant to Section 84215, and at all locations required for the candidate or candidates supported or opposed by the independent expenditures, by email, facsimile transmission, guaranteed overnight delivery, or personal delivery. The filings required by this section are in addition to filings that may be required by Section 84204.

(d) For purposes of this section, in calculating whether two thousand dollars (\$2,000) in contributions has been received, payments for a filing fee or for a statement of qualifications to appear in a sample ballot shall not be included if these payments have been made from the candidate's personal funds.

(e) (1) For purposes of this subdivision, "authorized person" means a person, other than the treasurer, who is authorized to obtain the bank records of the committee from the financial institution where the campaign bank account is maintained.

(2) A committee may redact, or otherwise omit, a bank account number and the name of an authorized person included on the copy of the statement of organization filed with the local filing officer pursuant to subdivision (a). A local filing officer shall not require a committee to disclose a bank account number or the name of an authorized person on the copy of the statement of organization filed with the local filing officer as a condition of accepting that filing.

(3) Notwithstanding Section 81008 or the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), the Secretary of State shall redact the bank account number and the name of an authorized person on a statement of organization filed with the Secretary of State before making the statement available to the public in any form.

**SEC. 3.** Section 84615 of the Government Code, as added by Section 1 of Chapter 126 of the Statutes of 2012, is amended to read:

**84615.** A local government agency may require an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 (commencing with Section 84100), except an elected officer, candidate, committee, or other person who receives contributions totaling less than one thousand dollars (\$1,000), and makes expenditures totaling less than one thousand dollars (\$1,000), in a calendar year, to file those statements, reports, or other documents online or electronically with a local filing officer. A local government agency that requires online or electronic filing pursuant to this section shall comply with all of the following:

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

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

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

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

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

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

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

84101, the local filing officer shall make a complete, unredacted copy of any statement, report, or other document filed pursuant to this section, including any street names and building numbers disclosed by the filer, available to any person upon request.

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

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

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

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

**SEC. 4.** Section 84615 of the Government Code, as amended by Section 28 of Chapter 662 of the Statutes of 2018, is amended to read:

**84615.** A local government agency may require an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 (commencing with Section 84100), except an elected officer, candidate, committee, or other person who receives contributions totaling less than two thousand dollars (\$2,000), and makes expenditures totaling less than two thousand dollars (\$2,000) in a calendar year, to file those statements, reports, or other documents online or electronically with a local filing officer. A local government agency that requires online or electronic filing pursuant to this section shall comply with all of the following:

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

(b) The online or electronic filing system shall accept a filing in the standardized record format that was developed by the Secretary of State pursuant to paragraph (2) of subdivision (a) of Section 84602, or the local government agency may transition to the Cal-Access Replacement System format, and then the system shall accept a filing in the new standardized record format developed by the Secretary of State pursuant to subdivision (b) of Section 84602, and that is compatible with the Secretary of State's system for receiving an online or electronic filing.

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

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

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

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

(f) The local filing officer shall make all the data filed available on the Internet in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. The data made available on the Internet shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed by the filer. Except as provided in Section 84101, the local filing officer shall make a complete, unredacted copy of any statement, report, or other document filed pursuant to this section, including any street names and building numbers disclosed by the filer, available to any person upon request.

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

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

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

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

**SEC. 5.** The Legislature finds and declares that Sections 1 and 2 of this act, which amend Section 84101 of the Government Code, and Sections 3 and 4 of this act, which amend Section 84615 of the Government Code, impose a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

In order to protect filers' privacy and to prevent financial fraud, the limitations on the public's right of access imposed by Sections 1, 2, 3, and 4 of this act are necessary.

**SEC. 6.** Sections 2 and 4 of this act shall not become operative until the date that the Secretary of State certifies an online filing and disclosure system pursuant to paragraph (7) of subdivision (b) of Section 84602 of the Government Code.

**SEC. 7.** The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.