

October 21, 2015

Hon. Kamala D. Harris
Attorney General
Attn: Initiative Coordinator
Office of the Attorney General
1300 I Street, 17th Floor
Sacramento, CA 95814

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OCT 21 2015

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Attorney General Harris:

By submitting this letter, I request the Voters' Right to Know (VRTK) ballot measure initiative, which I previously submitted on September 16, 2015, be amended. VRTK has been assigned the number 15-0068 by your office. The amendments are attached to this letter and are technical in nature.

Thank you for your attention to this matter. Any correspondence regarding this may be addressed to: Gary Winuk, Murphy, Austin, Adams, Schoenfeld LLP
555 Capitol Mall, Suite 850, Sacramento CA 95814.

Sincerely,



Jim Heerwagen

Enclosures

Section 1

This act shall be known and cited as the "Voters' Right to Know Act."

Section 2

Section 81001.5 is added to the Government Code

81001.5 The people find and declare as follows:

(a) The concealment of true campaign contributors continues to frustrate civic engagement and voter participation. Disclosure laws should be interpreted and enforced to the greatest extent possible to provide the public information about contributors.

(b) The right of the people to disclosure of money that is used to affect campaigns and money used to influence governmental decisions, along with the right to regulate the raising and spending of money to influence elections and governmental actions are state constitutional rights that are fundamental and equal to the other rights enumerated in the California State Constitution.

(c) The influence of gifts and money in political activity can be corrosive and must be limited to the fullest extent possible in order to ensure that California's government only serves the people.

(d) It is crucial that campaign and governmental ethics laws be updated and strengthened continuously to ensure that the principles of disclosure, limits, and accountability are continuously reinvigorated.

(e) It is incumbent upon the people's elected and appointed officials to create a robust, rapid disclosure regime that takes full advantage of technology.

Amend ARTICLE 1 DECLARATION OF RIGHTS of the CALIFORNIA CONSTITUTION to add Section 32:

SECTION 32.

The people of California have a compelling interest in ensuring that money used to fund campaign activity and to influence governmental action be disclosed publicly so that the people may make informed electoral choices and ensure government is acting in their interests. To advance democratic self-government and political equality, and to protect the integrity of government and the electoral process, the State of California shall regulate the disclosure, raising and spending of money to influence elections and governmental actions. The Legislature and the people shall implement and enforce these interests by appropriate legislation.

ARTICLE 4 LEGISLATIVE SECTION 5 OF THE STATE
CONSTITUTION is amended to read:

ARTICLE 4 LEGISLATIVE

SEC. 5. (a) Each house shall judge the qualifications and elections of its Members and, by rollcall vote entered in the journal, two thirds of the membership concurring, may expel a Member.

(b) No Member of the Legislature may accept any honorarium. The Legislature shall enact laws that implement this subdivision.

(c) The Legislature shall enact laws that ban or strictly limit the acceptance of a gift by a Member of the Legislature from any source if the acceptance of the gift might create a conflict of interest.

(d) No Member of the Legislature may knowingly accept any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any state government board or agency. If a Member knowingly accepts any compensation for appearing, agreeing to appear, or taking any other action on behalf of another person before any local government board or agency, the Member may not, for a period of one year following the acceptance of the compensation, vote upon or make, participate in making, or in any way attempt to use his or her official position to influence an action or decision before the Legislature, other than an action or decision involving a bill described in subdivision (c) of Section 12 of this article, which he or she knows, or has reason to know, would have

a direct and significant financial impact on that person and would not impact the public generally or a significant segment of the public in a similar manner. As used in this subdivision, "public generally" includes an industry, trade, or profession. However, a Member may engage in activities involving a board or agency which are strictly on his or her own behalf, appear in the capacity of an attorney before any court or the Workers' Compensation Appeals Board, or act as an advocate without compensation or make an inquiry for information on behalf of a person before a board or agency. This subdivision does not prohibit any action of a partnership or firm of which the Member is a member if the Member does not share directly or indirectly in the fee, less any expenses attributable to that fee, resulting from that action.

(e) The Legislature shall enact laws that prohibit a Member of the Legislature whose term of office commences on or after December 3, 1990, from lobbying, for compensation, as governed by the Political Reform Act of 1974, before the Legislature for 12-24 months after leaving office.

(f) The Legislature shall enact new laws, and strengthen the enforcement of existing laws, prohibiting Members of the Legislature from engaging in activities or having interests which conflict with the proper discharge of their duties and responsibilities. However, the people reserve to themselves the power to implement this requirement pursuant to Article II.

Section 82002 of the Government Code is amended to read:

82002. (a) "Administrative action" means any of the following:

(1) The proposal, drafting, development, consideration, amendment, enactment, or defeat by any state agency of any rule, regulation, or other action in any ratemaking proceeding or any quasi-legislative proceeding, which shall include any proceeding governed by Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2.

(2) With regard only to placement agents, the decision by any state agency to enter into a contract to invest state public retirement system assets on behalf of a state public retirement system.

(3) *Governmental procurement.*

(b) "Ratemaking proceeding" means, for purposes of a proceeding before the Public Utilities Commission, any proceeding in which it is reasonably foreseeable that a rate will be established, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.

(c) "Quasi-legislative proceeding" means, for purposes of a proceeding before the Public Utilities Commission, any proceeding that involves consideration of the establishment of a policy that will apply generally to a group or class of persons, including, but not limited to, rulemakings and investigations that may establish rules affecting an entire industry.

(d) (1) "Governmental procurement" means any of the following with respect to influencing a state procurement contract for which the total estimated cost exceeds two hundred fifty thousand dollars (\$250,000):

(A) Preparing the terms, specifications, bid documents, request for proposals, or evaluation criteria for the procurement contract.

(B) Soliciting for the procurement contract.

(C) Evaluating the procurement contract.

(D) Scoring criteria for the procurement contract.

(E) Awarding, approving, denying, or disapproving the procurement contract.

(F) Approving or denying an assignment, amendment, other than an amendment authorized and payable under the terms of the procurement contract as the procurement contract was finally awarded or approved, renewal, or extension of the procurement contract, or any other material change in the procurement contract resulting in financial benefit to the offeror.

(2) "Governmental procurement" does not include any of the following with respect to a state procurement contract for which the total estimated cost exceeds two hundred fifty thousand dollars (\$250,000):

(A) Submitting a bid or fee proposal on the state procurement contract that does not involve any activity described in paragraph (1), including attending

a bidders' conference or responding to requests for information; or responding to a competitive selection process based on qualifications.

(B) Testifying at a public hearing regarding the state procurement contract.

(C) Any activity undertaken by a bona fide salesperson of an article of procurement. For purposes of this subparagraph, a "bona fide salesperson" is an individual who satisfies all of the following:

(i) The primary purpose of the individual's employment is the sale of an article of procurement.

(ii) The primary purpose of the individual's employment is not to influence the actions of a public officer or state agency, as described in paragraph (1).

(iii) The individual does not engage in any other activity that would qualify him or her as a lobbyist.

(D) Any activity undertaken by a placement agent, as that term is defined in Section 82047.3.

(E) Any activity relating to a contract awarded by the state through the California Multiple Award Schedule (CMAS) or a contract awarded through government multi-jurisdiction purchasing schedules.

(3) "Governmental procurement" does not include the process by which labor contracts are negotiated, entered, or approved, including but not limited to collective bargaining agreements, memoranda of understanding, project labor agreements, and any other agreement between a state governmental entity and a labor organization or any entity controlled by or affiliated with a labor organization.

Section 82025 of the Government Code is amended to read:

82025 (a) "Expenditure" means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, unless it is clear from the surrounding circumstances that it is not made for political purposes. "Expenditure" does not include a candidate's use of his or her own money to pay for either a filing fee for a declaration of candidacy or a candidate statement prepared pursuant to Section 13307 of the Elections Code. An expenditure is made on the date the payment is made

or on the date consideration, if any, is received, whichever is earlier. A payment is made for political purposes if it is:

(1) For the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate or candidates, or the qualification or passage of any measure; or

(2) Made by:

(A) A candidate, unless it is clear from surrounding circumstances that the payment was made for personal purposes unrelated to his or her candidacy or status as an office holder;

(B) A controlled committee;

(C) An official committee of a political party, including a state central committee, county central committee, assembly district committee or any subcommittee of such committee; or

(D) An organization formed or existing primarily for political purposes as defined in subsection (a)(1), including but not limited to a committee sponsored by any membership organization, labor union or corporation.

(b) "Expenditure" includes any monetary or non-monetary payment made by any person, who is not a persons or organizations described in subsection (a)(2) of this section that is used for communications which expressly advocate the nomination, election or defeat of a clearly identified candidate or candidates, or the qualification, passage or defeat of a clearly identified ballot measure.

(c) "Clearly identified" has the following meaning:

(1) A candidate is clearly identified if the communication states his name, makes unambiguous reference to his office or status as a candidate, or unambiguously describes him in any manner.

(2) A group of candidates is clearly identified if the communication makes unambiguous reference to some well-defined characteristic of the group,

even if the communication does not name each candidate. A communication that clearly identifies a group of candidates and expressly advocates their election or defeat is reportable as an expenditure, but the expenditure need not be allocated among all members of the class or group on the campaign statement reporting the expenditure.

(3) A measure that has qualified to be placed on the ballot is clearly identified if the communication states a proposition number, official title or popular name associated with the measure. In addition, the measure is clearly identified if the communication refers to the subject matter of the measure and either states that the measure is before the people for a vote or, taken as a whole and in context, unambiguously refers to the measure.

(4) A measure that has not qualified to be placed on the ballot is clearly identified if the communication refers to the subject matter of the measure and to the qualification drive.

(d) A communication "expressly advocates" the nomination, election or defeat of a candidate or the qualification, passage or defeat of a measure if it contains express words of advocacy such as "vote for," "elect," "support," "cast your ballot," "vote against," "defeat," "reject," "sign petitions for" or, within 120 days prior to an election in which the candidate or measure appears on the ballot, the communication otherwise refers to a clearly identified candidate or measure so that the communication, taken as a whole, unambiguously urges a particular result in an election.

(1) Except for those communications paid for with public monies by a state or local government agency and reported as specified by the Commission, a communication, taken as a whole, unambiguously urges a particular result in an election if it is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate or measure. A communication is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate or measure when, taken as a whole, it could only be interpreted by a reasonable person as containing an appeal to vote for or against a specific candidate or measure because:

(A) The electoral portion of the communication is unmistakable, unambiguous, and suggestive of only one meaning; and

(B) Reasonable minds could not differ as to whether it encourages a vote for or against a clearly identified candidate or measure, or encourages some other kind of action on a legislative, executive or judicial matter or issue, or

(C) The solicitation of funds for the communication demonstrates a clear intent for the communication to encourage a vote for or against a clearly identified candidate or measure.

(e) Safe Harbor. A communication does not "expressly advocate" the nomination, election or defeat of a candidate or the qualification, passage or defeat of a ballot measure, within the meaning of this Section, if:

(1) it does not mention an election, candidacy, political party (unless required by law), opposing candidate, voting by the general public, and does not take a position on the character, qualifications or fitness for office of a candidate or officeholder, or the merits of a ballot measure, and;

(2) it focuses on a legislative, executive or judicial matter or issue, either urging a candidate to take a particular position or action with respect to the matter or issue, or urging the public to adopt a particular position and to contact the candidate with respect to the matter or issue.

Section 82039 of the Government Code is amended to read:

82039. (a) "Lobbyist" means either *any* of the following:

(1) Any individual who receives two thousand dollars (\$2,000) or more in economic consideration in a calendar month, other than reimbursement for reasonable travel expenses, or whose principal duties as an employee are, to communicate directly or through his or her agents with any elective state official, agency official, or legislative official for the purpose of influencing legislative or administrative action, *except for administrative action that is governmental procurement, as defined in subdivision (d) of Section 82002.*

(2) A placement agent, as defined in Section 82047.3.

(3) Any individual who receives two thousand dollars (\$2,000) or more in economic consideration in a calendar month, other than reimbursement for reasonable travel expenses, to communicate directly or through his or her agents on behalf of any person other than his or her employer with any elective state official, agency official, or legislative official for the purpose of influencing administrative action that is governmental procurement, as defined in subdivision (d) of Section 82002.

(b) An individual is not a lobbyist by reason of activities described in Section 86300.

(c) For the purposes of subdivision (a), a proceeding before the Public Utilities Commission constitutes “administrative action” if it meets any of the definitions set forth in subdivision (b) or (c) of Section 82002. However, a communication made for the purpose of influencing this type of Public Utilities Commission proceeding is not within subdivision (a) if the communication is made at a public hearing, public workshop, or other public forum that is part of the proceeding, or if the communication is included in the official record of the proceeding.

Section 83116 of the Government Code is amended to read:

83116. When the commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, Government Code). The commission shall have all the powers granted by that chapter. When the commission determines on the basis of the hearing that a violation has occurred, it shall issue an order that may require the violator to do all or any of the following:

(a) Cease and desist violation of this title.

(b) File any reports, statements, or other documents or information required by this title.

(c) Pay a monetary penalty of up to ~~five thousand dollars (\$5,000)~~ *ten thousand dollars (\$10,000)* per violation to the General Fund of the state.

When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

Section 84211.5 is added to the Government Code to read:

84211.5. Each person who files a major donor report or independent expenditure report as required by Section 82013 (b) and (c) shall be assigned a unique number by the Secretary of State. This number shall be provided by a major donor to all candidates and committees when the major donor makes any subsequent contribution, and the committee shall list the name and number of the major donor on its reports. The unique number shall remain assigned continuously regardless of election cycle or filing status.

Section 84215 of the Government Code is amended to read:

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

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

(b) Elected officers in jurisdictions other than legislative districts, State Board of Equalization districts, or appellate court districts that contain parts of two or more counties, candidates for these offices, their controlled committees, and committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in one of these

jurisdictions shall file the original and one copy with the elections official of the county with the largest number of registered voters in the jurisdiction. *A Section 82013 (b) and (c) committee shall also file a copy with the Secretary of State.*

(c) County elected officers, candidates for these offices, their controlled committees, committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in any number of jurisdictions within one county, other than those specified in subdivision (d), and county general purpose committees shall file the original and one copy with the elections official of the county. *A Section 82013 (b) and (c) committee shall also file a copy with the Secretary of State.*

(d) City elected officers, candidates for city office, their controlled committees, committees formed or existing primarily to support or oppose candidates or local measures to be voted upon in one city, and city general purpose committees shall file the original and one copy with the clerk of the city and are not required to file with the local elections official of the county in which they are domiciled. *A Section 82013 (b) and (c) committee shall also file a copy with the Secretary of State.*

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

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

(g) If a committee is required to file campaign statements required by Section 84200 or 84200.5 in places designated in subdivisions (a) to (d), inclusive, it shall continue to file these statements in those places, in addition to any other places required by this title, until the end of the calendar year.

Section 84224 is added to the Government Code to read:

84224 Tracing

84224 (a) Any corporation or multipurpose organization as defined in subdivision (a) of Section 84222, other than a committee under this act, that makes contributions or expenditures aggregating more than fifty thousand dollars (\$50,000) in an election reporting cycle shall disclose the information required to be disclosed by this section on statements filed at the times required by Sections 84200 and 84200.5.

(1) These statements shall include the following information:

(A) The name of the corporation or multi-purpose organization and the principal place of business of such organization.

(B) All of the following:

(i) the name and address of each person who made payments to the corporation or multipurpose organization in an aggregate amount of ten thousand dollars \$10,000 or more during the election reporting cycle,

(ii) the date and amount of each such payment, and

(iii) the aggregate amount of all such payments made by the person during the election reporting cycle.

(C) Provided, however, any corporation or multipurpose organization that makes contributions or expenditures using only funds that are segregated by separate accounting shall only be required to disclose the information required by subparagraph (B) for any payments so segregated and shall not be required to disclose the information required by subparagraph (B) for all payments to the corporation or multipurpose organization.

(D) The information the corporation or multipurpose organization receives from another corporation or multipurpose organization pursuant to subdivision (b), including the fact that the information was provided by the corporation or multipurpose organization from whom the transfer was received.

(E) Any corporation or multipurpose organization filing campaign statements under Chapter 4 of this act shall be permitted to disclose the information required by this section on those campaign statements and shall not be required to file additional statements to comply with this section.

(b) Any corporation or multipurpose organization as defined in subdivision (a) of Section 84222, other than a committee under this act, that makes a covered transfer to another corporation or multipurpose organization as defined in subdivision (a) of Section 84222, other than a committee under this act, shall disclose to the corporation or multipurpose organization receiving the covered transfer the following information within three business days following the transfer during the 90 days prior to an election, or within 10 business days following each transfer at all other times.

10 business days of making the transfer:

(1) the name and address of each person who made payments to the corporation or multipurpose organization making such transfer in an aggregate amount of ten thousand dollars (\$10,000) or more during the election reporting cycle,

(2) the date and amount of each such payment, and

(3) the aggregate amount of all such payments made by the person to the corporation or multipurpose organization making the transfer during the election reporting cycle.

(c) The requirement to disclose the information described in subdivisions (a) and (b) shall not apply to

(1) amounts received by the corporation or multipurpose organization for commercial transactions in the ordinary course of any trade or business conducted by the corporation or multipurpose organization or for investments, other than investments by the principal shareholder in a limited liability corporation, by the multipurpose organization.

(2) nondonor funds as described in subparagraph (B) of paragraph (5) of subdivision (c) of Section 84222.

(3) payments from any person who prohibits use of the payment for the purpose of contributions or expenditures in writing.

(4) payments from any person who designates or restricts the payment for purposes other than contributions or expenditures in writing.

(d) (1) For the purposes of this section, the term "covered transfer" means any payment by a corporation or multipurpose organization as defined in subdivision (a) of section 84222, other than a committee under this act, to another corporation or multipurpose organization as defined in subdivision (a) of section 84222, other than a committee under this act, if the corporation or multipurpose organization making the payment:

(A) earmarked the payment as defined under subdivision (b) of section 85704 for purposes of

(i) making a contribution or expenditure; or

(ii) making a payment to another person for the purpose of making a contribution or expenditure, or

(B) had knowledge or information that would lead a reasonable person to conclude that the corporation or multipurpose organization receiving the payment would use the payment to make contributions or expenditures or to make transfers to another corporation or multipurpose organization that will use the payment to make contributions or expenditures aggregating more than fifty thousand dollars (\$50,000) within one year from the date of the payment.

(2) The term "covered transfer" does not include any of the following:

(A) amounts received by the corporation or multipurpose organization for commercial transactions in the ordinary course of any trade or business conducted by the corporation or multipurpose organization or for investments, other than investments by the principal shareholder in a limited liability corporation, by the corporation or covered organization.

(B) nondonor funds as described in subparagraph (B) of paragraph (5) of subdivision (c) of Section 84222.

(C) payments from any person who prohibits the use of the payment for the purpose of contributions or expenditures in writing.

(D) payments from any person who designates or restricts, in writing, the use of the payment for purposes other than contributions or expenditures in writing.

(E) an amount transferred by one corporation or multipurpose organization to another corporation or multipurpose organization if such transfer is a transfer between affiliated organizations.

(3) For purposes of subparagraph (E) of paragraph (2), the following definitions apply;

(A) "Affiliated organizations" means

(i) one of the organizations is an affiliate of the other organization;

(ii) each of the organizations is an affiliate of the same organization;

(iii) a labor organization as described in section 501(c)(5) of the Internal Revenue Code and its related entities. For purposes of this section, a labor organization and another entity are related if the labor organization makes payments to the related entity and the labor organization has a direct role in governance of the related entity; or

(iv) a membership organization and a related entity. For purposes of this section, a membership organization and another entity are related if the membership organization makes payments to the related entity and the membership organization has a direct role in governance of the related entity.

(B) For purposes of this paragraph, the following organizations shall be considered to be affiliated with each other:

(i) A membership organization, including a trade or professional association, and the state and local entities of that organization, and related entities.

(ii) A labor organization as described in section 501(c)(5) of the Internal

Revenue Code and its state or local unions, or an organization of national or international unions and its state and local entities, and related entities.

(iii) A corporation and its wholly owned subsidiaries.

(4) The term "election reporting cycle" means the two year period beginning on January 1 of the odd-numbered year.

Section 84305 of the Government Code is amended to read:

84305 (a) Except as provided in subdivision (b), no candidate, *candidate controlled committee established for elective office for the controlling candidate, political party committee*, or committee shall send a mass mailing unless the name, street address, and city of the candidate or committee are shown on the outside of each piece of mail in the mass mailing and on at least one of the inserts included within each piece of mail of the mailing in no less than 10-point type which shall be in a color or print which contrasts with the background so as to be easily legible. A post office box may be stated in lieu of a street address if the ~~organization's~~ *candidate's, controlled committee's political party committee's, or committee's* address is a matter of public record with the Secretary of State.

(b) If the sender of the mass mailing is a single candidate or committee, the name, street address, and city of the candidate or committee need only be shown on the outside of each piece of mail.

(c) If the sender of a mass mailing is a controlled committee, the name of the person controlling the committee shall be included in addition to the information required by subdivision (a).

Section 84310 of the Government Code is amended to read:

84310 (a) A candidate, *candidate controlled committee established for elective office for the controlling candidate, political party committee*,

committee or slate mailer organization may not expend campaign funds, directly or indirectly, to pay for telephone calls that are similar in nature and aggregate 500 or more in number, made by an individual, or individuals, or by electronic means and that advocate support of, or opposition to, a candidate, ballot measure, or both, unless during the course of each call the name of the *candidate, candidate controlled committee established for elective office for the controlling candidate, political party committee, committee or slate mailer* organization that authorized or paid for the call is disclosed to the recipient of the call. Unless the organization that authorized the call and in whose name it is placed has filing obligations under this title, and the name announced in the call either is the full name by which the organization or individual is identified in any statement or report required to be filed under this title or is the name by which the organization or individual is commonly known, the candidate, committee, or slate mailer organization that paid for the call shall be disclosed. This section shall not apply to telephone calls made by the candidate, the campaign manager, or individuals who are volunteers.

(b) Campaign and ballot measure committees are prohibited from contracting with any phone bank vendor that does not disclose the information required to be disclosed by subdivision (a).

(c) A candidate, committee, or slate mailer organization that pays for telephone calls as described in subdivision (a) shall maintain a record of the script of the call for the period of time set forth in Section 84104. If any of the calls qualifying under subdivision (a) were recorded messages, a copy of the recording shall be maintained for that period.

Section 84501 of the Government Code is amended to read:

84501. ~~Advertisement~~ Definitions

For purposes of this article, the following terms have the following meaning:

(a) (1) “Advertisement” means any general or public ~~advertisement~~ *communication* which is authorized and paid for by a ~~person or~~ committee

for the purpose of supporting or opposing a candidate *or candidates* for elective office or a ballot measure or ballot measures.

~~(b)~~ (2) "Advertisement" does not include *any of the following*:

(A) *a communication paid for by a political party committee or a candidate controlled committee established for elective office for the controlling candidate.*

(B) *a communication from an organization, other than a political party, to its members.*

(C) *a campaign button smaller than 10 inches in diameter, a bumper sticker smaller than 60 square inches, or a small tangible promotional item, such as a pen, pin, or key chain, upon which the disclosures required by this article cannot be conveniently printed or displayed.*

(D) *wearing apparel.*

(E) *sky writing.*

(F) *an electronic media communication where inclusion of the disclosures required by Sections 84502, 84503 and 84506.5 is impracticable or would severely interfere with the committee's ability to convey the intended message because of the nature of the technology used to make the communication.*

(G) *any other advertisement as determined by regulations of the commission.*

(b) "Cumulative contributions" *means the cumulative amount of contributions received by a committee beginning 12 months prior to the date of the expenditure and ending seven days before the time the advertisement is sent to the printer or broadcaster.*

(c)(1) "Top contributors" *means the persons from whom the committee paying for an advertisement has received its three highest cumulative contributions of fifty thousand dollars (\$50,000) or more.*

(2) If two or more contributors of identical amounts qualify as top contributors, the most recent contributor of that amount shall be listed as the top contributor in any disclosure required by Section 84503.

(3) If a contributor appears to qualify as a top contributor but received earmarked funds to make the contribution, the person(s) or committee(s) that earmarked the funds and gave those funds to the contributor shall instead be disclosed as the top contributor if they qualified as such. The person or committee transferring earmarked funds shall disclose the true source of the funds to the committee receiving the earmarked funds at the time the funds are transferred. Funds are "earmarked" in the following circumstances:

(A) The contributor solicited and received the funds from donors for the purpose of making a contribution to the committee paying for the advertisement.

(B) The funds were given to the contributor subject to a condition, agreement or understanding with the donor that all or a portion would be used to make a contribution to the committee paying for the advertisement including any circumstance where the donor identifies the committee as a potential recipient of the contribution and the committee in fact receives all or a portion of the donor's contribution.

(C) The contributor had existing funds from a donor and a subsequent agreement or understanding was reached with the donor that all or a portion of the funds would be used to contribute to the committee paying for the advertisement including any circumstance where the donor identifies the committee as a potential recipient of the contribution and the committee in fact receives all or a portion of the donor's contribution.

Section 84502 of the Government Code is repealed.

Section 84502 is added to the Government Code to read:

84502 Disclosure of Committee Paying for Advertisement

(a) Any advertisement paid for by a committee pursuant to subdivision (a) of Section 82013 shall include the words "Paid for by" followed by the name of the committee as it appears on the most recent Statement of Organization filed pursuant to Section 84101.

(b) Any advertisement paid for by a committee as defined by subdivision (b) or (c) of Section 82013 shall include the words "Paid for by" followed by the name that the filer is required to use on campaign statements pursuant to Section 84211(o).

Section 84503 of the Government Code is repealed.

Section 84503 is added to the Government Code to read:

84503 Disclosure of Top Contributors

(a) Any advertisement paid for by a committee as defined by subdivision (a) of Section 82013, shall include the words "This committee has major funding from" followed by the names of the top contributors to the committee paying for the advertisement. If fewer than three contributors qualify as top contributors, only those contributors that qualify shall be disclosed pursuant to this section. If there are no contributors that qualify as top contributors, this disclosure is not required. If the content of the advertisement names each of the top contributors as major funding sources to the committee, this disclosure is not required.

(b) The disclosure of a top contributor pursuant to this section need not include such legal terms as "incorporated," "committee," "political action committee," or "corporation," or abbreviations of these terms, unless the term is part of the contributor's name in common usage or parlance.

(c) If this article requires the disclosure of the name of a top contributor that is a committee pursuant to subdivision (a) of Section 82013 and is a sponsored committee pursuant to 82048.7 with a single sponsor, only the name of the single sponsoring organization shall be disclosed.

(d) This section does not apply to a committee as defined by subdivision (b) or (c) of Section 82013 or a political party committee.

Section 84504 of the Government Code is repealed.

Section 84504 is added to the Government Code to read:

84504 Disclosure for Radio and Telephone Advertisements

(a) An advertisement that is disseminated over the radio or by telephonic means shall include the disclosures required by Sections 84502, 84503 and 84506.5 at the beginning or end of the advertisement read in a clearly spoken manner and in a pitch and tone substantially similar to the rest of the advertisement, and shall last no less than three seconds.

(b) Notwithstanding the definition of top contributors in paragraph (1) of subdivision (c) of Section 84501, radio and prerecorded telephonic advertisements are only required to disclose the single top contributor of fifty thousand dollars (\$50,000) or more.

Section 84504.1 is added to the Government Code to read:

84504.1 Disclosure for Television and Video Advertisements

(a) An advertisement that is disseminated as a video, including advertisements on television and videos disseminated over the Internet, shall include the disclosures required by Sections 84502 and 84503 at the beginning or end of the advertisement.

(b) The disclosure required by subdivision (a) shall be written for at least five seconds of a broadcast of thirty seconds or less, or for at least ten seconds of a broadcast that lasts longer than thirty seconds.

(1) The written disclosure required by subdivision (a) shall appear on a solid black background on the entire bottom one-third of the television or video display screen and shall be in a contrasting color in Arial equivalent type, and the type size for the tallest letters in the written disclosure shall be exactly 4 percent of the height of the television or video display screen. The top contributors, if any, shall each be disclosed on a separate horizontal line, in descending order, beginning with the top contributor who made the largest cumulative contributions on the first line. The name of each of the top contributors shall be centered horizontally. If the names of the top three contributors exceed or cause the disclosure to exceed one-third of the television or video display screen, the percent of the height of the type size shall be reduced to the minimum amount necessary to provide for full disclosure of the top contributors. The written disclosures required by Sections 84502 and 84503 shall be underlined, except for the names of the top contributors, if any.

(2) Committees subject to Section 84223 shall include the text "Funding Details At [insert Commission Internet Webpage with information required to be posted by subdivision (c) of Section 84223]." The text shall be in contrasting color in Arial equivalent type and the type size shall be equivalent to at least 2.5 percent of the height of the television or video display screen.

(3) If using a type size of 4 percent of the height of the television or video display screen causes the name of any of the top contributors to exceed the width of the screen, the type sizes of the name of the contributor(s) that exceeds the width of the screen shall be reduced until it fits on the width of the screen, but in no case shall the type size be smaller than 2.5 percent of the height of the screen.

Section 84504.2 is added to the Government Code to read:

84504.2 Disclosure for Print Advertisements

(a) A print advertisement shall include the disclosures required by Sections 84502, 84503 and 84506.5, displayed as follows:

(1) The disclosure area shall have a solid white background and shall be in a printed or drawn box on the bottom of at least one page that is set apart from any other printed matter. All text in the disclosure area shall be in contrasting color.

(2) The text shall be in an Arial equivalent type with a type size of at least 10-point for printed advertisements designed to be individually distributed, including but not limited to mailers, flyers and door hangers.

(3) The top contributors, if any, shall each be disclosed on a separate horizontal line, in descending order, beginning with the top contributor who made the largest cumulative contributions on the first line. The name of each of the top contributors shall be centered horizontally in the disclosure area.

(4) Immediately below the text described in paragraph (3), committees subject to Section 84223 shall include the text "Funding Details At [insert Commission Internet Webpage with information required to be posted by subdivision (c) of Section 84223]." The text shall be in an Arial equivalent type with a type size of at least 10-point for printed advertisements designed to be individually distributed, including but not limited to mailers, flyers and door hangers.

(b) Notwithstanding paragraphs (2) and (4) of subdivision (a), the disclosure on a printed advertisement that is larger than those designed to be individually distributed, including but not limited to yard signs or billboards, shall be in Arial equivalent type with a type size of at least ten percent (10%) of the height of the advertisement, and printed on a solid background with sufficient contrast that is easily readable by the average person.

(c) Notwithstanding the definition of top contributors in paragraph (1) of subdivision (c) of Section 84501, newspaper, magazine or other public print advertisements that are 20 square inches or less are only required to

disclose the single top contributor of fifty thousand dollars (\$50,000) or more.

Section 84504.3 is added to the Government Code to read:

84504.3 Disclosure for Electronic Media Advertisements

(a) An electronic media advertisement must

(1) contain the disclosures required by Sections 84502, 84503 and 84506.5 in a type size and font that is easily readable by the average viewer, visible for a period of at least four seconds and contrasts with the background so as to be easily readable by the average person, unless impractical, and

(2) hyperlink to a website containing the text required by paragraph (1).

(b) A website that is hyperlinked to as provided for in paragraph (2) of subdivision (a) must remain online and available to the public until 30 days after the date of the election where the candidate or measure supported or opposed by the advertisement was voted upon.

(c) An advertisement made via a form of electronic media that is audio only and therefore cannot include either of the disclaimers in subdivision (a) shall comply with the disclaimer requirements for radio advertisements in Section 84504.

(d) An advertisement made via a form of electronic media that allows users to engage in discourse and post content, or any other type of social media, shall only be required to include the disclaimer required by subdivision (a) on the committee's home page, landing page, or similar location and shall not be required to include the disclaimer required by subdivision (a) on each individual post, comment or other similar communication.

(e) The disclaimer required by this section does not apply to advertisements made via social media where the only expense or cost of the communication is compensated staff time unless the social media account where the content

is posted was created only for the purpose of advertisements governed by the Act.

Section 84505 of the Government Code is amended to read:

84505 Avoidance of Disclosure

(a) In addition to the requirements of Sections 84502, 84503 84504, 84506 and 84506.5, the committee paying for an advertisement or persons acting in concert with that committee shall be prohibited from creating or using a non-candidate controlled committee or a non-sponsored committee to avoid, or that results in the avoidance of, the disclosure of any individual, industry, business entity, controlled committee, or sponsored committee as a ~~major funding source~~ top contributor.

(b) Written disclosures required by Sections 84502, 84503 and 84506.5 shall not appear in all capital letters provided, however, capital letters are permitted for the beginning of a sentence, the beginning of a proper name or location or as otherwise required by conventions of the English language.

Section 84506 of the Government Code is repealed.

Section 84507 of the Government Code is repealed.

Section 84508 of the Government Code is repealed.

Section 84509 of the Government Code is repealed.

Section 84509 is added to the Government Code to read:

84509 Amended Disclosure

If the order of top contributors required to be disclosed pursuant to this Article changes or a new contributor qualifies as a top contributor, the disclosure in the advertisement shall be updated as follows:

(a) A television, radio, telephone, electronic billboard or other electronic media advertisement shall be updated to reflect the new top contributors within seven business days, or five business days if the change in top contributors occurs within 30 days of an election.

(b) A print media advertisement, including non-electronic billboards, shall be updated to reflect the new top contributors prior to placing a new or modified order for additional printing of the advertisement.

Section 84511 of the Government Code is amended to read:

84511 (a) This section applies to a committee that does either of the following:

- (1) Makes an expenditure of five thousand dollars (\$5,000) or more to an individual for his or her appearance in an advertisement that supports or opposes the qualification, passage, or defeat of a ballot measure.
- (2) Makes an expenditure of any amount to an individual for his or her appearance in an advertisement that supports or opposes the qualification, passage, or defeat of a ballot measure and that states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training as a prerequisite to engage in that occupation.

(b) A committee described in subdivision (a) shall file, within 10 days of the expenditure, a report that includes all of the following:

- (1) An identification of the measure that is the subject of the advertisement.
- (2) The date of the expenditure.
- (3) The amount of the expenditure.
- (4) The name of the recipient of the expenditure.

(5) For a committee described in paragraph (2) of subdivision (a), the occupation of the recipient of the expenditure.

(c) An advertisement paid for by a committee described in paragraph (1) of subdivision (a) shall include a disclosure statement stating "(spokesperson's name) is being paid by this campaign or its donors" in highly visible roman font shown continuously if the advertisement consists of printed or televised material, or spoken in a clearly audible format if the advertisement is a radio broadcast or telephonic message. *"If the advertisement is a television or video advertisement, the statement shall be shown continuously, except when the disclosure statement required by Section 84504.1 is being shown."*

(d) (1) An advertisement paid for by a committee described in paragraph (2) of subdivision (a) shall include a disclosure statement stating "Persons portraying members of an occupation in this advertisement are compensated spokespersons not necessarily employed in those occupations" in highly visible roman font shown continuously if the advertisement consists of printed or televised material, or spoken in a clearly audible format if the advertisement is a radio broadcast or telephonic message.

(2) A committee may omit the disclosure statement required by this subdivision if all of the following are satisfied with respect to each individual identified in the report filed pursuant to subdivision (b) for that advertisement:

(A) The occupation identified in the report is substantially similar to the occupation portrayed in the advertisement.

(B) The committee maintains credible documentation of the appropriate license, certification, or other training as evidence that the individual may engage in the occupation identified in the report and portrayed in the advertisement and makes that documentation immediately available to the Commission upon request.

Section 84620 is added to the Government Code, to read:

84620. (a) The Secretary of State shall develop a statewide electronic filing system that provides for all of the following:

- (1) Electronic filing of all committee organization statements.*
- (2) Electronic filing of all lobbyist, lobbying firm, and lobbyist employer registrations.*
- (3) Electronic filing of all campaign statements by all state committees.*
- (4) Electronic filing of all periodic reports filed by lobbyists, lobbying firms, lobbyist employers, lobbying coalitions and persons who file under subdivision (b) of section 86115.*
- (5) Electronic filing of all reports by committees pursuant to subdivision (b) or (c) of section 82013 at the state or local level.*
- (6) Importing data from local jurisdictions that have their own electronic filing systems or require electronic filing by local candidates and local committees.*
- (7) Establishing a statewide, Internet-accessible system that provides for search capabilities that are data driven and user-friendly for all members of the public.*
- (8) Requiring all campaign filings to be filed electronically.*
- (9) Establishing a system that provides for lobbying and committee data to be made available to the public in raw, machine-readable data format.*
- (10) Eliminating paper filing for all statements filed electronically.*

(b) Not later than April 1, 2017, the Secretary of State shall develop a plan that outlines the technology requirements of the electronic filing system. The Secretary of State shall consult and coordinate with the Commission on the Secretary of State's electronic filing system as well as the Commission's system as it relates to statements of economic interest filed with the Commission. The Secretary of State shall consult and coordinate with other state agencies that the Secretary of State deems appropriate. The plan shall include a timetable for establishing a statewide electronic filing system that permits state-required committee disclosure forms and reports to be imported into the statewide database, according to data standards established by the Secretary of State, from each local jurisdiction that has its own electronic filing system.. Not later than July 1,

2018, the Secretary of State shall implement the system outlined in subdivision (a) for the November 2018 state election.

(c) There is hereby appropriated from the state General Fund the sum of one million dollars (\$1,000,000) during the fiscal year of 2016-17, to the Secretary of State to develop the plan outlined in subdivision (b) and the sum of six million dollars (\$6,000,000), during the fiscal year of 2016-17 to the Secretary of State and the sum of six million dollars (\$6,000,000), during the fiscal year of 2017-18 to the Secretary of State for expenditures including but not limited to hardware, software, civil service personnel, contracted personnel, and contracted services, to support the development of the technical requirements and to implement the system outlined in subdivision (a). Any funds in the Political Disclosure, Accountability, Transparency and Access funds as described in Section 86102 after the fiscal year of 2017-18 over \$750,000 shall be returned to the State General Fund until such time as the expenditures made by the General Fund under this section have been repaid. After such time, any funds in the Political Disclosure, Accountability, Transparency and Access fund shall be used for maintaining the system outlined in subdivision (a).

(d) The Secretary of State may accept any funds, services, equipment or grants to further this section.

(e) For purposes of implementing this chapter as expeditiously as possible, the Secretary of State's office shall be exempt from information technology requirements included in Sections 11545, 11546, and 11547 of the Government Code and Section 12100 of the Public Contract Code, and from information technology project and funding approvals included in any other provision of law.)

(f) All state committees and lobbyist, lobbyist firms, lobbyist employers, lobbying coalitions and persons who file under subdivision (b) of section 86115 shall file their statements electronically starting January 1, 2019, except that statewide candidates and committees supporting or opposing statewide candidates and statewide ballot measures shall file electronic campaign statements starting July 1, 2018 (other than the semi-annual statements due July 31, 2018).

Section 84613 of the Government Code is amended to read:

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

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

(2) In addition to paragraph (1), the Secretary of State may also use moneys deposited in the Political Disclosure, Accountability, Transparency, and Access Fund for purposes of implementing the act that added this section.

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

Section 85704 of the Government Code is amended to read:

85704 Prohibition on Earmarking

(a) A person may not make any contribution to a *any committee or candidate that is earmarked for a contribution* ~~on the condition or with the agreement that it will be contributed to any particular other committee or candidate~~ unless the contribution is fully disclosed pursuant to Section 84302.

(b) *For purposes of this section a contribution is earmarked if the contribution is made under the following circumstances:*

(1) the committee or candidate receiving the contribution solicited the contribution for the purpose of making a contribution to another committee or candidate, and requests the contributor to consent to such use;

(2) the contribution was made subject to a condition, agreement or understanding with the donor that all or a portion of the contribution would be used to make a contribution to another committee or candidate including any circumstance where the donor identifies the committee or candidate as a potential recipient of the contribution and the committee or candidate in fact receives all or a portion of the donor's contribution; or

(3) after the contribution was made the contributor and the committee or candidate receiving the contribution reached a subsequent agreement or understanding that all or a portion of the contribution would be used to make a contribution to another committee or candidate including any circumstance where the donor identifies the committee or candidate as a potential recipient of the contribution and the committee or candidate in fact receives all or a portion of the donor's contribution.

Section 86102 of the Government Code is amended to read:

86102 Registration Fees

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

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

Section 86203 of the Government Code is amended to read:

86203. It shall be unlawful for a lobbyist, *lobbyist employer*, or lobbying firm, to make gifts to one person aggregating ~~more than ten dollars (\$10) in a calendar month~~, or to act as an agent or intermediary in the making of any gift, or to arrange for the making of any gift by any other person.

Section 86207 is added to the Government Code to read:

86207 (a) Notwithstanding any other provision of law, violations of the requirements for governmental procurement lobbying under this Chapter shall be subject to the penalties under this title as the exclusive remedy.

(b) Nothing in this title shall be read to create any obligation for governmental procurement lobbying prior to January 1, 2017.

Section 86300 of the Government Code is amended to read:

86300. The provisions of this chapter are not applicable to:

(a) Any elected public official acting in his official capacity, or any employee of the State of California acting within the scope of his employment; provided that, an employee of the State of California, other than a legislative official, who attempts to influence legislative action and who would be required to register as a lobbyist except for the provisions of this subdivision shall not make any gifts of ~~more than ten dollars (\$10) in a calendar month~~ to an elected state officer or legislative official.

(b) Any newspaper or other periodical of general circulation, book publisher, radio or television station (including any individual who owns, publishes, or is employed by any such newspaper or periodical, radio or television station) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisement, which directly or indirectly urge legislative or administrative action if such newspaper, periodical, book publisher, radio or television station or individual, engages in no further or other activities in connection with urging legislative or administrative action other than to appear before a committee of the Legislature or before a state agency in support of or in opposition to such action; or

(c) A person when representing a bona fide church or religious society solely for the purpose of protecting the public right to practice the doctrines of such church.

Section 87406 is amended to read:

87406. (a) This section shall be known, and may be cited, as the Milton Marks Postgovernment Employment Restrictions Act of 1990.

(b) No Member of the Legislature, for a period of *two* ~~one~~ years after leaving office, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person by making any formal or informal appearance, or by making any oral or written communication, before the Legislature, any committee or subcommittee thereof, any present Member of the Legislature, or any officer or employee thereof, if the appearance or communication is made for the purpose of influencing legislative action.

(c) No elected state officer, other than a Member of the Legislature, for a period of *two* ~~one~~ years after leaving office, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person by making any formal or informal appearance, or by making any oral or written communication, before any state administrative agency, or any officer or employee thereof, if the appearance or communication is for the purpose of influencing administrative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For purposes of this subdivision, an appearance before a "state administrative agency" does not include an appearance in a court of law, before an administrative law judge, or before the Workers' Compensation Appeals Board.

(d) (1) No designated employee of a state administrative agency, any officer, employee, or consultant of a state administrative agency who holds a position which entails the making, or participation in the making, of decisions which may foreseeably have a material effect on any financial interest, and no member of a state administrative agency, for a period of one year after leaving office or employment, shall, for compensation, act as agent or attorney for, or otherwise represent, any other person, by making any formal or informal appearance, or by making any oral or written communication, before any state administrative agency, or officer or employee thereof, for which he or she worked or represented during the 12 months before leaving office or employment, if the appearance or

communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. For purposes of this paragraph, an appearance before a state administrative agency does not include an appearance in a court of law, before an administrative law judge, or before the Workers' Compensation Appeals Board. The prohibition of this paragraph shall only apply to designated employees employed by a state administrative agency on or after January 7, 1991.

(2) For purposes of paragraph (1), a state administrative agency of a designated employee of the Governor's office includes any state administrative agency subject to the direction and control of the Governor.

(e) The prohibitions contained in subdivisions (b), (c), and (d) shall not apply to any individual subject to this section who is or becomes any of the following:

(1) An officer or employee of another state agency, board, or commission if the appearance or communication is for the purpose of influencing legislative or administrative action on behalf of the state agency, board, or commission.

(2) An official holding an elective office of a local government agency if the appearance or communication is for the purpose of influencing legislative or administrative action on behalf of the local government agency.

~~(f) This section shall become operative on January 1, 1991, but only if Senate Constitutional Amendment No. 32 of the 1989-90 Regular Session is approved by the voters. With respect to Members of the Legislature whose current term of office on January 1, 1991, began on December 1988, this section shall not apply until January 1, 1993.~~

Section 89503 of the Government Code is amended to read:

89503. (a) No elected state officer, elected officer of a local government agency, or other individual specified in Section 87200 shall accept gifts from any single source in any calendar year with a total value of more than ~~two hundred fifty dollars fifty (\$250)~~ *two hundred dollars (\$200)*.

(b) ~~(1)~~ No candidate for elective state office, for judicial office, or for elective office in a local government agency shall accept gifts from any

single source in any calendar year with a total value of more than two hundred fifty dollars ~~five (\$250)~~ *two hundred dollars (\$200)*.

A person shall be deemed a candidate for purposes of this subdivision when the person has filed a statement of organization as a committee for election to a state or local office, a declaration of intent, or a declaration of candidacy, whichever occurs first. A person shall not be deemed a candidate for purposes of this subdivision after he or she is sworn into the elective office, or, if the person lost the election, after the person has terminated his or her campaign statement filing obligations for that office pursuant to Section 84214 or after certification of the election results, whichever is earlier.

~~(2) Paragraph (1) shall not apply to any person who is a candidate as described in paragraph (1) for judicial office on or before December 31, 1996.~~

(c) No member of a state board or commission or designated employee of a state or local government agency shall accept gifts from any single source in any calendar year with a total value of more than ~~two hundred fifty dollars five (\$250)~~ *two hundred dollars (\$200)* if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(d) This section shall not apply to a person in his or her capacity as judge. This section shall not apply to a person in his or her capacity as a part-time member of the governing board of any public institution of higher education unless that position is an elective office.

(e) This section shall not prohibit or limit the following:

(1) Payments, advances, or reimbursements for travel and related lodging and subsistence permitted by Section 89506.

(2) Wedding gifts and gifts exchanged between individuals on birthdays, holidays, and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value.

- a. ~~Beginning on January 1, 1993, the Commission shall adjust the gift limitation in this section on January 1 of each odd-numbered year to reflect changes in the Consumer Price Index, rounded to the nearest ten dollars (\$10).~~

(f) The limitations in this section are in addition to the limitations on gifts in Section 86203.

Section 89520 of the Government Code is repealed.

Section 89521 of the Government Code is repealed.

Section 91004 of the Government Code is amended to read:

91004. Any person who intentionally or negligently violates any of the reporting requirements of this title shall be liable in a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount not more than *three times* the amount or value not properly reported.

Section 91005 of the Government Code is amended to read:

91005. (a) Any person who makes or receives a contribution, gift, *honorarium*, or expenditure in violation of *Chapter 9.5 (commencing with Section 89510)* or Section 84300, 84304, 86203, or 86204 is liable in a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount up to ~~one thousand dollars (\$1,000)~~ *ten thousand dollars (\$10,000)* or three times the amount of the unlawful contribution, gift, *honorarium* or expenditure, whichever amount is greater.

(b) Any designated employee or public official specified in Section 87200, except an elected state officer, who realizes an economic benefit as a result of a violation of Section 87100 or of a disqualification provision of a conflict of interest code is liable in a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount up to three times the value of the benefit.

Section 91005.5 of the Government Code is amended to read:

91005.5. Any person who violates any provision of this title, ~~except Sections 84305, 84307, and 89001,~~ for which no specific civil penalty is provided, shall be liable in a civil action brought by the commission or the district attorney pursuant to subdivision (b) of Section 91001, or the elected city attorney pursuant to Section 91001.5, for an amount up to ~~five thousand dollars (\$5,000)~~ *ten thousand dollars (\$10,000)* per violation.

Section 91008.5 of the Government Code is amended to read:

No civil action may be filed under Section 91004, 91005, or 91005.5 with regard to any person for any violations of this title after the Commission has issued an order pursuant to Section 83116 against that person for the same violation *or the Commission has approved an administrative or civil settlement with that person in resolution of that violation.*

Section 3. Effective Date

The provisions of this measure shall go into effect on January 1, 2017, except that Government Code Section 84620, which establishes an electronic filing system, shall go into effect immediately.

Section 4. Severability

If any provision of this measure, or any part of it, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this measure are severable.

Section 5. Amendments

The provisions amending the Political Reform Act may be amended by a two-thirds vote provided the provisions are in print ten days before final passage in each house and the provisions further the purposes and goals of this measure and the Political Reform Act of 1974.

Section 6. Appropriations

There is hereby annually appropriated from the General Fund of the state to the Fair Political Practices Commission the sum of nine hundred seventy-five thousand dollars (\$975,000) during the fiscal year 2016-17, adjusted for cost of living changes for each fiscal year thereafter, for expenditure to implement the provisions of this measure. The expenditure of

funds under this appropriation shall be subject to normal administrative review given to other state appropriations. If any provision of this measure is successfully challenged, any attorney's fees and costs shall be paid from the General Fund and the Commission's budget shall not be reduced accordingly

Section 7. Liberal Construction

This act shall be liberally construed to effectuate its purposes.

Section 8. Legal Defense

The People of the State of California desire that the Act, if approved by the voters, and thereafter challenged in court, be defended by the State of California. The People of the State of California, by enacting this Act, hereby declare that the proponent of this Act has a direct and personal stake in defending this Act from constitutional or statutory challenges to the Act's validity. In the event the Attorney General fails to defend this Act; or the Attorney General fails to appeal an adverse judgment against the constitutionality or statutory permissibility of this Act, in whole or in part, in any court, the Act's proponent shall be entitled to assert his direct and personal stake by defending the Act's validity in any court and shall be empowered by the citizens through this Act to act as an agent of the citizens of the State of California subject to the following conditions: (1) the proponent shall not be considered an "at-will" employee of the State of California, but the Legislature shall have the authority to remove the proponent from his agency role by a majority vote of each house of the Legislature when "good cause" exists to do so, as that term is defined by California case law; (2) the proponent shall take the Oath of Office under California Constitution, Article XX, §3 as an employee of the State of California; (3) the proponent shall be subject to all fiduciary, ethical, and legal duties prescribed by law; and (4) the proponent shall be indemnified

by the State of California for only reasonable expenses and other losses incurred by the proponent, as agent, in defending the validity of the challenged Act. The rate of indemnification shall be no more than the amount it would cost the State to perform the defense itself.

Section 9. Conflicting Measures.

This Act is intended to be comprehensive. It is the intent of the People of the State of California that in the event this Act and one or more measures relating to the same subject shall appear on the same statewide ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this Act. In the event that this Act receives a greater number of affirmative votes, the provisions of this Act shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.