



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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To: Chair Germond, Commissioners Cardenas, Hatch, and Hayward

From: Phillip Ung, Director, Legislative and External Affairs

Subject: Attachment 7: Treasurer Acknowledgement RN 19 00821

Date: December 14, 2018

Background

The Political Reform Act requires every recipient committee to have a treasurer and/or assistant treasurer. The committee is prohibited from accepting contributions or making expenditures at a time when there is a vacancy in the office of the treasurer. Committee regulation governs the appointment and duties of an assistant treasurer. ([Regulation 18426.1](#))

A committee's Statement of Organization must include the full name, street address, email address and telephone number of the treasurer. The Act and Commission regulation describe the general duties of a treasurer including maintaining necessary records and receipts, ensure compliance with the Act, prepare and review campaign statements, and correct inaccuracies or omissions. ([Regulation 18427](#); [§84104](#))

The treasurer may be held joint and severally liable for a violation of the Act for failing to abide by his or her duties, caused another person to violate the Act, or aided and abetted a person to violate the Act. ([Regulation 18316.6](#))

The treasurer or assistant treasurer signs all reports and statements filed under the Act under penalty of perjury. The treasurer must verify that they used all reasonable diligence in the report or statement's preparation and to the best of their knowledge it is true and complete. ([§81004](#))

Analysis

This bill does the following:

1. Requires a treasurer or assistant treasurer identified on the Statement of Organization to sign a separate statement acknowledging that the person must comply with duties imposed by the Act and regulations and that violation of those duties could result in criminal, civil, or administrative penalties.
2. Requires the Statement of Acknowledgment be filed with the Secretary of State at the same time as the Statement of Organization or an amendment identifying a new treasurer or assistant treasurer.

Rationale

Committee treasurers have important duties that are essential for compliance with the Political Reform Act. Many committees use professional political treasurers who understand the Act's requirements and the duties and liability involved in the position. However, there are committees, especially at the local level, where volunteer treasurers are used. Generally, volunteer treasurers are not fully knowledgeable in all the Act's requirements, the duties of a treasurer, or the joint and several liabilities assigned to treasurers. Requiring all treasurer's attest to a statement of acknowledgement can help educate potential treasurers and assistant treasurers on their duties and the liability involved with becoming a committee treasurer.

Fiscal Impact

Minor and absorbable. The Commission will create a new Statement of Acknowledgement form and instructions, update manuals, the website, training for local filing officers, and communicate the new requirement to the regulated community.

Legislative Counsel has keyed the as a state-mandated local program which generally requires the state, under the California Constitution, to reimburse local agencies and school districts for certain costs mandated by the state. However, no reimbursement is required by this bill because the only costs that may be incurred by a local agency or school district will be incurred because this bill creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of [Section 17556 of the Government Code](#).

Staff Recommendation

1. Approve the Legislative Counsel draft as presented;
2. Adopt a sponsorship position for the consolidated bill; and
3. Authorize Commission staff to retain an author for bill introduction.

LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Political Reform Act of 1974: statements of acknowledgment.

The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures, as defined, and imposing other reporting and recordkeeping requirements on campaign committees, as defined. The act requires every committee to have a treasurer.

The act requires certain committees to file a statement of organization that includes, among other information, the full name, street address, email address, and telephone number of the treasurer. An existing regulation adopted by the Fair Political Practices Commission permits these committees to designate one assistant treasurer on the statement of organization.

This bill would require a treasurer or assistant treasurer identified on the statement of organization to sign a separate statement acknowledging that, by serving as a treasurer or assistant treasurer, the person must comply with duties imposed by the act and existing regulations adopted by the Commission and that a violation of these duties could result in criminal, civil, or administrative penalties. The bill would require that the statement of acknowledgment be filed with the Secretary of State at the same time as the statement of organization or an amendment identifying a new treasurer or assistant treasurer.

A violation of the act is punishable as a misdemeanor. By expanding the scope of an existing crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the 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. State-mandated local program: yes.



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An act to add Section 84103.5 of the Government Code, relating to the Political Reform Act of 1974.



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

SECTION 1. Section 84103.5 is added to the Government Code, to read:

84103.5. (a) Any person identified as a treasurer or assistant treasurer on a statement of organization, or an amendment filed pursuant to Section 84103, shall sign a separate statement acknowledging the following:

(1) By serving as a treasurer or assistant treasurer, the person must comply with all applicable duties stated in this title and the regulations of the Commission.

(2) A violation of these duties could result in criminal, civil, or administrative penalties.

(b) The statement of acknowledgment shall be filed with the Secretary of State at the same time as the statement of organization or an amendment filed pursuant to Section 84103 that identifies a new treasurer or assistant treasurer.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 3. 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.

