SENATE COMMITTEE ON ELECTIONS AND CONSTITUTIONAL AMENDMENTS

Senator Sabrina Cervantes, Chair

2025 - 2026 Regular

Bill No: Author:	AB 808 Addis	Hearing Date:	7/15/25
Version: Urgency:	7/8/25 No	Fiscal:	Yes
Consultant:	Carrie Cornwell		

Subject: Campaign statements and other reports: submission by facsimile

DIGEST

The bill eliminates the option to file various campaign reports via facsimile and updates terms used in state law to reflect the electronic filing of required campaign-related reports.

ANALYSIS

Existing law:

- Creates the Political Reform Act (PRA), which sets campaign finance and disclosure laws for state and local campaigns, candidates, officeholders, and ballot measures, and establishes the Fair Political Practices Commission (FPPC) to implement, administer, and enforce the PRA.
- Requires, pursuant to the PRA, candidates for elective office, committees formed to support or oppose candidates for public office or ballot measures, slate mailer organizations, and other specified entities, to file periodic and activity-based campaign statements and reports disclosing contributions, expenditures, and other related matters.
- 3) Requires public officials and candidates periodically to file statements of economic interests to disclose to the public their financial interests, which in some instances can be filed via facsimile.
- 4) Permits various campaign reports and statements of economic interests to be filed by facsimile.
- 5) Defines a "campaign statement" as an itemized report prepared on a form or in a manner prescribed by the FPPC that provides the information required by the PRA.
- 6) Requires each campaign committee to file a "statement of organization," which must include specified information about the committee as well as the candidate or ballot measure it supports or opposes. Committees must file the statement with the Secretary of State (SOS) and also file a copy with a local filing officer, as required.

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- 7) Requires that when filing a campaign statement or report disclosing an independent expenditure, the controlling principal of the committee making the disclosure shall sign a verification statement attesting to the independence of the expenditure.
- 8) Requires the SOS, in consultation with FPPC, to develop and certify for public use a new online filing and disclosure system for statements and reports that provide public disclosure of campaign finance and lobbying information in a user-friendly, easily understandable format, as specified. This is known as the Cal-Access Replacement System (CARS).

This bill:

- 1) Takes effect when the SOS certifies CARS.
- 2) Eliminates the option to file campaign reports and statements of economic interests by facsimile and instead allows for filing by email.
- 3) Renames "campaign statement" as a "campaign report" and modifies the definition to mean an itemized report prepared in a manner prescribed by the FPPC providing the information required by the PRA, thus deleting the phrase "on a form."
- 4) Replaces the term "campaign statement" with "campaign report" throughout the PRA.
- 5) Replaces the term "statement of organization" with "registration" throughout the PRA and eliminates the requirement to file a copy with a local filing officer. Instead, a campaign committee registers with the SOS, and the SOS must make the registration available to the local filing officer within 24 hours of the registration.
- 6) Provides that the independent expenditure verification statement described in 7) in existing law applies only to semi-annual and pre-election campaign statements. Because of this, reports of independent expenditures made during the 90 days before an election which must filed within 24 hours of the expenditure will no longer need to be signed.
- 7) Deletes a requirement in the PRA that the FPPC publish a "booklet" containing the PRA, and instead simply requires the FPPC to publish the PRA, thus allowing it to be in electronic format.
- 8) Deletes language limiting loans from candidates to their own campaigns, which was made obsolete by a U.S. Supreme Court decision in 2022.
- 9) Updates language throughout the PRA to conform it with filings being made via CARS when it begins to operate.

COMMENTS

1) <u>Author's Statement.</u> This bill modernizes California's campaign finance laws to support a digital system, thus enhancing efficiency, accuracy, and transparency for better public access to financial disclosures.

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2) <u>Cal-Access and CARS.</u> In 2000, the SOS deployed, pursuant to SB 49 (Karnette), Chapter 866, Statutes of 1997, a system called the California Automated Lobby Activity and Campaign Contribution and Expenditure Search System, or Cal-Access. Cal-Access replaced the paper-based system and provides on-line filing of reports and statements required by the PRA. It also provides on-line access to these statements and reports for the public.

Cal-Access is now 26 years old, and the SOS reports that components of the system are no longer supported by its vendor. As a result, the system has periodically crashed and denied public access. Additionally, the SOS has indicated that the ability to make modifications to Cal-Access is very limited.

SB 1349 (Hertzberg), Chapter 845, Statutes of 2016, directed the SOS, in consultation with the FPPC, to replace Cal-Access with a new disclosure system, the Cal-Access Replacement System or CARS. The SOS does not expect to fully deploy CARS until late 2026 at the earliest, which means that the effective date of this bill is delayed until then.

3) <u>Candidate Loans.</u> Existing provisions of the PRA prohibit a candidate from lending more than \$100,000 to their own campaign committee. Federal law also puts restrictions on candidate loans. In 2018, U.S. Senator Ted Cruz made a loan of \$260,000 to his re-election campaign, which is in excess of the federal limit of \$250,000. In 2019, Senator Cruz then challenged the federal law in order to be fully repaid and won the lawsuit. The Federal Elections Commission, which enforces federal campaign laws, appealed, and then in 2022, the U.S. Supreme Court ruled for Senator Cruz, declaring limits on candidate loans to their own campaigns as unconstitutional under the First Amendment.

The FPPC then determined that under the decision the candidate loan limit in the PRA is also unconstitutional and unenforceable. Deleting the limit from the PRA is cleanup, but it was included in this bill specifically so that CARS will not need to be built to monitor whether candidates are violating the unenforceable limit on campaign loans.

4) <u>Arguments in Support.</u> The FPPC states in its sponsor letter that the bill will make important technical updates to the PRA consistent with the transition to CARS. These include eliminating the option of submitting filings via fax, deleting form from the definition of a campaign statement, and ending the need to sign 24-hour reports required during the period before an election day. The FFPC notes that these changes are consistent with advances in modern technology and will apply to political campaigns, lobbying firms, and individual lobbyists who file with the SOS. These changes will support the State of California in its transition to CARS.

RELATED/PRIOR LEGISLATION

SB 1349 (Hertzberg), Chapter 845, Statutes of 2016, requires the SOS, in consultation with the FPPC, to develop CARS.

PRIOR ACTION

Assembly Floor:	69 - 0
Assembly Appropriations Committee:	14 - 0
Assembly Elections Committee:	7 - 0

POSITIONS

- **Sponsors:** California Secretary of State Shirley N. Weber, Ph.D. California Fair Political Practices Commission
- Support: None received
- **Oppose:** None received

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