



Legislation Text

File #: 2023-0592, **Version:** 1

To: Sonoma County Board of Supervisors

Department or Agency Name(s): County Clerk-Recorder-Assessor

Staff Name and Phone Number: Deva Marie Proto, (707) 565-1877

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

Resolution Introducing Ordinance Allowing Electronic Filing of Campaign Finance Statements (First Reading)

Recommended Action:

Adopt a resolution introducing, reading the title of, and waiving full reading of an ordinance amending Chapter 2 of the Sonoma County Code to add a new article XXVIII. - Electronic Filing of Campaign Statements.

Executive Summary:

The Political Reform Act of 1974 requires the filing of campaign finance documents. Public access to campaign disclosure information is a vital and integral component of a fully informed electorate. Transparency in campaign financing is critical in order to maintain public trust and support of the political process. Sonoma County currently posts campaign finance documents online by mandated deadlines, after a manual redaction process by staff. To increase transparency and accessibility, as well as reduce workload on staff, it is recommended that the Board of Supervisors authorize electronic filing of campaign finance documents.

Discussion:

The Political Reform Act of 1974 requires the filing of specified statements, reports and other documents. Under the Act, a local government agency may allow for these filings to be made online or electronically. The Registrar of Voters (ROV) is the local filing officer for county, school, and special district candidates and measures. City clerks are the filing officer for city officers. With the enactment of more recent legislation, AB2452 and AB2151, the Act requires the local filing officer to make all data available on the Internet in an easily understood format that provides the greatest public access within 72 hours of the filing deadline.

Historically, and in current practice, candidates and campaign committees file paper copies of required campaign statements and reports. Once filed, documents go through a redaction process before being posted to the ROV website for public review. The ROV Office spends a significant amount of staff time to make such paper filings readily available and posted online.

Public access to campaign disclosure information is a vital and integral component of a fully informed electorate. Transparency in campaign financing is critical in order to maintain public trust and support of the political process. Nevertheless, these values require staff resources to implement. The ROV has used the CampaignDocs filing system for years to accomplish these goals. Recently, the ROV has contracted with NetFile as a more cost-effective solution. Both CampaignDocs and NetFile offer a system specifically tailored to posting and searching campaign finance documents. Some information from the statements, such as bank accounts

and signatures, must be masked when documents are posted online. When a paper document is filed, either by mail or in person, it is file stamped and scanned into the campaign finance disclosure system, where a staff member reviews and redacts the necessary information and tags the document with the appropriate candidate or measure, election, and the type of filing, so it can be searched by the public online. However, there is no Optical Character Recognition (OCR) or full text searching available, and members of the public are not able to search by specific donors or amounts.

Updating the campaign finance filing ordinance would mean that instead of filling out a paper or pdf form, printing it and bringing it in or mailing it into the ROV office, campaigns would be able to directly enter the campaign finance data directly into the system or upload the data. The campaign would select the appropriate tags for searching, and the data entered would be auto redacted based on the fields. This would save staff time currently managing the paper documents, redacting and tagging, and publishing. It would also save campaign costs and time by eliminating the need to print and mail or drive to the office.

Allowing for electronic filing also benefits the public by increasing transparency and accessibility related to campaign finance. By giving candidates the option to participate in electronic filing, there will be more search options and data available for public consumption. By eliminating the staff time required to process and prepare the documents, the public would also have access to filings faster than they do currently. Overall, the e-filing system would be more efficient and time effective for staff, campaigns and the public. To realize this greater efficiency, the ROV office is recommending that the County adopt an ordinance to make these filings fully electronic.

Pursuant to California Government Code Section 84615, the Board of Supervisors must officially adopt an Ordinance memorializing their approval to require and authorize complete electronic signature and submission of electronic campaign disclosure forms. Today's action is the first of a two-step process to implement electronic filing.

The purpose of the proposed Ordinance is two-fold: 1) to allow for online electronic filing of campaign statements, and 2) to allow for online reporting of contributions and independent expenditures with electronic signatures related to elections of applicable candidates and/or the qualification or passage of local ballot measures within the County. These filings are required under the Political Reform Act (GC 84200 et. sec.), either electronically or in paper format. This Ordinance ensures filings will be available electronically as a more cost-effective use of staff resources. The electronic filing system will operate securely and effectively and will not unduly burden filers. Also, allowing for electronic filing versus paper filings will ensure the ROV office meets the 72-hour posting requirement.

The proposed ordinance will only apply to those filers that exceed a threshold of \$2,000 for expending or receiving campaign funds, or another amount as established under the Political Reform Act. This section reflects Senate Bill 1329 (2017-2018 Reg. Sess.), which updated applicable thresholds to \$2,000 effective when "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." This threshold is also consistent with the Act, which recognizes campaigns that spend or raise more than \$2,000 as "Controlled Committees." Under the Act, these types of committees are obligated to file detailed campaign finance disclosure statements, also known as Form 460s. For those smaller campaigns that do not exceed the \$2,000 threshold, they may continue to file paper versions of the Form 470 disclosure forms. That being said, it should be noted that the NetFile system is able

to accommodate the online filing of several types of required forms by the FPPC, including Forms 460, 470, 496, and 497, and 501 which are the most commonly used in Sonoma's local election campaigns.

The NetFile system is created specifically for cities and counties responsible for administering campaign finance filings and meets the requirements of the Secretary of State, and allows for electronic and paperless filing of campaign statements. Both the cities of Sonoma and Santa Rosa use the NetFile system and allow for electronic filing of campaign statements. Comprehensive training for candidates and filers is offered free of charge by NetFile.

In terms of security, the NetFile system is a web-based, vendor-hosted application that utilizes "industry best practices" for securing data, using the same data encryption for online filings that is used by banks for online banking. NetFile stores and backs up data at three separate locations, creating the essential safety measures and redundancy that will allow for recovery of information in the event of an emergency or disaster. The data will be retained in compliance with state and local regulations. For professional treasurers that have already purchased campaign software, NetFile is able to receive uploaded data from certain types of third-party applications for electronic filing purposes. The NetFile system also maintains each filing for easy updates the next year or filing cycle.

Should the Board adopt the proposed Ordinance amendment, the department anticipates that Electronic Filing of Campaign Statements will be available on the ROV website 30 days after the passage of the ordinance and can begin being used for e-filing for semi-annual statements due July 31, 2023.

Strategic Plan:

N/A

Racial Equity:**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

Prior Board Actions:

N/A

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY23-24 Projected	FY 24-25 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			

Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

N/A

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

- Resolution
- Ordinance
- Pre-Adoption Summary

Related Items “On File” with the Clerk of the Board:

N/A