



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Candice Alvarez, MMC, City Clerk

Date: January 28, 2020

Subject: Ordinance Adding Chapter # (Electronic Filing) to Title 2 (Administration and Personnel) the Lake Elsinore Municipal Code Requiring Electronic Filing of Campaign Statements and Statements of Economic Interests

Recommendation

Introduce by title only and waive further reading of AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ADDING CHAPTER # TO TITLE 2 (ADMINISTRATION AND PERSONNEL) TO THE LAKE ELSINORE MUNICIPAL CODE REQUIRING ELECTRONIC FILING OF CAMPAIGN STATEMENTS AND STATEMENTS OF ECONOMIC INTERESTS.

Background

On January 1, 2013, Assembly Bill 2452 went into effect adding Government Code §84615 which allows a local government agency to mandate online or electronic filing for an elected officer, candidate, committee, or other person who is required to file statements, reports, or other documents under the Political Reform Act, so long as the filer receives contributions or makes expenditures totaling two thousand dollars (\$2,000) or more in a calendar year. The law prescribes criteria that must be satisfied by a local government agency to require online or electronic filing of statements, reports or other documents. The system must be available free of charge to filers and the public for viewing filings, and must include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury.

The California Fair Political Practices Commission supports and encourages efforts to move from a paper-based reporting system to a more transparent electronic system. Electronic filing makes it easier for officials to comply with reporting obligations and provides the public with the information in a more accessible and consistent format.

The law requires the FPPC to approve all electronic filing systems used by cities. Before a city can begin implementing an all-electronic filing system, the FPPC must review the program to ensure it complies with prescribed security and transparency protocols.

Discussion

The City Clerk's office accepts filings of two major categories of economic disclosure documents: (1) campaign statements (commonly known as Form 460's) disclosing contributions to local candidate and ballot measure campaigns and (2) statements of economic interests (commonly known as Form 700s) from designated public officials and employees. In most instances, these documents are filed with the City Clerk and the City Clerk forwards copies to the FPPC. If the documents are not filed in a timely fashion, the FPPC imposes penalties on the filers.

There are many advantages to requiring electronic filing of disclosure documents. All FPPC forms are public records. By shifting to an electronic system, the public can directly access campaign statements on the City's website. The system is also beneficial to the end user by providing multiple prompts to ensure timely filing, storing previous statements for user ease, and permitting a single filing for multiple offices.

The proposed ordinance (Exhibit A) requires all campaign statements and statements of economic interests be filed electronically. The ordinance incorporates the safeguards required by State law, including:

1. The system must ensure the integrity of the data and includes safeguards against efforts to tamper with, manipulate, alter or subvert the data
2. The system must only accept a filing in the standardized record format developed by the Secretary of State and compatible with the Secretary of State's system for receiving an online or electronic filing
3. The system must be available free of charge to filers and to the public for viewing filings.

As of November 8, 2019 the FPPC has approved electronic filing systems for 34 state agencies, 42 county agencies, 134 city agencies, and 47 special district agencies.

To facilitate the full transition to electronic filing, the City Clerk's Office will continue to provide detailed instructions and one-on-one training. The City Clerk contacted the two vendors approved by the Secretary of State. The proposed vendor, NetFile, provided the best economic terms and user functionality.

Fiscal Impact

The contract with NetFile for the e-filing and administration system for both the campaign and statement of economic interests systems is \$5,440 per year and will be funded in the City Clerk's Department budget.

Attachment

Exhibit A - Ordinance