Assembly Bill No. 2162

Passed the Assembly May 3, 2012

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Chief Clerk of the Assembly

Passed the Senate August 23, 2012

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Secretary of the Senate

This bill was received by the Governor this _____ day of ______________, 2012, at _____ o’clock ____M.

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Private Secretary of the Governor

CHAPTER ________

An act to amend Sections 87206 and 87207 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2162, Portantino. Political Reform Act of 1974: economic interest disclosure.

The Political Reform Act of 1974 requires persons holding specified public offices to file disclosures of investments, real property interests, and income within specified periods of assuming or leaving office, and annually while holding the office. The act requires the disclosures to include a statement indicating, within a specified value range, the fair market value of investments or interests in real property and the aggregate value of income received from a source.

This bill would revise the dollar amounts associated with these ranges to provide for 8 total ranges of fair market value of investments and real property interests and 10 total ranges of aggregate value of income.

Existing law makes a knowing or willful violation of the act a misdemeanor and subjects offenders to criminal penalties.

By creating additional crimes, 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 and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

The people of the State of California do enact as follows:

SECTION 1. Section 87206 of the Government Code is amended to read:

87206. (a) If an investment or an interest in real property is required to be disclosed under this article, the statement shall contain all of the following:

(1) A statement of the nature of the investment or interest.

(2) The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged.

(3) The address or other precise location of the real property.

(4) A statement indicating which of the following ranges represents the fair market value of the investment or interest in real property:

(A) At least two thousand dollars ($2,000) but not greater than twenty-five thousand dollars ($25,000).

(B) More than twenty-five thousand dollars ($25,000) but not greater than one hundred thousand dollars ($100,000).

(C) More than one hundred thousand dollars ($100,000) but not greater than two hundred fifty thousand dollars ($250,000).

(D) More than two hundred fifty thousand dollars ($250,000) but not greater than five hundred thousand dollars ($500,000).

(E) More than five hundred thousand dollars ($500,000) but not greater than one million dollars ($1,000,000).

(F) More than one million dollars ($1,000,000) but not greater than five million dollars ($5,000,000).

(G) More than five million dollars ($5,000,000) but not greater than ten million dollars ($10,000,000).

(H) More than ten million dollars ($10,000,000).

(5) In the case of a statement filed under Section 87203 or 87204, if the investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal.

(b) For purposes of disclosure under this article, "interest in real property" does not include the principal residence of the filer or any other property which the filer utilizes exclusively as the personal residence of the filer.

SEC. 2. Section 87207 of the Government Code is amended to read:

87207. (a) Except as provided in subdivision (b), when income is required to be reported under this article, the statement shall contain the following:

(1) The name and address of each source of income aggregating five hundred dollars ($500) or more in value, or fifty dollars ($50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source.

(2) A statement indicating which of the following ranges represents the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source:

(A) At least five hundred dollars ($500) but not greater than one thousand dollars ($1,000).

(B) More than one thousand dollars ($1,000) but not greater than ten thousand dollars ($10,000).

(C) More than ten thousand dollars ($10,000) but not greater than twenty-five thousand dollars ($25,000).

(D) More than twenty-five thousand dollars ($25,000) but not greater than one hundred thousand dollars ($100,000).

(E) More than one hundred thousand dollars ($100,000) but not greater than two hundred fifty thousand dollars ($250,000).

(F) More than two hundred fifty thousand dollars ($250,000) but not greater than five hundred thousand dollars ($500,000).

(G) More than five hundred thousand dollars ($500,000) but not greater than one million dollars ($1,000,000).

(H) More than one million dollars ($1,000,000) but not greater than five million dollars ($5,000,000).

(I) More than five million dollars ($5,000,000) but not greater than ten million dollars ($10,000,000).

(J) More than ten million dollars ($10,000,000).

(3) A description of the consideration, if any, for which the income was received.

(4) In the case of a gift, the amount and the date on which the gift was received.

(5) In the case of a loan, the annual interest rate, the security, if any, given for the loan, and the term of the loan.

(b) When the filer's pro rata share of income to a business entity, including income to a sole proprietorship, is required to be reported under this article, the statement shall contain the following:

(1) The name, address, and a general description of the business activity of the business entity.

(2) The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from that person was equal to or greater than ten thousand dollars ($10,000) during a calendar year.

(c) When a payment, including an advance or reimbursement, for travel is required to be reported pursuant to this section, it may be reported on a separate travel reimbursement schedule which shall be included in the filer's statement of economic interest. A filer who chooses not to use the travel schedule shall disclose payments for travel as a gift, unless it is clear from all surrounding circumstances that the services provided were equal to or greater in value than the payments for the travel, in which case the travel may be reported as income.

SEC. 3. 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. 4. 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.

Approved ______________________________, 2012

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Governor