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CAMPAIGN FINANCE LOCAL GOVT E-FILING UPDATE

NetFile, the industry leader and pioneer in electronic filing and administration systems for Campaign Disclosure (FPPC Forms 450,460,461,465,470,496, and 497) and Statements of Economic Interests (FPPC Form 700) is pleased to announce Assembly Bill 2452 has passed both the Assembly and Senate and is headed to the Governor for his approval.

Attached is the legislation that when signed by the Governor would allow local jurisdictions to have the option to eliminate the paper filed requirement for Campaign Disclosure statements and replace it with an electronic form that meets the Secretary of State's electronic filing format. NetFile is the only company in existence to offer such a system. Given the fact that both the Assembly and Senate unanimously passed the legislation makes it very likely the Governor will sign the bill as well.

NetFile is a privately held corporation based in Mariposa, CA and was established in 1998. Currently NetFile has 25 local government clients in CA using the Campaign Disclosure System and 25 using the Statement of Economic Interests Disclosure System. NetFile is the originator and leader in e-filing and administration systems for both Campaign Disclosure and Statements of Economic Interests. All programming, sales, and support are based in California so all revenue supports local and state economies.



California
LEGISLATIVE INFORMATION

AB-2452 Political Reform Act of 1974: online disclosure. (2011-2012)

ENROLLED JULY 05, 2012

PASSED IN SENATE JULY 02, 2012

PASSED IN ASSEMBLY MAY 21, 2012

AMENDED IN ASSEMBLY MAY 08, 2012

CALIFORNIA LEGISLATURE— 2011–2012 REGULAR SESSION

ASSEMBLY BILL

No. 2452

Introduced by Assembly Member Ammiano

February 24, 2012

An act to add Section 84615 to the Government Code, relating to the Political

Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2452, Ammiano. Political Reform Act of 1974: online disclosure.

The Political Reform Act of 1974 requires specified candidates, committees, slate mailer organizations, and lobbyists, lobbying firms, and lobbyist employers to file campaign statements and reports online or electronically with the Secretary of State, as specified. The act requires certain of these entities to also file campaign statements and reports with local filing officers, as specified.

This bill, with certain exceptions, would authorize a local government agency to require an elected officer, candidate, committee, or other person required to file specified statements, reports, or other documents to file those statements, reports, or other documents online or electronically with a local filing officer. The bill would prescribe criteria that must be satisfied by a local government agency that requires online or electronic filing of statements, reports, or other documents, as specified, including, among others, that the system be available free of charge to filers and to the public for viewing filings, and that the system include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury.

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 2/3 vote of each house 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: no Local Program: no

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

SECTION 1. Section 84615 is added to the Government Code, to read:

84615. A local government agency may require an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 (commencing with Section

84100), except an elected officer, candidate, committee, or other person who receives contributions totaling less than one thousand dollars (\$1,000), and makes expenditures totaling less than one thousand dollars (\$1,000), in a calendar year, to file those statements, reports, or other documents online or electronically with a local filing officer. A local government agency that requires online or electronic filing pursuant to this section shall comply with all of the following:

(a) The legislative body for the local government agency shall adopt an ordinance approving the use of online or electronic filing, which shall include a legislative finding that the online or electronic filing system will operate securely and effectively and would not unduly burden filers. The ordinance adopted by the legislative body for the local government agency may, at the discretion of that legislative body, specify that the electronic or online filing requirements apply only to specifically identified types of filings or are triggered only by identified monetary thresholds. In any instance in which the original statement, report, or other document is required to be filed with the Secretary of State and a copy of that statement, report, or other document is required to be filed with the local government agency, the ordinance may permit, but shall not require, that the copy be filed online or electronically.

(b) The online or electronic filing system shall only accept a filing in the standardized record format that is developed by the Secretary of State pursuant to paragraph (2) of subdivision (a) of Section 84602 and that is compatible with the Secretary of State's system for receiving an online or electronic filing.

(c) The online or electronic filing system shall ensure the integrity of the data transmitted and shall include safeguards against efforts to tamper with, manipulate, alter, or subvert the data.

(d) (1) The local filing officer shall issue to a person who files a statement, report, or other document online or electronically an electronic confirmation that notifies the filer that the statement, report, or other document was received. The confirmation shall include the date and the time that the statement, report, or other document was received by the filing officer and the method by which the filer may view and print the data received by the filing officer.

(2) A copy retained by the filer of a statement, report, or other document that was filed online or electronically and the confirmation issued pursuant to paragraph (1) that shows the filer timely filed the statement, report, or other document shall create a rebuttable presumption that the filer timely filed the statement, report, or other document.

(e) The date of filing for a statement, report, or other document that is filed online or electronically shall be the

day that it is received by the local filing officer.

(f) The local filing officer shall make all the data filed available on the Internet in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. The data made available on the Internet shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed by the filer. The local filing officer shall make a complete, unredacted copy of any statement, report, or other document filed pursuant to this section, including any street names, building numbers, and bank account numbers disclosed by the filer, available to any person upon request.

(g) The online or electronic filing system shall include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury pursuant to Section 81004.

(h) The local government agency shall enable filers to complete and submit filings free of charge.

(i) The local filing officer shall maintain, for a period of at least 10 years commencing from the date filed, a secured, official version of each online or electronic statement, report, or other document filed pursuant to this section, which shall serve as the official version of that record for purpose of audits and any other legal purpose. Data that has been maintained for at least 10 years may then be archived in a secure format.

(j) Notwithstanding any other provision of law, any statement, report, or other document filed online or electronically pursuant to this section shall not be required to be filed with the local filing officer in paper format.

SEC. 2. 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.



NetFile Campaign Disclosure Form 460

E-Filing & Admin System

Filing FPPC Forms 460, 496, 497, 450, 461, 465 & 470

Make your hard to track paper filing system obsolete with the single source provider of an e-filing system for your Campaign Disclosure forms! You can have your own jurisdiction's e-filing and administration system for your campaign disclosure filings. It doesn't matter how large or small your agency is, we have a program to fit your organization.

Being an online system, the agency, filer, and the public can access the system 24/7/365. Since this is a shared platform, the system is affordable for even the smallest local government client. NetFile offers around the clock support that is 100% based in California - no need to worry about foreign based programming or support! All revenue stays in California.

NetFile's Campaign Disclosure Form 460 system advantages are:

- Easy to use admin and filer interface
- Custom reports help to manage filers and filings
- Reduces the amount of time spent on administration
- Internal kiosk mode makes public requests for documents quick and easy
- Public site posts filings automatically in redacted form
- Automatically generate letters (welcome, notification, amendment, late, fine, etc...)
- Validation significantly reduces amount of amendments for filers
- Works with any modern Windows PC, Mac, or Linux system with current browser
- NetFile is 100% based in CA (no outsourcing of work)

Features

Electronic Filing

Filers can input their data as they go or all at one time. Filers can generate drafts for review. A link from your website starts the filing process. The site is hosted by NetFile but looks just like your site. Our servers ensure fast and efficient filings. The submitted filing is validated to help prevent amendments from happening in the first place.

Agency Management Tool

The system acts as your repository of filers. Create the filers in the database just once. Instant notifications to staff when an e-filing has occurred. System also handles paper filed documents. Just redact and upload for public viewing over the internet. You can even show filings by election cycle on the public site. Notification, late, and fine letters can also be automatically generated. Custom letters with your letterhead are also accommodated.

Campaign Disclosure E-filing/Admin Facts:

100% Based in CA

All services from NetFile are based in CA. No outsourcing of labor to foreign countries. All revenue stays right here.

Many Years Proven Success

NetFile's local government clients in California have been using this system for several years. Don't be fooled by companies claiming to have an e-filing system but all it is doing is barcoding paper filings.

No Setup Fees

You don't have any hidden costs for setting up your agency.

Staff Support and Training Included in Fee

Being a hosted solution, you enjoy a low ongoing cost that includes both staff support and training at no additional cost to you! There is no limit to the amount of staff support or training provided to our clients.

No Long Term Commitment

All our contracts have 30-day out clauses (for any reason)!

Data is Safe and Secure

Backups are made nightly for all of you and your filer's data. The data is sent offsite to multiple locations to ensure the safety and integrity of your data.

No IT Involvement Necessary

All IT has to do is place a link on your website (that's it)!

NetFile Dedication

NetFile has been in business since 1998. Providing e-filing systems and software is all we do! There are no other distractions to keep us from servicing our clients to the fullest extent!

Document Viewing Portal - Public Site

Every e-filed document is automatically posted to the public site in redacted format. The public site includes advanced search features to help the public find the data important to them.

Document Viewing Portal - Private Site

The system also comes with a kiosk mode that allows you to show filings in unredacted form but only in your office. That way if someone walks in requesting to view a filing, just point them to one of your computers to search for the filings. They could print to your internal printer if they wanted to purchase a hard copy. No more pulling files and making copies wasting valuable staff time!

NetFile is Number One in California

NetFile is California's first internet based accounting, disclosure, and data management system. Our clients account for over half of all electronic disclosure document filings in the state of California. For our local government platform, there have been several thousand e-filings made for both our SEI Filing and admin system as well as our Campaign Disclosure filing and admin system.

Unparalleled Training and Technical Support

Our business model is based on an ongoing service with no long term contractual commitments from our clients. This guarantees you the best in training and support!

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NOTE: NetFile also has an e-filing and administration system for local government for Statements of Economic Interests FPPC Form 700 and supports all 800 Series FPPC Forms as well!

