

AMENDED IN SENATE AUGUST 13, 2012

AMENDED IN SENATE AUGUST 6, 2012

AMENDED IN SENATE JUNE 25, 2012

AMENDED IN ASSEMBLY APRIL 5, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 481

Introduced by Assembly Member Gordon

February 15, 2011

An act to amend Sections 82036, 82036.5, 84102, 84104, ~~84204~~, 84213, and 84506 of, and to amend, renumber, and add Section 82047.6 of, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 481, as amended, Gordon. Political Reform Act of 1974: campaign disclosure.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees.

This bill would require each campaign committee to identify its principal officer or officers, as defined, and would require each principal officer to maintain the committee's accounts and records. In addition, the bill would require a committee's principal officer, in the event the committee files a statement or report disclosing an independent expenditure, to sign a verification verifying that the committee has not

received unreported contributions or reimbursements to make the independent expenditure and has not coordinated with the candidate or the opponent of the candidate or the proponent or the opponent of the state measure that is the subject of the expenditure.

The Political Reform Act of 1974 defines “late contribution” and “late independent expenditure” as any contribution or independent expenditure totaling in the aggregate \$1,000 or more that is made for or against any specific candidate, committee, or measure involved in an election that is made or received before the date of the election but after the closing date of the last campaign statement required to be filed prior to the election.

This bill would instead define “late contribution” and “late independent expenditure” to mean a contribution or independent expenditure made within 90 days before the date of the election at which the candidate or measure is to be voted on. ~~In addition, this bill would require that a report of a late independent expenditure also disclose the cumulative total the committee has expended for independent expenditures relating to the candidate or measure.~~

The Political Reform Act of 1974 requires that broadcast and mass mailing advertisements supporting or opposing candidates or ballot measures include disclosure statements that reflect specified information.

This bill would require any advertisement supporting or opposing candidates or ballot measures to include such disclosure statements.

Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would impose a state-mandated local program by creating additional crimes.

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.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Section 82036 of the Government Code is
2 amended to read:

3 82036. “Late contribution” means any of the following:

4 (a) A contribution, including a loan, that totals in the aggregate
5 one thousand dollars (\$1,000) or more and is made to or received
6 by a candidate, a controlled committee, or a committee formed or
7 existing primarily to support or oppose a candidate or measure
8 within 90 days before the date of the election at which the candidate
9 or measure is to be voted on. For purposes of the Board of
10 Administration of the Public Employees’ Retirement System and
11 the Teachers’ Retirement Board, “the date of the election” is the
12 deadline to return ballots.

13 (b) A contribution, including a loan, that totals in the aggregate
14 one thousand dollars (\$1,000) or more and is made to or received
15 by a political party committee, as defined in Section 85205, within
16 90 days before the date of a state election.

17 SEC. 2. Section 82036.5 of the Government Code is amended
18 to read:

19 82036.5. “Late independent expenditure” means an independent
20 expenditure that totals in the aggregate one thousand dollars
21 (\$1,000) or more and is made for or against a specific candidate
22 or measure involved in an election within 90 days before the date
23 of the election. For purposes of the Board of Administration of the
24 Public Employees’ Retirement System and the Teachers’
25 Retirement Board, “the date of the election” is the deadline to
26 return ballots.

27 SEC. 3. Section 82047.6 of the Government Code is amended
28 and renumbered to read:

29 82047.7 “Proponent of a state ballot measure” means
30 “proponent” as defined in Section 9002 of the Elections Code.

31 SEC. 4. Section 82047.6 is added to the Government Code, to
32 read:

33 82047.6. (a) “Principal officer” means the individual primarily
34 responsible for approving the political activities of a committee,
35 including, but not limited to, the following activities:

36 (1) Authorizing the content of communications made by the
37 committee.

1 (2) Authorizing expenditures, including contributions, on behalf
2 of the committee.

3 (3) Determining the committee's campaign strategy.

4 (b) If two or more individuals share the primary responsibility
5 for approving the political activities of a committee, each individual
6 is a principal officer.

7 SEC. 5. Section 84102 of the Government Code is amended
8 to read:

9 84102. The statement of organization required by Section
10 84101 shall include all of the following:

11 (a) The name, street address, and telephone number, if any, of
12 the committee. In the case of a sponsored committee, the name of
13 the committee shall include the name of its sponsor. Whenever a
14 committee has more than one sponsor, and the sponsors are
15 members of an industry or other identifiable group, a term
16 identifying that industry or group shall be included in the name of
17 the committee.

18 (b) In the case of a sponsored committee, the name, street
19 address, and telephone number of each sponsor.

20 (c) The full name, street address, and telephone number, if any,
21 of the treasurer and any other principal officers. A committee with
22 more than one principal officer shall identify its principal officers
23 as follows:

24 (1) A committee with three or fewer principal officers shall
25 identify all principal officers.

26 (2) A committee with more than three principal officers shall
27 identify no fewer than three principal officers.

28 If no individual other than the treasurer is a principal officer, the
29 treasurer shall be identified as both the treasurer and the principal
30 officer.

31 (d) The full name and office sought by any candidate, and the
32 title and ballot number, if any, of any measure, that the committee
33 supports or opposes as its primary activity. A committee that does
34 not support or oppose one or more candidates or ballot measures
35 as its primary activity shall provide a brief description of its
36 political activities, including whether it supports or opposes
37 candidates or measures and whether such candidates or measures
38 have common characteristics, such as a political party affiliation.

39 (e) A statement whether the committee is independent or
40 controlled and, if it is controlled, the name of each candidate or

1 state measure proponent by which it is controlled, or the name of
2 any controlled committee with which it acts jointly. If a committee
3 is controlled by a candidate for partisan office, the controlled
4 committee shall indicate the political party, if any, with which the
5 candidate is affiliated.

6 (f) For a committee that is a committee by virtue of subdivision
7 (a) or (b) of Section 82013, the name and address of the financial
8 institution where the committee has established an account and
9 the account number.

10 (g) Such other information as shall be required by the rules or
11 regulations of the Commission consistent with the purposes and
12 provisions of this chapter.

13 SEC. 6. Section 84104 of the Government Code is amended
14 to read:

15 84104. It shall be the duty of each candidate, treasurer, principal
16 officer, and elected officer to maintain detailed accounts, records,
17 bills, and receipts necessary to prepare campaign statements, to
18 establish that campaign statements were properly filed, and to
19 otherwise comply with the provisions of this chapter. The detailed
20 accounts, records, bills, and receipts shall be retained by the filer
21 for a period specified by the Commission. However, the
22 Commission shall not require retention of records for a period
23 longer than the statute of limitations specified in Section 91000.5
24 or two years after the adoption of an audit report pursuant to
25 Chapter 10 (commencing with Section 90000), whichever is less.

26 ~~SEC. 7. Section 84204 of the Government Code is amended~~
27 ~~to read:~~

28 ~~84204. (a) A committee that makes a late independent~~
29 ~~expenditure, as defined in Section 82036.5, shall report the late~~
30 ~~independent expenditure by facsimile transmission, guaranteed~~
31 ~~overnight delivery, or personal delivery within 24 hours of the~~
32 ~~time it is made. If a late independent expenditure is required to be~~
33 ~~reported to the Secretary of State, the report to the Secretary of~~
34 ~~State shall be by online or electronic transmission only. A late~~
35 ~~independent expenditure shall be reported on subsequent campaign~~
36 ~~statements without regard to reports filed pursuant to this section.~~

37 ~~(b) A committee that makes a late independent expenditure shall~~
38 ~~report its full name and street address, as well as the name, office,~~
39 ~~and district of the candidate if the report is related to a candidate,~~
40 ~~or if the report is related to a measure, the number or letter of the~~

1 measure, the jurisdiction in which the measure is to be voted upon,
 2 and the amount and the date, as well as a description of goods or
 3 services for which the late independent expenditure was made,
 4 and the cumulative total the committee has expended for
 5 independent expenditures relating to the candidate or measure. In
 6 addition to the information required by this subdivision, a
 7 committee that makes a late independent expenditure shall include
 8 with its late independent expenditure report the information
 9 required by paragraphs (1) to (5), inclusive, of subdivision (f) of
 10 Section 84211, covering the period from the day after the closing
 11 date of the last campaign report filed to the date of the late
 12 independent expenditure, or if the committee has not previously
 13 filed a campaign statement, covering the period from the previous
 14 January 1 to the date of the late independent expenditure. No
 15 information required by paragraphs (1) to (5), inclusive, of
 16 subdivision (f) of Section 84211 that is required to be reported
 17 with a late independent expenditure report by this subdivision is
 18 required to be reported on more than one late independent
 19 expenditure report.

20 (e) A committee that makes a late independent expenditure shall
 21 file a late independent expenditure report in the places where it
 22 would be required to file campaign statements under this article
 23 as if it were formed or existing primarily to support or oppose the
 24 candidate or measure for or against which it is making the late
 25 independent expenditure.

26 (d) A report filed pursuant to this section shall be in addition to
 27 any other campaign statement required to be filed by this article.

28 (e) Expenditures that have been disclosed by candidates and
 29 committees pursuant to Section 85500 are not required to be
 30 disclosed pursuant to this section.

31 ~~SEC. 8.~~

32 *SEC. 7.* Section 84213 of the Government Code is amended
 33 to read:

34 84213. (a) A candidate and state measure proponent shall
 35 verify his or her campaign statement and the campaign statement
 36 of each committee subject to his or her control. The verification
 37 shall be in accordance with the provisions of Section 81004 except
 38 that it shall state that to the best of his or her knowledge the
 39 treasurer of each controlled committee used all reasonable diligence
 40 in the preparation of the committee's statement. This section does

1 not relieve the treasurer of any committee from the obligation to
2 verify each campaign statement filed by the committee pursuant
3 to Section 81004.

4 (b) If a committee is required to file a campaign statement or
5 report disclosing an independent expenditure pursuant to this title,
6 a principal officer of the committee or, in the case of a controlled
7 committee, the candidate or state measure proponent or opponent
8 who controls the committee shall sign a verification on ~~the~~
9 ~~campaign statement or report that reads~~ *a report prescribed by the*
10 *Commission. Notwithstanding any other provision of this title, the*
11 *report containing the verification required by this subdivision shall*
12 *be filed only with the Commission. The verification shall read as*
13 *follows:*

14 I have not received any unreported contributions or
15 ~~reimbursement—reimbursements~~ to make these independent
16 expenditures. I have not coordinated any expenditure made during
17 this reporting period with the candidate or the opponent of the
18 candidate who is the subject of the expenditure, with the proponent
19 or the opponent of the state measure that is the subject of the
20 expenditure, or with the agents of the candidate or the opponent
21 of the candidate or the state measure proponent or opponent.

22 ~~SEC. 9.~~

23 *SEC. 8.* Section 84506 of the Government Code is amended
24 to read:

25 84506. (a) An advertisement supporting or opposing a
26 candidate or ballot measure, that is paid for by an independent
27 expenditure, shall include a disclosure statement that identifies
28 both of the following:

29 (1) The name of the committee making the independent
30 expenditure.

31 (2) The names of the persons from whom the committee making
32 the independent expenditure has received its two highest
33 cumulative contributions of fifty thousand dollars (\$50,000) or
34 more during the 12-month period prior to the expenditure. If the
35 committee can show, on the basis that contributions are spent in
36 the order they are received, that contributions received from the
37 two highest contributors have been used for expenditures unrelated
38 to the candidate or ballot measure featured in the communication,
39 the committee shall disclose the contributors making the next

1 largest cumulative contributions of fifty thousand dollars (\$50,000)
2 or more.

3 (b) If an acronym is used to identify any committee names
4 required by this section, the names of any sponsoring organization
5 of the committee shall be printed on print advertisements or spoken
6 in broadcast advertisements.

7 ~~SEC. 10.~~

8 *SEC. 9.* No reimbursement is required by this act pursuant to
9 Section 6 of Article XIII B of the California Constitution because
10 the only costs that may be incurred by a local agency or school
11 district will be incurred because this act creates a new crime or
12 infraction, eliminates a crime or infraction, or changes the penalty
13 for a crime or infraction, within the meaning of Section 17556 of
14 the Government Code, or changes the definition of a crime within
15 the meaning of Section 6 of Article XIII B of the California
16 Constitution.

17 ~~SEC. 11.~~

18 *SEC. 10.* The Legislature finds and declares that this bill
19 furthers the purposes of the Political Reform Act of 1974 within
20 the meaning of subdivision (a) of Section 81012 of the Government
21 Code.