

AMENDED IN SENATE JUNE 25, 2013

AMENDED IN ASSEMBLY MAY 14, 2013

AMENDED IN ASSEMBLY APRIL 15, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 914

Introduced by Assembly Member Gordon

February 22, 2013

An act to add Article 3.5 (commencing with Section 84350) to Chapter 4 of Title 9 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 914, as amended, Gordon. Political Reform Act of 1974: campaign disclosures.

The Political Reform Act of 1974 imposes various reporting requirements with regard to contributions and independent expenditures, as defined, made for political purposes. The act establishes the Fair Political Practices Commission as the agency responsible for administering and enforcing the act. A violation of the act's provisions is punishable as a misdemeanor.

This bill would require the Commission to develop a Nonprofit and Multipurpose Organization Disclosure Statement form. The bill would require that the form provide for the disclosure of specified information relating to *certain* contributions, expenditures, and independent expenditures made by, and donations made to, a nonprofit corporation. The bill would require a nonprofit corporation to file a Nonprofit and

Multipurpose Organization Disclosure Statement, at a time prescribed by the Commission, in any year in which the nonprofit corporation makes combined contributions, expenditures, ~~and~~ or independent expenditures *in support of or opposition to a candidate, political party, or ballot measure* in this state aggregating \$50,000 or more during the nonprofit corporation's fiscal year.

The bill would require the Commission to make Nonprofit and Multipurpose Organization Disclosure Statements available to the public. The bill would authorize a nonprofit corporation or a donor to the nonprofit corporation to petition the Commission to maintain the confidentiality of information relating to donors and donations. The bill would require the Commission to grant a petition to maintain the confidentiality of donor and donation information if the petitioner establishes by clear and convincing evidence that the public disclosure of donor information will cause undue harm, threats, harassment, or reprisals to the donor, or that the donor did not know or have reason to know that his or her donation would be used to make a contribution, expenditure, or independent expenditure *in support of or opposition to a candidate, political party, or ballot measure*, as specified.

By expanding the scope of an existing crime, 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.

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. Article 3.5 (commencing with Section 84350) is
- 2 added to Chapter 4 of Title 9 of the Government Code, to read:

Article 3.5. Nonprofit and Multipurpose Organizations

84350. (a) This section shall apply only to a nonprofit corporation, as defined in Section 501(c) of the Internal Revenue Code, that ~~makes combined contributions, expenditures, and independent expenditures in this state aggregating fifty thousand dollars (\$50,000) or more during the nonprofit corporation's fiscal year.~~ satisfies both of the following:

(1) *The nonprofit corporation makes, in this state, contributions, expenditures, or independent expenditures, as defined in Sections 82015, 82025, and 82031, respectively, in support of or opposition to a candidate, political party, or ballot measure, or any combination thereof.*

(2) *The aggregate contributions, expenditures, or independent expenditures described in paragraph (1) total, in any combination, fifty thousand dollars (\$50,000) or more during a fiscal year of the nonprofit corporation.*

(b) The Commission shall develop a Nonprofit and Multipurpose Organization Disclosure Statement form that provides for the disclosure of all of the following information *relative to the contributions, expenditures, and independent expenditures made by a nonprofit corporation in support of or opposition to a candidate, political party, or ballot measure:*

(1) The aggregate combined dollar amount of contributions, expenditures, and independent expenditures that are made during the reporting period.

(2) The amount of expenses attributable to contributions, expenditures, and independent expenditures as a percentage of the nonprofit ~~organization's corporation's~~ total expenses that are made during the reporting period.

(3) For purposes of a nonprofit ~~organization corporation~~ for which the combined amounts of contributions, expenditures, and independent expenditures made during the reporting period exceed 10 percent of the nonprofit ~~organization's corporation's~~ total expenses, each of the following with respect to contributions, expenditures, and independent expenditures made during that period:

(A) The amount of any funds, or the fair market value of any services or assets, that are provided in relation to a contribution, expenditure, or independent expenditure.

1 (B) The amount or fair market value of any liabilities incurred
2 in relation to a contribution, expenditure, or independent
3 expenditure.

4 (C) The date that the funds, services, or assets were provided
5 or the liabilities were incurred.

6 (D) The name and address of the recipient of the contribution,
7 expenditure, or independent expenditure.

8 (E) A description of the contribution, expenditure, or
9 independent ~~expenditures~~ *expenditure* and its purpose, including
10 whether the contribution, expenditure, or independent expenditure
11 was made in support of or opposition to a candidate, political party,
12 or ballot measure, ~~or other question put before the voters in an~~
13 ~~election.~~

14 (F) Information related to each donor who made donations in
15 an aggregate amount of ten thousand dollars (\$10,000) or more to
16 the nonprofit corporation during the reporting period, including
17 each of the following:

18 (i) The name and address of the donor.

19 (ii) The name of the employer of the donor, if available.

20 (iii) The date and amount of each donation from that donor
21 during the reporting period.

22 (c) (1) Except as otherwise provided in this subdivision, a
23 nonprofit corporation described in subdivision (a) shall file, at a
24 time to be determined by the Commission, a Nonprofit and
25 Multipurpose Organization Disclosure Statement with the
26 Commission for any year in which the nonprofit corporation meets
27 the fifty thousand dollar (\$50,000) threshold ~~for combined~~
28 ~~aggregate contributions, expenditures, and independent~~
29 ~~expenditures made during a fiscal year described in subdivision~~
30 ~~(a).~~ Except as provided in subdivision (d), the Commission shall
31 make the filed Nonprofit and Multipurpose Organization Disclosure
32 Statement available to the public, as required by Section 81008.

33 (2) A nonprofit corporation is not required to disclose the
34 information described in paragraph (3) of subdivision (b) if that
35 information has been previously disclosed by the nonprofit
36 corporation in any other campaign statement or report required by
37 this title.

38 (3) If a nonprofit corporation required to file a Nonprofit and
39 Multipurpose Organization Disclosure Statement pursuant to this
40 section maintains one or more segregated bank accounts for the

purpose of making election-related contributions, expenditures, or independent expenditures *described in subdivision (a)*, and those accounts represent the exclusive source of the nonprofit corporation's election-related contributions, expenditures, and independent expenditures in this state, the nonprofit corporation is only required to report information described in subparagraph (F) of paragraph (3) of subdivision (b) with respect to donations deposited into the segregated election-related accounts.

(d) A nonprofit corporation or a donor to a nonprofit corporation that is subject to the reporting requirements of this section may petition the Commission, no later than 45 days prior to the date on which the Nonprofit and Multipurpose Organization Disclosure Statement must be filed, to maintain the confidentiality of donor information that is disclosed on the statement. If a petitioner demonstrates by clear and convincing evidence that the public disclosure of donor information reported on the Nonprofit and Multipurpose Organization Disclosure Statement will cause undue harm, threats, harassment, or reprisals to the donor or that the donor did not know or have reason to know that his or her donation would be used to make a contribution, expenditure, or independent expenditure *described in subdivision (a)* in this state, the Commission shall, notwithstanding Section 81008, treat the donor and donation information as confidential and shall redact the donor and donation information from any documents that are made available to the public. The Commission shall inform the petitioner, in writing, whether the petition to maintain the confidentiality of donor and donation information has been granted or denied. The Commission's grant or denial determination shall include a statement of findings and conclusions, and the reasons or basis for the determination.

SEC. 2. 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.

1 SEC. 3. The Legislature finds and declares that this bill furthers
2 the purposes of the Political Reform Act of 1974 within the
3 meaning of subdivision (a) of Section 81012 of the Government
4 Code.

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