

AMENDED IN SENATE AUGUST 28, 2013
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, *except as otherwise provided*, 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, 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:

1 Article 3.5. Nonprofit and Multipurpose Organizations

2
3 84350. (a) This section shall apply only to a nonprofit
4 corporation, as defined in Section 501(c) of the Internal Revenue
5 Code, that satisfies both of the following:

6 (1) The nonprofit corporation makes, in this state, contributions,
7 expenditures, or independent expenditures, as defined in Sections
8 82015, 82025, and 82031, respectively, in support of or opposition
9 to a candidate, political party, or ballot measure, or any
10 combination thereof.

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

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

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

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

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

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

37 (B) The amount or fair market value of any liabilities incurred
38 in relation to a contribution, expenditure, or independent
39 expenditure.

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

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

5 (E) A description of the contribution, expenditure, or
6 independent expenditure and its purpose, including whether the
7 contribution, expenditure, or independent expenditure was made
8 in support of or opposition to a candidate, political party, or ballot
9 measure.

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

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

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

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

18 (c) (1) Except as otherwise provided in this subdivision, a
19 nonprofit corporation described in subdivision (a) shall file, at a
20 time to be determined by the Commission, a Nonprofit and
21 Multipurpose Organization Disclosure Statement with the
22 Commission for any year in which the nonprofit corporation meets
23 the fifty thousand dollar (\$50,000) threshold described in
24 subdivision (a). Except as provided in subdivision (d), the
25 Commission shall make the filed Nonprofit and Multipurpose
26 Organization Disclosure Statement available to the public, as
27 required by Section 81008.

28 ~~(2) A nonprofit corporation is not required to disclose the~~
29 ~~information described in paragraph (3) of subdivision (b) if that~~
30 ~~information has been previously disclosed by the nonprofit~~
31 ~~corporation in any other campaign statement or report required by~~
32 ~~this title.~~

33 *(2) A nonprofit corporation shall not be required to file a*
34 *Nonprofit and Multipurpose Organization Disclosure Statement*
35 *for any period when the nonprofit corporation is filing reports*
36 *either as a committee under Section 82013 or as a sponsor of a*
37 *committee, and the information described in paragraphs (1) and*
38 *(2) of subdivision (b) is disclosed on the committee's reports in a*
39 *manner prescribed by the Commission.*

1 (3) If a nonprofit corporation required to file a Nonprofit and
2 Multipurpose Organization Disclosure Statement pursuant to this
3 section maintains one or more segregated bank accounts for the
4 purpose of making election-related contributions, expenditures,
5 or independent expenditures described in subdivision (a), and those
6 accounts represent the exclusive source of the nonprofit
7 corporation's election-related contributions, expenditures, and
8 independent expenditures in this state, the nonprofit corporation
9 is only required to report information described in subparagraph
10 (F) of paragraph (3) of subdivision (b) with respect to donations
11 deposited into the segregated election-related accounts.

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

34 SEC. 2. No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or
38 infraction, eliminates a crime or infraction, or changes the penalty
39 for a crime or infraction, within the meaning of Section 17556 of
40 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.
3 SEC. 3. The Legislature finds and declares that this bill furthers
4 the purposes of the Political Reform Act of 1974 within the
5 meaning of subdivision (a) of Section 81012 of the Government
6 Code.

O