

AMENDED IN ASSEMBLY AUGUST 7, 2013

AMENDED IN ASSEMBLY JULY 2, 2013

AMENDED IN SENATE MAY 6, 2013

AMENDED IN SENATE APRIL 9, 2013

**SENATE BILL**

**No. 27**

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**Introduced by Senator Correa**

December 3, 2012

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An act to amend Section 9084 of the Elections Code, and to amend Sections ~~82015~~ 81004, 82048.7, 84105, and 88001 of, and to add Sections 84222 and 84223 to, the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

SB 27, as amended, Correa. Political Reform Act of 1974.

**Existing**

(1) *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, as defined, and imposing other reporting and recordkeeping requirements on campaign committees, as defined. The Fair Political Practices Commission administers and enforces the act. A violation of the act's provisions is punishable as a misdemeanor.

~~This bill would revise the definition of a "contribution" to include payments made by a donor who, at the time of making the payment, knows or has reason to know that the payment, or funds with which the payment will be commingled, may be used to make contributions or expenditures. The bill would establish a presumption that a donor to a nonprofit or other multipurpose organization, as defined, has reason to~~

know that a payment may be used to make contributions or expenditures, and that the payment would be reported by the organization, if specified criteria are satisfied, including, among other things, that the organization has made contributions or expenditures in specified amounts during the calendar year in which the payment occurs or during any of the immediately preceding 4 calendar years.

~~This bill would impose reporting requirements on specified nonprofit or other multipurpose organizations, including the requirement that the organizations disclose the portion of their activities devoted to California elections and specified information regarding the sources of an organization's funds used to make those contributions and expenditures, such as donors and dues-paying members.~~

*This bill would require multipurpose organizations that meet specified criteria to comply with the registration and campaign reporting requirements of the act, as specified, including the disclosure of information relating to the organization's donors.*

This bill would require state ballot measure committees and state candidate committees that raise \$1,000,000 or more for an election to maintain an accurate list of the committee's top 10 contributors. This bill would require a committee to provide accurate lists of these contributors to the Commission, and would require the Commission to post the top 10 contributor lists on its Internet Web site, as specified, and to post updates to those lists when prescribed events occur. The bill would require the Commission to provide copies of the top 10 contributor lists to the Secretary of State, at the Secretary of State's request, for purposes of posting those lists on the Secretary of State's Internet Web site.

*(2) The act requires a candidate or committee that receives contributions of \$5,000 or more from any person to inform the contributor within 2 weeks that he or she may be subject to the act's reporting requirements.*

*This bill would require that the candidate or committee inform the contributor within one week for a contribution of \$10,000 or more received during the period in which late contribution reports must be filed. The bill would also require the notifications to reference the reporting requirements for multipurpose organizations.*

**Existing**

*(3) Existing law requires the Secretary of State to prepare a ballot pamphlet that includes specified information with respect to an election.*

This bill would require the Secretary of State to include in the ballot pamphlet a written explanation of the top 10 contributor lists required by the bill, including a description of the Internet Web sites where those lists would be available to the public.

The

(4) *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

(5) *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: yes.

State-mandated local program: yes.

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

1 SECTION 1. The Legislature finds and declares all of the  
2 following:

3 (a) ~~Nonprofit and other multipurpose~~ *Multipurpose*  
4 organizations, including out-of-state organizations, are increasing  
5 their political activities in California, and it is important to clarify  
6 how disclosure requirements apply to these organizations to ensure  
7 that the public receives the required information in an accurate,  
8 timely, and transparent manner.

9 (b) The Ninth Circuit Court of Appeals, in *California Pro-Life*  
10 *Council, Inc. v. Randolph* (9th Cir. 2007) 507 F.3d 1172, upheld  
11 the disclosure of a ~~nonprofit or other~~ multipurpose organization’s  
12 political activities, as required by regulations of the Fair Political  
13 Practices Commission.

14 (c) The disclosure of donors to ~~nonprofit or other~~ multipurpose  
15 organizations that make contributions or expenditures to support  
16 or oppose California candidates and ballot measures serves the  
17 following important purposes:

1 (1) It provides the electorate with information as to where  
2 campaign money comes from, increasing its ability to identify the  
3 supporters of a candidate or ballot measure.

4 (2) It deters actual corruption and avoids the appearance of  
5 corruption by providing increased transparency of contributions  
6 and expenditures.

7 (3) It is an important means of gathering the information  
8 necessary to detect violations of the Political Reform Act of 1974.

9 (d) The people of California have a compelling interest in  
10 receiving clear and easy to use information about who is financing  
11 state ballot measures and candidate independent expenditure  
12 committees.

13 (e) It is therefore the intent of the Legislature to strengthen the  
14 laws requiring the disclosure of contributions and expenditures in  
15 California elections by ~~nonprofit and other~~ multipurpose  
16 organizations and to require committees that raise or spend one  
17 million dollars (\$1,000,000) or more to support or oppose state  
18 ballot measures or make independent expenditures on behalf of a  
19 state candidate to disclose a list of their top 10 contributors on the  
20 Internet Web site of the Fair Political Practices Commission.

21 SEC. 2. Section 9084 of the Elections Code is amended to read:  
22 9084. The ballot pamphlet shall contain all of the following:

23 (a) A complete copy of each state measure.

24 (b) A copy of the specific constitutional or statutory provision,  
25 if any, that each state measure would repeal or revise.

26 (c) A copy of the arguments and rebuttals for and against each  
27 state measure.

28 (d) A copy of the analysis of each state measure.

29 (e) Tables of contents, indexes, art work, graphics, and other  
30 materials that the Secretary of State determines will make the ballot  
31 pamphlet easier to understand or more useful for the average voter.

32 (f) A notice, conspicuously printed on the cover of the ballot  
33 pamphlet, indicating that additional copies of the ballot pamphlet  
34 will be mailed by the county elections official upon request.

35 (g) A written explanation of the judicial retention procedure as  
36 required by Section 9083.

37 (h) The Voter Bill of Rights pursuant to Section 2300.

38 (i) If the ballot contains an election for the office of United  
39 States Senator, information on candidates for United States Senator.

40 A candidate for United States Senator may purchase the space to

1 place a statement in the state ballot pamphlet that does not exceed  
2 250 words. The statement may not make any reference to any  
3 opponent of the candidate. The statement shall be submitted in  
4 accordance with timeframes and procedures set forth by the  
5 Secretary of State for the preparation of the state ballot pamphlet.

6 (j) If the ballot contains a question on the confirmation or  
7 retention of a justice of the Supreme Court, information on justices  
8 of the Supreme Court who are subject to confirmation or retention.

9 (k) If the ballot contains an election for the offices of President  
10 and Vice President of the United States, a notice that refers voters  
11 to the Secretary of State’s Internet Web site for information about  
12 candidates for the offices of President and Vice President of the  
13 United States.

14 (l) A written explanation of the appropriate election procedures  
15 for party-nominated, voter-nominated, and nonpartisan offices as  
16 required by Section 9083.5.

17 (m) A written explanation of the top 10 contributor lists required  
18 by Section 84223 of the Government Code, including a description  
19 of the Internet Web sites where those lists are available to the  
20 public.

21 ~~SEC. 3. Section 82015 of the Government Code is amended~~  
22 ~~to read:~~

23 ~~82015. (a) “Contribution” means a payment, a forgiveness of~~  
24 ~~a loan, a payment of a loan by a third party, or an enforceable~~  
25 ~~promise to make a payment except to the extent that full and~~  
26 ~~adequate consideration is received, unless it is clear from the~~  
27 ~~surrounding circumstances that it is not made for political purposes.~~

28 ~~(b) (1) A payment made at the behest of a committee as defined~~  
29 ~~in subdivision (a) of Section 82013 is a contribution to the~~  
30 ~~committee unless full and adequate consideration is received from~~  
31 ~~the committee for making the payment.~~

32 ~~(2) A payment made at the behest of a candidate is a contribution~~  
33 ~~to the candidate unless the criteria in either subparagraph (A) or~~  
34 ~~(B) are satisfied:~~

35 ~~(A) Full and adequate consideration is received from the~~  
36 ~~candidate.~~

37 ~~(B) It is clear from the surrounding circumstances that the~~  
38 ~~payment was made for purposes unrelated to his or her candidacy~~  
39 ~~for elective office. The following types of payments are presumed~~

1 to be for purposes unrelated to a candidate's candidacy for elective  
2 office:

3 (i) A payment made principally for personal purposes, in which  
4 case it may be considered a gift under the provisions of Section  
5 82028. Payments that are otherwise subject to the limits of Section  
6 86203 are presumed to be principally for personal purposes.

7 (ii) A payment made by a state, local, or federal governmental  
8 agency or by a nonprofit organization that is exempt from taxation  
9 under Section 501(c)(3) of the Internal Revenue Code.

10 (iii) A payment not covered by clause (i), made principally for  
11 legislative, governmental, or charitable purposes, in which case it  
12 is neither a gift nor a contribution. However, payments of this type  
13 that are made at the behest of a candidate who is an elected officer  
14 shall be reported within 30 days following the date on which the  
15 payment or payments equal or exceed five thousand dollars  
16 (\$5,000) in the aggregate from the same source in the same  
17 calendar year in which they are made. The report shall be filed by  
18 the elected officer with the elected officer's agency and shall be  
19 a public record subject to inspection and copying pursuant to  
20 subdivision (a) of Section 81008. The report shall contain the  
21 following information: name of payor, address of payor, amount  
22 of the payment, date or dates the payment or payments were made,  
23 the name and address of the payee, a brief description of the goods  
24 or services provided or purchased, if any, and a description of the  
25 specific purpose or event for which the payment or payments were  
26 made. Once the five-thousand-dollar (\$5,000) aggregate threshold  
27 from a single source has been reached for a calendar year, all  
28 payments for the calendar year made by that source must be  
29 disclosed within 30 days after the date the threshold was reached  
30 or the payment was made, whichever occurs later. Within 30 days  
31 after receipt of the report, state agencies shall forward a copy of  
32 these reports to the Fair Political Practices Commission, and local  
33 agencies shall forward a copy of these reports to the officer with  
34 whom elected officers of that agency file their campaign  
35 statements.

36 (C) For purposes of subparagraph (B), a payment is made for  
37 purposes related to a candidate's candidacy for elective office if  
38 all or a portion of the payment is used for election-related activities.  
39 For purposes of this subparagraph, "election-related activities"  
40 shall include, but are not limited to, the following:

- 1 ~~(i) Communications that contain express advocacy of the~~  
2 ~~nomination or election of the candidate or the defeat of his or her~~  
3 ~~opponent.~~
- 4 ~~(ii) Communications that contain reference to the candidate's~~  
5 ~~candidacy for elective office, the candidate's election campaign,~~  
6 ~~or the candidate's or his or her opponent's qualifications for~~  
7 ~~elective office.~~
- 8 ~~(iii) Solicitation of contributions to the candidate or to third~~  
9 ~~persons for use in support of the candidate or in opposition to his~~  
10 ~~or her opponent.~~
- 11 ~~(iv) Arranging, coordinating, developing, writing, distributing,~~  
12 ~~preparing, or planning of any communication or activity described~~  
13 ~~in clause (i), (ii), or (iii).~~
- 14 ~~(v) Recruiting or coordinating campaign activities of campaign~~  
15 ~~volunteers on behalf of the candidate.~~
- 16 ~~(vi) Preparing campaign budgets.~~
- 17 ~~(vii) Preparing campaign finance disclosure statements.~~
- 18 ~~(viii) Communications directed to voters or potential voters as~~  
19 ~~part of activities encouraging or assisting persons to vote if the~~  
20 ~~communication contains express advocacy of the nomination or~~  
21 ~~election of the candidate or the defeat of his or her opponent.~~
- 22 ~~(D) A contribution made at the behest of a candidate for a~~  
23 ~~different candidate or to a committee not controlled by the~~  
24 ~~behesting candidate is not a contribution to the behesting candidate.~~
- 25 ~~(3) A payment made at the behest of a member of the Public~~  
26 ~~Utilities Commission, made principally for legislative,~~  
27 ~~governmental, or charitable purposes, is not a contribution.~~  
28 ~~However, payments of this type shall be reported within 30 days~~  
29 ~~following the date on which the payment or payments equal or~~  
30 ~~exceed five thousand dollars (\$5,000) in the aggregate from the~~  
31 ~~same source in the same calendar year in which they are made.~~  
32 ~~The report shall be filed by the member with the Public Utilities~~  
33 ~~Commission and shall be a public record subject to inspection and~~  
34 ~~copying pursuant to subdivision (a) of Section 81008. The report~~  
35 ~~shall contain the following information: name of payor, address~~  
36 ~~of payor, amount of the payment, date or dates the payment or~~  
37 ~~payments were made, the name and address of the payee, a brief~~  
38 ~~description of the goods or services provided or purchased, if any,~~  
39 ~~and a description of the specific purpose or event for which the~~  
40 ~~payment or payments were made. Once the five-thousand-dollar~~

1 (\$5,000) aggregate threshold from a single source has been reached  
2 for a calendar year, all payments for the calendar year made by  
3 that source must be disclosed within 30 days after the date the  
4 threshold was reached or the payment was made, whichever occurs  
5 later. Within 30 days after receipt of the report, the Public Utilities  
6 Commission shall forward a copy of these reports to the Fair  
7 Political Practices Commission.

8 (e) “Contribution” includes the purchase of tickets for events  
9 such as dinners, luncheons, rallies, and similar fundraising events;  
10 the candidate’s own money or property used on behalf of his or  
11 her candidacy other than personal funds of the candidate used to  
12 pay either a filing fee for a declaration of candidacy or a candidate  
13 statement prepared pursuant to Section 13307 of the Elections  
14 Code; the granting of discounts or rebates not extended to the  
15 public generally or the granting of discounts or rebates by television  
16 and radio stations and newspapers not extended on an equal basis  
17 to all candidates for the same office; the payment of compensation  
18 by any person for the personal services or expenses of any other  
19 person if the services are rendered or expenses incurred on behalf  
20 of a candidate or committee without payment of full and adequate  
21 consideration.

22 (d) “Contribution” further includes any transfer of anything of  
23 value received by a committee from another committee, unless  
24 full and adequate consideration is received.

25 (e) “Contribution” does not include amounts received pursuant  
26 to an enforceable promise to the extent those amounts have been  
27 previously reported as a contribution. However, the fact that those  
28 amounts have been received shall be indicated in the appropriate  
29 campaign statement.

30 (f) “Contribution” does not include a payment made by an  
31 occupant of a home or office for costs related to any meeting or  
32 fundraising event held in the occupant’s home or office if the costs  
33 for the meeting or fundraising event are five hundred dollars (\$500)  
34 or less.

35 (g) Notwithstanding the foregoing definition of “contribution,”  
36 the term does not include volunteer personal services or payments  
37 made by any individual for his or her own travel expenses if the  
38 payments are made voluntarily without any understanding or  
39 agreement that they shall be, directly or indirectly, repaid to him  
40 or her.

1 ~~(h) “Contribution” further includes the payment of public~~  
2 ~~moneys by a state or local governmental agency for a~~  
3 ~~communication to the public that satisfies both of the following:~~

4 ~~(1) The communication expressly advocates the election or~~  
5 ~~defeat of a clearly identified candidate or the qualification, passage,~~  
6 ~~or defeat of a clearly identified measure, or, taken as a whole and~~  
7 ~~in context, unambiguously urges a particular result in an election.~~

8 ~~(2) The communication is made at the behest of the affected~~  
9 ~~candidate or committee.~~

10 ~~(i) (1) “Contribution” further includes a payment made to a~~  
11 ~~person, including, but not limited to, a nonprofit or other~~  
12 ~~multipurpose organization as defined in Section 84222, if, at the~~  
13 ~~time of making the payment, the donor knows or has reason to~~  
14 ~~know that the payment, or funds with which the payment will be~~  
15 ~~commingled, may be used to make a contribution or expenditure~~  
16 ~~to support or oppose a California state or local candidate or ballot~~  
17 ~~measure. Contributions that satisfy the criteria of this subdivision~~  
18 ~~shall be reported in the manner prescribed by Section 84222.~~

19 ~~(2) For purposes of paragraph (1), there shall be a presumption~~  
20 ~~that a donor to a nonprofit or other multipurpose organization has~~  
21 ~~reason to know that all or part of the payment may be used to make~~  
22 ~~a contribution or expenditure and that disclosure of that payment~~  
23 ~~by the nonprofit or other multipurpose organization is required~~  
24 ~~pursuant to this title if any of the following criteria are satisfied:~~

25 ~~(A) The nonprofit or other multipurpose organization has made~~  
26 ~~contributions or expenditures in an amount, in the aggregate, equal~~  
27 ~~to or greater than the amount specified in subdivision (a) of Section~~  
28 ~~82013 during the calendar year in which the payment occurs or~~  
29 ~~during any of the immediately preceding four calendar years.~~

30 ~~(B) The nonprofit or other multipurpose organization makes an~~  
31 ~~initial payment or payments totaling five hundred thousand dollars~~  
32 ~~(\$500,000) or more for contributions or expenditures in this state~~  
33 ~~during the current calendar year.~~

34 ~~(C) The nonprofit or other multipurpose organization has~~  
35 ~~disclosed contributions or expenditures to support or oppose~~  
36 ~~candidates or ballot measures, or for issue advocaey activities, in~~  
37 ~~this state on any publicly available annual or periodic report of its~~  
38 ~~activities, including Internal Revenue Service Form 990, filed with~~  
39 ~~a federal, state, or local government agency during the calendar~~

1 year in which the payment occurs or during any of the immediately  
2 preceding four calendar years.

3 ~~(D) The nonprofit or other multipurpose organization has a~~  
4 ~~sponsored committee registered with the Secretary of State.~~

5 SEC. 4. Section 84222 is added to the Government Code, to  
6 read:

7 84222. ~~(a) For purposes of this section and Section 82015,~~  
8 ~~“nonprofit or other multipurpose organization” means a nonprofit~~  
9 ~~organization formed and operated under Section 501(c)(3),~~  
10 ~~501(c)(4), 501(c)(5), or 501(c)(6) of the Internal Revenue Code,~~  
11 ~~a federal or out-of-state political organization, or an unincorporated~~  
12 ~~association.~~

13 ~~(b) A nonprofit or other multipurpose organization that qualifies~~  
14 ~~as a committee under Section 82013 shall file the campaign~~  
15 ~~statements required by this title and shall disclose the portion of~~  
16 ~~its activities devoted to California state and local elections. The~~  
17 ~~organization’s campaign statements shall report its contributions~~  
18 ~~and expenditures to support or oppose state and local candidates~~  
19 ~~and ballot measures in California and shall itemize the sources of~~  
20 ~~funds used to make those contributions and expenditures, including,~~  
21 ~~but not limited to, donors and dues-paying members.~~

22 ~~(c) A donor who makes a contribution described in subdivision~~  
23 ~~(i) of Section 82015 to a nonprofit or other multipurpose~~  
24 ~~organization that qualifies as a committee shall be identified and~~  
25 ~~reported by the organization that receives the contribution in~~  
26 ~~accordance with regulations adopted by the Commission. The~~  
27 ~~nonprofit or other multipurpose organization shall identify each~~  
28 ~~donor who requests or knows that the donor’s payment will be~~  
29 ~~used by the organization to make a contribution or an expenditure~~  
30 ~~to support or oppose a candidate or ballot measure in California~~  
31 ~~and shall disclose the information required by subdivision (f) of~~  
32 ~~Section 84211 for each identified donor who donates one hundred~~  
33 ~~dollars (\$100) or more in a calendar year. The nonprofit or other~~  
34 ~~multipurpose organization shall identify other donors to the~~  
35 ~~organization based on a “last in, first out” accounting method, and~~  
36 ~~shall disclose the information required by subdivision (f) of Section~~  
37 ~~84211 for each donor identified pursuant to that method who made~~  
38 ~~a single donation payment of one thousand dollars (\$1,000) or~~  
39 ~~more. However, a donor need not be reported as a contributor~~  
40 ~~pursuant to this section if the organization has evidence that clearly~~

1 establishes specific circumstances demonstrating that the donor  
2 did not know or have reason to know that its payment would be  
3 used to fund a contribution or expenditure.

4 (d) A nonprofit or other multipurpose organization that qualifies  
5 as a committee and discloses its activities devoted to California  
6 elections pursuant to this section shall, on the organization's  
7 statement of organization filed pursuant to Section 84102, indicate  
8 that organization's tax-exempt or other organizational status;  
9 describe the organization's mission or most significant activities;  
10 and describe the organization's political activities.

11 (e) A nonprofit or other multipurpose organization that qualifies  
12 as a committee and files campaign statements required by this title  
13 to disclose its activities devoted to California elections shall state  
14 the percentage of its total expenditures devoted to contributions  
15 and expenditures supporting or opposing California candidates or  
16 ballot measures during the preceding calendar year on its campaign  
17 statement due on January 31.

18 (f) A person shall not use a nonprofit or other multipurpose  
19 organization as an intermediary or agent for the purpose of making  
20 a contribution on behalf of that person without providing to the  
21 organization all of the information required to be disclosed by  
22 Section 84302. A nonprofit or other multipurpose organization  
23 shall disclose the identity of a person for whom the organization  
24 is acting as an intermediary or agent to the recipient of the  
25 contribution, as well as all other information required by Section  
26 84302. The nonprofit or other multipurpose organization shall not  
27 knowingly conceal the name of a donor for whom the organization  
28 makes a contribution as an intermediary or agent for the purpose  
29 of withholding information required to be made public under this  
30 title.

31 *SEC. 3. Section 81004 of the Government Code is amended to*  
32 *read:*

33 81004. (a) ~~All reports and statements~~ *Each report or statement*  
34 *filed under this title shall be signed under penalty of perjury and*  
35 *verified by the filer. The verification shall state that the filer has*  
36 *used all reasonable diligence in its preparation, the preparation of*  
37 *the report or statement and that to the best of his or her knowledge*  
38 *it is true and complete.*

39 (b) A report or statement filed by a committee ~~which that~~  
40 *qualifies under subdivision (a) of Section 82013 shall be signed*

1 and verified by the treasurer, and a report or statement filed by  
2 any other person shall be signed and verified by the filer. If the  
3 filer is an entity other than an individual, the report or statement  
4 shall be signed and verified by a responsible officer of the entity  
5 or by an attorney or a certified public accountant acting as agent  
6 for the entity. *A report or statement filed by a committee that*  
7 *qualifies under subdivision (b) or (c) of Section 82013 shall be*  
8 *signed and verified by a responsible officer of the committee.* Every  
9 person who signs and verifies any report or statement required to  
10 be filed under this title which contains material matter which he  
11 *or she* knows to be false is guilty of perjury.

12 *SEC. 4. Section 82048.7 of the Government Code is amended*  
13 *to read:*

14 82048.7. (a) “Sponsored committee” means a committee, other  
15 than a candidate controlled committee, ~~which~~ *that* has one or more  
16 sponsors. Any person, except a candidate or other individual, may  
17 sponsor a committee.

18 (b) A person sponsors a committee if any of the following apply:

19 (1) The committee receives 80 percent or more of its  
20 contributions from the person or its members, officers, employees,  
21 or shareholders.

22 (2) The person collects contributions for the committee by use  
23 of payroll deductions or dues from its members, officers, or  
24 employees.

25 (3) The person, alone or in combination with other organizations,  
26 provides all or nearly all of the administrative services for the  
27 committee.

28 (4) The person, alone or in combination with other organizations,  
29 sets the policies for soliciting contributions or making expenditures  
30 of committee funds.

31 (c) *A sponsor that is subject to the reporting requirements of*  
32 *subdivision (f) of Section 84222 and makes contributions or*  
33 *expenditures from the sponsor’s treasury funds shall report those*  
34 *contributions or expenditures either on the campaign statements*  
35 *of the sponsored committee, pursuant to subdivision (f) of Section*  
36 *84222, or on the sponsor’s own campaign statements.*

37 *SEC. 5. Section 84105 of the Government Code is amended to*  
38 *read:*

39 84105. A candidate or committee ~~which~~ *that* receives  
40 contributions of five thousand dollars (\$5,000) or more from any

1 person shall inform the contributor *within two weeks of receipt of*  
2 *the contributions* that he or she may be required to file campaign  
3 reports, *and shall include a reference to the filing requirements*  
4 *for multipurpose organizations under Section 84222.*—~~The~~  
5 ~~notification shall occur within two weeks of receipt of the~~  
6 ~~contributions but need not be sent to any contributor who has an~~  
7 ~~identification number assigned by the Secretary of State issued~~  
8 ~~pursuant to Section 84101.~~ *However, a candidate or committee*  
9 *that receives a contribution of ten thousand dollars (\$10,000) or*  
10 *more from any person during any period in which late contribution*  
11 *reports are required to be filed pursuant to Section 84203 shall*  
12 *provide the information to the contributor within one week. The*  
13 *notification required by this section is not required to be sent to*  
14 *any contributor who has an identification number assigned by the*  
15 *Secretary of State issued pursuant to Section 84101.*

16 SEC. 6. Section 84222 is added to the Government Code, to  
17 read:

18 84222. (a) For purposes of this title, “multipurpose  
19 organization” means an organization described in Sections  
20 501(c)(3) to 501(c)(10), inclusive, of the Internal Revenue Code  
21 and that is exempt from taxation under Section 501(a) of the  
22 Internal Revenue Code, a federal or out-of-state political  
23 organization, a trade association, a professional association, a  
24 civic organization, a religious organization, a fraternal society,  
25 an educational institution, or any other association or group of  
26 persons acting in concert, that is operating for purposes other  
27 than making contributions or expenditures. “Multipurpose  
28 organization” does not include a business entity, an individual,  
29 or a federal candidate’s authorized committee, as defined in  
30 Section 431 of Title 2 of the United States Code, that is registered  
31 and filing reports pursuant to the Federal Election Campaign Act  
32 of 1971.

33 (b) A multipurpose organization that makes expenditures or  
34 contributions and does not qualify as a committee pursuant to  
35 subdivision (c) may qualify as an independent expenditure  
36 committee or major donor committee if the multipurpose  
37 organization satisfies subdivision (b) or (c) of Section 82013.

38 (c) (1) Except as provided in paragraph (2), a multipurpose  
39 organization is a recipient committee within the meaning of

1 *subdivision (a) of Section 82013 only under one or more of the*  
2 *following circumstances:*

3 *(A) The multipurpose organization is a political committee*  
4 *registered with the Federal Election Commission, except as*  
5 *provided in subdivision (a) of this section, or a political committee*  
6 *registered with another state, and the multipurpose organization*  
7 *makes contributions or expenditures in this state in an amount*  
8 *equal to or greater than the amount identified in subdivision (a)*  
9 *of Section 82013.*

10 *(B) The multipurpose organization solicits and receives*  
11 *payments from donors in an amount equal to or greater than the*  
12 *amount identified in subdivision (a) of Section 82013 for the*  
13 *purpose of making contributions or expenditures.*

14 *(C) The multipurpose organization accepts payments from*  
15 *donors in an amount equal to or greater than the amount identified*  
16 *in subdivision (a) of Section 82013 subject to a condition,*  
17 *agreement, or understanding with the donor that all or a portion*  
18 *of the payments may be used for making contributions or*  
19 *expenditures.*

20 *(D) The multipurpose organization has existing funds from a*  
21 *donor and a subsequent agreement or understanding is reached*  
22 *with the donor that all or a portion of the funds may be used for*  
23 *making contributions or expenditures in an amount equal to or*  
24 *greater than the amount identified in subdivision (a) of Section*  
25 *82013. The date of the subsequent agreement or understanding is*  
26 *deemed to be the date of receipt of the payment.*

27 *(E) The multipurpose organization makes contributions or*  
28 *expenditures totaling more than fifty thousand dollars (\$50,000)*  
29 *in the preceding 12 months or more than one hundred thousand*  
30 *dollars (\$100,000) in any consecutive four calendar year period.*

31 *(2) (A) A multipurpose organization shall not qualify as a*  
32 *committee within the meaning of subdivision (a) of Section 82013*  
33 *pursuant to this subdivision if the multipurpose organization makes*  
34 *contributions or expenditures using only available nondonor funds.*  
35 *A multipurpose organization that makes contributions or*  
36 *expenditures with nondonor funds shall identify the source or*  
37 *sources of the funds used for the contribution or expenditure on*  
38 *its major donor or independent expenditure report.*

39 *(B) For purposes of this subdivision, “nondonor funds” means*  
40 *investment income, including capital gains, or income earned from*

1 *providing goods, services, or facilities, whether related or*  
2 *unrelated to the multipurpose organization’s program, sale of*  
3 *assets, or other receipts that are not derived from donations.*

4 *(d) A multipurpose organization that is a committee pursuant*  
5 *to subparagraph (A) of paragraph (1) of subdivision (c) shall*  
6 *comply with the registration and reporting requirements of this*  
7 *chapter, subject to the following:*

8 *(1) The multipurpose organization is not required to comply*  
9 *with subdivision (k) of Section 84211 for contributions and*  
10 *expenditures made to influence federal or out-of-state elections,*  
11 *which shall instead be reported as a single expenditure and be*  
12 *described as such on the campaign statement.*

13 *(2) A multipurpose organization registered with the Federal*  
14 *Election Commission is not subject to subdivisions (d) and (f) of*  
15 *Section 84211 but shall disclose the total amount of contributions*  
16 *received pursuant to subdivision (c) of Section 84211, and shall*  
17 *disclose the multipurpose organization’s name and identification*  
18 *number registered with the Federal Election Commission on the*  
19 *campaign statement.*

20 *(e) (1) A multipurpose organization that is a committee pursuant*  
21 *to subparagraph (B), (C), (D), or (E) of paragraph (1) of*  
22 *subdivision (c) shall comply with the registration and reporting*  
23 *requirements of this chapter, subject to the following, except that*  
24 *if the multipurpose organization is the sponsor of a committee as*  
25 *described in subdivision (f) it may report required information on*  
26 *its sponsored committee statement pursuant to subdivision (f):*

27 *(A) The multipurpose organization shall register in the calendar*  
28 *year in which it satisfies any of the criteria in paragraph (1) of*  
29 *subdivision (c). The statement of organization filed pursuant to*  
30 *Section 84101 shall indicate that the organization is filing pursuant*  
31 *to this section as a multipurpose organization and state the*  
32 *organization’s nonprofit tax exempt status, if any. The statement*  
33 *of organization shall also describe the organization’s mission or*  
34 *most significant activities, and describe the organization’s political*  
35 *activities. A multipurpose organization may comply with the*  
36 *requirement to describe the mission or significant activities and*  
37 *political activities by referencing where the organization’s Internal*  
38 *Revenue Service Return of Organization Exempt from Income Tax*  
39 *form may be accessed.*

1 (B) Except as provided in this subparagraph, the registration  
2 of a multipurpose organization that meets the criteria of  
3 subparagraph (E) of paragraph (1) of subdivision (c) shall  
4 terminate automatically on December 31 of the calendar year in  
5 which the multipurpose organization is registered. The  
6 multipurpose organization shall not be required to file a  
7 semiannual statement pursuant to subdivision (b) of Section 84200,  
8 unless the multipurpose organization has undisclosed contributions  
9 or expenditures to report, in which case termination shall occur  
10 automatically upon filing the semiannual statement that is due no  
11 later than January 31. After the multipurpose organization's  
12 registration has terminated, the multipurpose organization's  
13 reporting obligations are complete, unless the organization  
14 qualifies as a committee for purposes of subdivision (a) of Section  
15 82013 again in the following calendar year pursuant to subdivision  
16 (c) of this section. Notwithstanding this subdivision, a multipurpose  
17 organization may elect to remain registered as a committee by  
18 submitting written notification to the Secretary of State prior to  
19 the end of the calendar year.

20 (C) A multipurpose organization shall report all contributions  
21 received that satisfy the criteria of subparagraph (B), (C), or (D)  
22 of paragraph (1) of subdivision (c) of this section in the manner  
23 required by subdivision (f) of Section 84211, and for the balance  
24 of its contributions or expenditures shall further report contributors  
25 based on a last in, first out accounting method.

26 (2) A multipurpose organization reporting pursuant to this  
27 subdivision shall disclose total contributions received in an amount  
28 equal to the multipurpose organization's total contributions and  
29 expenditures made in the reporting period. When a multipurpose  
30 organization reports donors based on the last in, first out  
31 accounting method, it shall include the information required by  
32 subdivision (f) of Section 84211 for any donor who donates one  
33 thousand dollars (\$1,000) or more in a calendar year, except for  
34 the following:

35 (A) A donor who conditions the donation in a manner that  
36 prohibits the multipurpose organization from using the donation  
37 for contributions and expenditures.

38 (B) A private foundation, as defined by subdivision (a) of Section  
39 509 of the Internal Revenue Code, that provides a grant that does  
40 not constitute a taxable expenditure for purposes of paragraph (1)

1 or (2) of subdivision (d) of Section 4945 of the Internal Revenue  
2 Code.

3 (3) A multipurpose organization that is a committee pursuant  
4 to subparagraph (E) of paragraph (1) of subdivision (c) shall not  
5 be required to report contributions or expenditures received, or  
6 disclose the donors for those contributions or expenditures, if the  
7 contributions or expenditures were made in any prior calendar  
8 year in which the multipurpose organization did not qualify as a  
9 committee pursuant to subparagraph (E) of paragraph (1) of  
10 subdivision (c).

11 (4) A contributor identified and reported in the manner provided  
12 in subparagraph (C) of paragraph (1) that is a multipurpose  
13 organization and receives contributions that satisfy the criteria in  
14 subdivision (c) shall be subject to the requirements of this  
15 subdivision.

16 (5) The Commission shall adopt regulations establishing notice  
17 requirements and reasonable filing deadlines for donors reported  
18 as contributors based on the last in, first out accounting method.

19 (f) A multipurpose organization that is the sponsor of a  
20 committee as defined in Section 82048.7, that is a membership  
21 organization, and that makes all of its contributions and  
22 expenditures from funds derived from dues, assessments, fees, and  
23 similar payments that do not exceed ten thousand dollars (\$10,000)  
24 per calendar year from a single source shall report its  
25 contributions and expenditures on its sponsored committee's  
26 campaign statement as follows:

27 (1) The sponsored committee shall report all contributions and  
28 expenditures made from the sponsor's treasury funds on statements  
29 and reports filed by the committee. The sponsor shall use a last  
30 in, first out accounting method and disclose the information  
31 required by subdivision (f) of Section 84211 for any person who  
32 pays dues, assessments, fees, or similar payments of one thousand  
33 dollars (\$1,000) or more to the sponsor's treasury funds in a  
34 calendar year and shall disclose all contributions and expenditures  
35 made, as required by subdivision (k) of Section 84211, on the  
36 sponsored committee's campaign statements.

37 (2) The sponsored committee shall report all other contributions  
38 and expenditures in support of the committee by the sponsor, its  
39 intermediate units, and the members of those intermediate units.  
40 A sponsoring organization makes contributions and expenditures

1 *in support of its sponsored committee when it provides the*  
 2 *committee with money from its treasury funds, with the exception*  
 3 *of establishment or administrative costs. With respect to dues,*  
 4 *assessments, fees, and similar payments channeled through the*  
 5 *sponsor or an intermediate unit to a sponsored committee, the*  
 6 *original source of the dues, assessments, fees, and similar payments*  
 7 *is the contributor.*

8 (3) *A responsible officer of the sponsor, as well as the treasurer*  
 9 *of the sponsored committee, shall verify the committee's campaign*  
 10 *statement pursuant to section 81004.*

11 (g) *For purposes of this section, "last in, first out accounting*  
 12 *method" means an accounting method by which contributions and*  
 13 *expenditures are attributed to the multipurpose organization's*  
 14 *contributors in reverse chronological order beginning with the*  
 15 *most recent of its contributors or, if there are any prior*  
 16 *contributions or expenditures, beginning with the most recent*  
 17 *contributor for which unattributed contributions remain.*

18 ~~SEC. 5.~~

19 SEC. 7. Section 84223 is added to the Government Code, to  
 20 read:

21 84223. (a) A committee primarily formed to support or oppose  
 22 a state ballot measure or state candidate that raises one million  
 23 dollars (\$1,000,000) or more for an election shall maintain an  
 24 accurate list of the committee's top 10 contributors, as specified  
 25 by Commission regulations. A current list of the top 10 contributors  
 26 shall be provided to the Commission for disclosure on the  
 27 Commission's Internet Web site, as provided in subdivision (c).

28 (b) (1) Except as provided in paragraph (4), the list of top 10  
 29 contributors shall identify the names of the 10 persons who have  
 30 made the largest cumulative contributions to the committee, the  
 31 total amount of each person's contributions, the city and state of  
 32 the person, the person's committee identification number, if any,  
 33 and any other information deemed necessary by the Commission.  
 34 If any of the top 10 contributors identified on the list are  
 35 committees pursuant to subdivision (a) of Section 82013, the  
 36 Commission may require, by regulation, that the list also identify  
 37 the top 10 contributors to those contributing committees.

38 (2) (A) A committee primarily formed to support or oppose a  
 39 state ballot measure shall count the cumulative amount of  
 40 contributions received by the committee from a person for the

1 period beginning 12 months prior to the date the committee made  
2 its first expenditure to qualify, support, or oppose the measure and  
3 ending with the current date.

4 (B) A committee primarily formed to support or oppose a state  
5 candidate shall count the cumulative amount of contributions  
6 received by the committee from a person for the primary and  
7 general elections combined.

8 (3) The aggregation rules of Section 85311 and any  
9 implementing regulations adopted by the Commission shall apply  
10 in identifying the persons who have made the top 10 cumulative  
11 contributions to a committee.

12 (4) A person who makes contributions to a committee in a  
13 cumulative amount of less than ten thousand dollars (\$10,000)  
14 shall not be identified or disclosed as a top 10 contributor to a  
15 committee pursuant to this section.

16 (c) (1) The Commission shall adopt regulations to govern the  
17 manner in which the Commission shall display top 10 contributor  
18 lists provided by a committee that is subject to this section, and  
19 the Commission shall post the top 10 contributor lists on its Internet  
20 Web site in the manner prescribed by those regulations. The  
21 Commission shall provide the top 10 contributor lists to the  
22 Secretary of State, upon the request of the Secretary of State, for  
23 the purpose of additionally posting the contributor lists on the  
24 Secretary of State's Internet Web site.

25 (2) A committee shall provide an updated top 10 contributor  
26 list to the Commission when any of the following occurs:

27 (A) A new person qualifies as a top 10 contributor to the  
28 committee.

29 (B) A person who is an existing top 10 contributor makes  
30 additional contributions to the committee.

31 (C) A change occurs that alters the relative ranking order of the  
32 top 10 contributors.

33 (3) The 10 persons who have made the largest cumulative  
34 contributions to a committee shall be listed in order from largest  
35 contribution amount to smallest amount. If two or more  
36 contributors of identical amounts meet the threshold for inclusion  
37 in the list of top 10 contributors, the order of disclosure shall be  
38 made beginning with the most recent contributor of that amount.

39 (4) The Commission shall post or update a top 10 contributor  
40 list within five business days or, during the 16 days before the

1 election, within 48 hours of a contributor qualifying for the list or  
2 of any change to the list.

3 (d) In listing the top 10 contributors, a committee shall use  
4 reasonable efforts to identify and state the actual individuals or  
5 corporations that are the true sources of the contributions made to  
6 the committee from other persons or committees.

7 (e) In addition to any other lists that the Commission is required  
8 to post on its Internet Web site, the Commission shall compile,  
9 maintain, and display on its Internet Web site a current list of the  
10 top 10 contributors supporting and opposing each state ballot  
11 measure, as prescribed by Commission regulations.

12 ~~SEC. 6.~~

13 *SEC. 8.* Section 88001 of the Government Code is amended  
14 to read:

15 88001. The ballot pamphlet shall contain all of the following:

16 (a) A complete copy of each state measure.

17 (b) A copy of the specific constitutional or statutory provision,  
18 if any, that would be repealed or revised by each state measure.

19 (c) A copy of the arguments and rebuttals for and against each  
20 state measure.

21 (d) A copy of the analysis of each state measure.

22 (e) Tables of contents, indexes, art work, graphics, and other  
23 materials that the Secretary of State determines will make the ballot  
24 pamphlet easier to understand or more useful for the average voter.

25 (f) A notice, conspicuously printed on the cover of the ballot  
26 pamphlet, indicating that additional copies of the ballot pamphlet  
27 will be mailed by the county elections official upon request.

28 (g) A written explanation of the judicial retention procedure as  
29 required by Section 9083 of the Elections Code.

30 (h) The Voter Bill of Rights pursuant to Section 2300 of the  
31 Elections Code.

32 (i) If the ballot contains an election for the office of United  
33 States Senator, information on candidates for United States Senator.  
34 A candidate for United States Senator may purchase the space to  
35 place a statement in the state ballot pamphlet that does not exceed  
36 250 words. The statement may not make any reference to any  
37 opponent of the candidate. The statement shall be submitted in  
38 accordance with timeframes and procedures set forth by the  
39 Secretary of State for the preparation of the state ballot pamphlet.

1 (j) If the ballot contains a question as to the confirmation or  
2 retention of a justice of the Supreme Court, information on justices  
3 of the Supreme Court who are subject to confirmation or retention.

4 (k) If the ballot contains an election for the offices of President  
5 and Vice President of the United States, a notice that refers voters  
6 to the Secretary of State's Internet Web site for information about  
7 candidates for the offices of President and Vice President of the  
8 United States.

9 (l) A written explanation of the appropriate election procedures  
10 for party-nominated, voter-nominated, and nonpartisan offices as  
11 required by Section 9083.5 of the Elections Code.

12 (m) A written explanation of the top 10 contributor lists required  
13 by Section 84223, including a description of the Internet Web sites  
14 where those lists are available to the public.

15 ~~SEC. 7.~~

16 *SEC. 9.* No reimbursement is required by this act pursuant to  
17 Section 6 of Article XIII B of the California Constitution because  
18 the only costs that may be incurred by a local agency or school  
19 district will be incurred because this act creates a new crime or  
20 infraction, eliminates a crime or infraction, or changes the penalty  
21 for a crime or infraction, within the meaning of Section 17556 of  
22 the Government Code, or changes the definition of a crime within  
23 the meaning of Section 6 of Article XIII B of the California  
24 Constitution.

25 ~~SEC. 8.~~

26 *SEC. 10.* The Legislature finds and declares that this bill  
27 furthers the purposes of the Political Reform Act of 1974 within  
28 the meaning of subdivision (a) of Section 81012 of the Government  
29 Code.

O