

AMENDED IN ASSEMBLY APRIL 14, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 700

Introduced by Assembly Members Gomez and Levine

February 25, 2015

An act to ~~add Section 84503.1 to~~ *amend Section 84511* of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 700, as amended, Gomez. Political Reform Act of 1974: advertisement disclosures.

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. Existing law additionally imposes *a disclosure statement requirements requirement* with respect to advertisements supporting or opposing a candidate or ballot measure paid for by ~~donors making contributions of specified amounts or by independent expenditures and~~ defines several terms and phrases for these purposes *a committee that makes an expenditure of \$5,000 or more*.

This bill would ~~impose new disclosure statement requirements for political advertisements regarding a ballot measure paid for by specified committees that are radio advertisements, prerecorded telephonic messages, or television or video advertisements that would require the identification of identifiable contributors, as defined~~ *require that if the advertisement is a television or video advertisement, the disclosure statement shall be shown continuously*.

This bill would also state the intent of the Legislature to enact legislation that would implement a California Disclose Act, ~~with provisions similar to a specified bill from the 2013–14 Regular Session of the Legislature.~~

Because a violation of the act is punishable as a misdemeanor, 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 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. *It is the intent of the Legislature to enact*
2 *legislation that would implement a California Disclose Act to*
3 *ensure that advertisements that seek to persuade voters to cast a*
4 *vote in favor or against ballot measures do not mislead voters as*
5 *to who is funding the campaign that paid for the advertisement.*

6 SEC. 2. *Section 84511 of the Government Code is amended to*
7 *read:*

8 84511. (a) This section applies to a committee that does either
9 of the following:

10 (1) Makes an expenditure of five thousand dollars (\$5,000) or
11 more to an individual for his or her appearance in an advertisement
12 that supports or opposes the qualification, passage, or defeat of a
13 ballot measure.

14 (2) Makes an expenditure of any amount to an individual for
15 his or her appearance in an advertisement that supports or opposes
16 the qualification, passage, or defeat of a ballot measure and that
17 states or suggests that the individual is a member of an occupation
18 that requires licensure, certification, or other specialized,
19 documented training as a prerequisite to engage in that occupation.

1 (b) A committee described in subdivision (a) shall file, within
2 10 days of the expenditure, a report that includes all of the
3 following:

4 (1) An identification of the measure that is the subject of the
5 advertisement.

6 (2) The date of the expenditure.

7 (3) The amount of the expenditure.

8 (4) The name of the recipient of the expenditure.

9 (5) For a committee described in paragraph (2) of subdivision
10 (a), the occupation of the recipient of the expenditure.

11 (c) An advertisement paid for by a committee described in
12 paragraph (1) of subdivision (a) shall include a disclosure statement
13 stating “(spokesperson’s name) is being paid by this campaign or
14 its donors” in highly visible roman font shown continuously if the
15 advertisement consists of printed or televised material, or spoken
16 in a clearly audible format if the advertisement is a radio broadcast
17 or telephonic message. *If the advertisement is a television or video*
18 *advertisement, the statement shall be shown continuously.*

19 (d) (1) An advertisement paid for by a committee described in
20 paragraph (2) of subdivision (a) shall include a disclosure statement
21 stating “Persons portraying members of an occupation in this
22 advertisement are compensated spokespersons not necessarily
23 employed in those occupations” in highly visible roman font shown
24 continuously if the advertisement consists of printed or televised
25 material, or spoken in a clearly audible format if the advertisement
26 is a radio broadcast or telephonic message.

27 (2) A committee may omit the disclosure statement required by
28 this subdivision if all of the following are satisfied with respect to
29 each individual identified in the report filed pursuant to subdivision
30 (b) for that advertisement:

31 (A) The occupation identified in the report is substantially
32 similar to the occupation portrayed in the advertisement.

33 (B) The committee maintains credible documentation of the
34 appropriate license, certification, or other training as evidence that
35 the individual may engage in the occupation identified in the report
36 and portrayed in the advertisement and makes that documentation
37 immediately available to the Commission upon request.

38 ~~SECTION 1. The Legislature finds and declares all of the~~
39 ~~following:~~

1 ~~(a) Ever-increasing amounts of funds are raised and spent in~~
2 ~~support of and opposition to state and local ballot measures,~~
3 ~~especially in the form of advertisements. The outcomes of such~~
4 ~~elections are disproportionately impacted by campaign expenditures~~
5 ~~in support of and opposition to those measures.~~

6 ~~(b) Ever-increasing amounts of funds are spent on campaigns~~
7 ~~by persons who do one or more of the following:~~

8 ~~(1) Frequently use their wealth to fund local and state ballot~~
9 ~~measures designed to advance their own economic interests.~~

10 ~~(2) Increasingly avoid having their identities disclosed in~~
11 ~~election-related advertisements by channeling funds through one~~
12 ~~or more persons before those funds are received by a committee,~~
13 ~~thereby undermining the purpose and intent of laws requiring~~
14 ~~disclosure on such advertisements.~~

15 ~~(3) Spend extraordinary amounts of money running~~
16 ~~election-related advertisements while hiding behind dubious and~~
17 ~~misleading names, including, but not limited to, advertisements~~
18 ~~by primarily formed committees and general purpose committees.~~

19 ~~(4) Increasingly evade disclosure by funding advertisements~~
20 ~~designed to persuade voters without expressly advocating support~~
21 ~~or opposition.~~

22 ~~(e) The activities described in subdivision (b) cause the public~~
23 ~~to become increasingly disaffected with the democratic process,~~
24 ~~discouraging participation in elections and coloring public~~
25 ~~perceptions of the legitimacy and integrity of state and local~~
26 ~~government.~~

27 ~~(d) The people of California and their government officials have~~
28 ~~a compelling interest in knowing the true and original source of~~
29 ~~committee funding and receiving clear information identifying the~~
30 ~~largest original contributors responsible for political advertisements~~
31 ~~funded by such committees.~~

32 ~~(e) The disclosure of original contributors on advertisements~~
33 ~~serves the following important governmental and societal purposes:~~

34 ~~(1) Providing the people and government officials current and~~
35 ~~easily accessible information regarding who is funding~~
36 ~~advertisements that are intended to influence their votes on ballot~~
37 ~~measures.~~

38 ~~(2) Enabling the people and government officials to identify~~
39 ~~potential bias in advertisements to assist them in making more~~

1 informed decisions and giving proper weight to different speakers
2 and messages.

3 ~~(3) Deterring actual corruption and avoiding the appearance of~~
4 ~~corruption by providing increased transparency of contributions~~
5 ~~and expenditures.~~

6 ~~(4) Improving the people's confidence in the democratic process~~
7 ~~and increasing their motivation to actively participate in that~~
8 ~~process by regular voting and other forms of civic engagement.~~

9 ~~(5) Promoting compliance with and detecting violations of the~~
10 ~~Political Reform Act of 1974 (Title 9 (commencing with Section~~
11 ~~81000) of the Government Code), while also addressing the~~
12 ~~problems and advancing the state interests described in that act.~~

13 ~~SEC. 2. It is the intent of the Legislature to enact legislation~~
14 ~~that would implement a California Disclose Act consistent with~~
15 ~~the provisions of Senate Bill 52 of the 2013-14 Regular Session~~
16 ~~of the Legislature.~~

17 ~~SEC. 3. Section 84503.1 is added to the Government Code, to~~
18 ~~read:~~

19 ~~84503.1. (a) For purposes of this section, "identifiable~~
20 ~~contributor" means a person that is the original source of funds~~
21 ~~for contributions received by a committee that cumulatively total~~
22 ~~fifty thousand dollars (\$50,000) or more, notwithstanding the fact~~
23 ~~that the contributions were transferred, in whole or in part, through~~
24 ~~one or more other committees or persons.~~

25 ~~(b) A committee that is a candidate controlled committee as~~
26 ~~defined in Section 82016 or a political party committee as defined~~
27 ~~in Section 85205 is not subject to the disclosure statement~~
28 ~~requirements of this section.~~

29 ~~(c) An advertisement regarding a ballot measure that is a radio~~
30 ~~advertisement or prerecorded telephonic message shall include a~~
31 ~~disclosure statement at the beginning or end of the advertisement~~
32 ~~read in a clearly spoken manner and in a pitch and tone~~
33 ~~substantially similar to the rest of the advertisement that reads as~~
34 ~~follows: "This ad has major funding from [state names in~~
35 ~~descending order of identifiable contributors who have made the~~
36 ~~two largest cumulative contributions to the committee that paid~~
37 ~~for the advertisement]. Paid for by [name of the committee that~~
38 ~~paid for the advertisement]."~~

39 ~~(d) An advertisement regarding a ballot measure that is a~~
40 ~~television or video advertisement shall include a disclosure area~~

1 with a solid black background on the entire bottom one-third of
2 the television or video display screen at the beginning or end of
3 the advertisement for a minimum of five seconds in the case of an
4 advertisement that lasts 30 seconds or less or a minimum of 10
5 seconds in the case of an advertisement that lasts longer than 30
6 seconds. The disclosure area shall include the following text: “Paid
7 for by [name of the committee that paid for the advertisement].
8 This ad has major funding from [state names in descending order
9 of identifiable contributors who have made the three largest
10 cumulative contributions to the committee that paid for the
11 advertisement].” The text shall be in a contrasting color in Arial
12 Narrow equivalent font, and the type size shall be at least 4 percent
13 of the height of the television or video display screen and shall be
14 centered horizontally.

15 (e) The requirements of this section are in addition to any other
16 requirements imposed by this article.

17 ~~SEC. 4.~~

18 *SEC. 3.* No reimbursement is required by this act pursuant to
19 Section 6 of Article XIII B of the California Constitution because
20 the only costs that may be incurred by a local agency or school
21 district will be incurred because this act creates a new crime or
22 infraction, eliminates a crime or infraction, or changes the penalty
23 for a crime or infraction, within the meaning of Section 17556 of
24 the Government Code, or changes the definition of a crime within
25 the meaning of Section 6 of Article XIII B of the California
26 Constitution.

27 ~~SEC. 5.~~

28 *SEC. 4.* The Legislature finds and declares that this bill furthers
29 the purposes of the Political Reform Act of 1974 within the
30 meaning of subdivision (a) of Section 81012 of the Government
31 Code.