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AMENDED IN ASSEMBLY JANUARY 7, 2016

AMENDED IN ASSEMBLY MAY 21, 2015

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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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**ASSEMBLY BILL**

**No. 700**

**Introduced by Assembly Members Gomez and Levine**

February 25, 2015

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An act to amend Sections 82025, 84305, 84310, 84501, 84505, ~~and~~ 84511, *and* 85704 of, to add Sections 84504.1, 84504.2, and 84504.3 to, to repeal Sections 84506, 84507, and 84508 of, and to repeal and add Sections 84502, 84503, 84504, and 84509 of, the Government Code, relating to the Political Reform Act of 1974 *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

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

(1) Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing and activities. The act requires a committee that supports or opposes ballot measures to name and identify itself using a name or phrase that clearly identifies the economic or other special interests of its major donors of \$50,000 or more. The act also requires that if the major donors share a common employer, the identity of the employer be disclosed.

This bill would repeal these provisions.

(2) *The act defines the term “expenditure” as a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, unless it is clear from the surrounding circumstances that it is not made for political purposes.*

*This bill would specify additional types of payments that are or are not included in the definition of expenditure. The bill would also define terms used within those provisions, including “clearly identified” and “expressly advocates.”*

(3) *The act prohibits a candidate, committee, or slate mailer organization from expending campaign funds to pay for specified telephone calls that advocate support of, or opposition to, a candidate, ballot measure, or both, unless the name of the organization that authorized or paid for the call is disclosed to the recipient of the call during the course of each call.*

*This bill would instead make these requirements applicable to a candidate, a candidate controlled committee established for elective office for the controlling candidate, a political party committee, and a slate mailer organization that expends campaign funds to pay for such telephone calls.*

(4) *The act also requires advertisements, as defined, to include prescribed disclosure statements, including, among others, a requirement that the disclosure statement include the names of the persons who made the 2 highest cumulative contributions, as defined, to the committee paying for the advertisement.*

*This bill would repeal and recast provisions of the act relating to advertisement disclosure statements. Among those changes, this bill would revise the definition of “advertisement” to exclude a number of communications, including communications paid for by a political party committee or person who is not a committee, and communications that involve wearing apparel, sky writing, and certain electronic media communications, as specified. The bill would also replace existing advertisement disclosure statements with newly prescribed disclosure statements that identify the name of the committee paying for the advertisement and the top contributors of the committee paying for the advertisement. The bill would define “top contributors” for purposes of these provisions as the persons from whom the committee paying for the advertisement received its 3 highest cumulative contributions, as specified. The bill would exempt certain committees, including committees that make independent expenditures totaling \$1,000 or more in a calendar year, from the requirement to disclose the top contributors*

in advertisement disclosure statements. The bill would also prescribe location and format criteria for the disclosure statements that is specific to radio and telephone, television and video, print, and electronic media advertisements.

(5) *The act prohibits a person from making a contribution as an intermediary on behalf of another person without disclosing to the recipient of the contribution specified information about both the intermediary and the source of the contribution. The act also prohibits a person from making a contribution to a committee on the condition or with the agreement that it will be contributed to a particular candidate unless the contribution is disclosed in compliance with those requirements for contributions made by an intermediary.*

*This bill would revise the latter provision to prohibit a person from making a contribution to a committee or candidate that is earmarked for a contribution to another committee or candidate, unless the contribution is disclosed in compliance with the requirements for contributions made by an intermediary. The bill would also describe circumstances in which a contribution is deemed to be earmarked.*

(6) 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.

(7) 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.

(8) *This bill would declare that it is to take effect immediately as an urgency statute.*

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 82025 of the Government Code is  
2 amended to read:

1 82025. (a) “Expenditure” means a payment, a forgiveness of  
2 a loan, a payment of a loan by a third party, or an enforceable  
3 promise to make a payment, unless it is clear from the surrounding  
4 circumstances that it is not made for political purposes.  
5 “Expenditure” does not include a candidate’s use of his or her own  
6 money to pay for either a filing fee for a declaration of candidacy  
7 or a candidate statement prepared pursuant to Section 13307 of  
8 the Elections Code. An expenditure is made on the date the  
9 payment is made or on the date consideration, if any, is received,  
10 whichever is earlier. *A payment is made for political purposes if*  
11 *it is any of the following:*

12 (1) *For the purpose of influencing or attempting to influence*  
13 *the action of the voters for or against the nomination or election*  
14 *of a candidate or candidates, or the qualification or passage of*  
15 *any measure.*

16 (2) *Made by:*

17 (A) *A candidate, unless it is clear from surrounding*  
18 *circumstances that the payment was made for personal purposes*  
19 *unrelated to his or her candidacy or status as an officeholder.*

20 (B) *A controlled committee.*

21 (C) *An official committee of a political party, including a state*  
22 *central committee, county central committee, assembly district*  
23 *committee, or any subcommittee of such committee.*

24 (D) *An organization formed or existing primarily for political*  
25 *purposes as defined in paragraph (1), including, but not limited*  
26 *to, a committee sponsored by any membership organization, labor*  
27 *union, or corporation.*

28 (b) *“Expenditure” includes any monetary or non-monetary*  
29 *payment made by any person, who is not a person or organization*  
30 *described in paragraph (2) of subdivision (a), that is used for*  
31 *communications which expressly advocate the nomination, election,*  
32 *or defeat of a clearly identified candidate or candidates, or the*  
33 *qualification, passage, or defeat of a clearly identified ballot*  
34 *measure.*

35 (c) *“Clearly identified” has the following meaning:*

36 (1) *A candidate is clearly identified if the communication states*  
37 *his name, makes unambiguous reference to his office or status as*  
38 *a candidate, or unambiguously describes him in any manner.*

39 (2) *A group of candidates is clearly identified if the*  
40 *communication makes unambiguous reference to some well-defined*

1 *characteristic of the group, even if the communication does not*  
2 *name each candidate. A communication that clearly identifies a*  
3 *group of candidates and expressly advocates their election or*  
4 *defeat is reportable as an expenditure, but the expenditure need*  
5 *not be allocated among all members of the class or group on the*  
6 *campaign statement reporting the expenditure.*

7 (3) *A measure that has qualified to be placed on the ballot is*  
8 *clearly identified if the communication states a proposition number,*  
9 *official title, or popular name associated with the measure. In*  
10 *addition, the measure is clearly identified if the communication*  
11 *refers to the subject matter of the measure and either states that*  
12 *the measure is before the people for a vote or, taken as a whole*  
13 *and in context, unambiguously refers to the measure.*

14 (4) *A measure that has not qualified to be placed on the ballot*  
15 *is clearly identified if the communication refers to the subject*  
16 *matter of the measure and to the qualification drive.*

17 (d) *A communication “expressly advocates” the nomination,*  
18 *election, or defeat of a candidate or the qualification, passage, or*  
19 *defeat of a measure if it contains express words of advocacy such*  
20 *as “vote for,” “elect,” “support,” “cast your ballot,” “vote*  
21 *against,” “defeat,” “reject,” “sign petitions for” or, within 120*  
22 *days prior to an election in which the candidate or measure*  
23 *appears on the ballot, the communication otherwise refers to a*  
24 *clearly identified candidate or measure so that the communication,*  
25 *taken as a whole, unambiguously urges a particular result in an*  
26 *election.*

27 (1) *Except for those communications paid for with public monies*  
28 *by a state or local government agency and reported as specified*  
29 *by the Commission, a communication, taken as a whole,*  
30 *unambiguously urges a particular result in an election if it is*  
31 *susceptible of no reasonable interpretation other than as an appeal*  
32 *to vote for or against a specific candidate or measure. A*  
33 *communication is susceptible of no reasonable interpretation other*  
34 *than as an appeal to vote for or against a specific candidate or*  
35 *measure when, taken as a whole, it could only be interpreted by*  
36 *a reasonable person as containing an appeal to vote for or against*  
37 *a specific candidate or measure because:*

38 (A) *The electoral portion of the communication is unmistakable,*  
39 *unambiguous, and suggestive of only one meaning; and*

1 (B) Reasonable minds could not differ as to whether it  
 2 encourages a vote for or against a clearly identified candidate or  
 3 measure, or encourages some other kind of action on a legislative,  
 4 executive, or judicial matter or issue, or

5 (C) The solicitation of funds for the communication demonstrates  
 6 a clear intent for the communication to encourage a vote for or  
 7 against a clearly identified candidate or measure.

8 (e) Safe Harbor. A communication does not “expressly  
 9 advocate” the nomination, election, or defeat of a candidate or  
 10 the qualification, passage, or defeat of a ballot measure, within  
 11 the meaning of this section, if:

12 (1) It does not mention an election, candidacy, political party  
 13 (unless required by law), opposing candidate, voting by the general  
 14 public, and does not take a position on the character,  
 15 qualifications, or fitness for office of a candidate or officeholder,  
 16 or the merits of a ballot measure; and

17 (2) It focuses on a legislative, executive, or judicial matter or  
 18 issue, either urging a candidate to take a particular position or  
 19 action with respect to the matter or issue, or urging the public to  
 20 adopt a particular position and to contact the candidate with  
 21 respect to the matter or issue.

22 SEC. 2. Section 84305 of the Government Code is amended to  
 23 read:

24 84305. (a) Except as provided in subdivision (b), no candidate,  
 25 candidate controlled committee established for elective office for  
 26 the controlling candidate, political party committee, or committee  
 27 shall send a mass mailing unless the name, street address, and city  
 28 of the candidate or committee are shown on the outside of each  
 29 piece of mail in the mass mailing and on at least one of the inserts  
 30 included within each piece of mail of the mailing in no less than  
 31 6-point type which shall be in a color or print which contrasts with  
 32 the background so as to be easily legible. A post office box may  
 33 be stated in lieu of a street address if the organization’s candidate’s,  
 34 controlled committee’s, political party committee’s, or committee’s  
 35 address is a matter of public record with the Secretary of State.

36 (b) If the sender of the mass mailing is a single candidate or  
 37 committee, the name, street address, and city of the candidate or  
 38 committee need only be shown on the outside of each piece of  
 39 mail.

1 (c) If the sender of a mass mailing is a controlled committee,  
2 the name of the person controlling the committee shall be included  
3 in addition to the information required by subdivision (a).

4 *SEC. 3. Section 84310 of the Government Code is amended to*  
5 *read:*

6 84310. (a) A candidate, *candidate controlled committee*  
7 *established for elective office for the controlling candidate,*  
8 *political party* committee, or slate mailer organization may not  
9 expend campaign funds, directly or indirectly, to pay for telephone  
10 calls that are similar in nature and aggregate 500 or more in  
11 number, made by an individual, or individuals, or by electronic  
12 means and that advocate support of, or opposition to, a candidate,  
13 ballot measure, or both, unless during the course of each call the  
14 name of the *candidate, candidate controlled committee established*  
15 *for elective office for the controlling candidate, political party*  
16 *committee, committee or slate mailer* organization that authorized  
17 or paid for the call is disclosed to the recipient of the call. Unless  
18 the organization that authorized the call and in whose name it is  
19 placed has filing obligations under this title, and the name  
20 announced in the call either is the full name by which the  
21 organization or individual is identified in any statement or report  
22 required to be filed under this title or is the name by which the  
23 organization or individual is commonly known, the candidate,  
24 committee, or slate mailer organization that paid for the call shall  
25 be disclosed. This section shall not apply to telephone calls made  
26 by the candidate, the campaign manager, or individuals who are  
27 volunteers.

28 (b) Campaign and ballot measure committees are prohibited  
29 from contracting with any phone bank vendor that does not disclose  
30 the information required to be disclosed by subdivision (a).

31 (c) A candidate, committee, or slate mailer organization that  
32 pays for telephone calls as described in subdivision (a) shall  
33 maintain a record of the script of the call for the period of time set  
34 forth in Section 84104. If any of the calls qualifying under  
35 subdivision (a) were recorded messages, a copy of the recording  
36 shall be maintained for that period.

37 **SECTION 4.**

38 *SEC. 4. Section 84501 of the Government Code is amended*  
39 *to read:*

1 84501. For purposes of this article the following terms have  
2 the following meanings:

3 (a) (1) “Advertisement” means any general or public  
4 communication which is authorized and paid for by a committee  
5 for the purpose of supporting or opposing a candidate or candidates  
6 for elective office or a ballot measure or ballot measures.

7 (2) “Advertisement” does not include any of the following:

8 (A) A communication paid for by a political party committee  
9 or a candidate controlled committee established for elective office  
10 for the controlling candidate.

11 (B) A communication from an organization, other than a political  
12 party, to its members.

13 (C) A campaign button smaller than 10 inches in diameter; a  
14 bumper sticker smaller than 60 square inches; or a small tangible  
15 promotional item, such as a pen, pin, or key chain, upon which the  
16 disclosures required by this article cannot be conveniently printed  
17 or displayed.

18 (D) Wearing apparel.

19 (E) Sky writing.

20 (F) An electronic media communication where inclusion of the  
21 disclosures required by Sections 84502, 84503, or 84506.5, is  
22 impracticable or would severely interfere with the committee’s  
23 ability to convey the intended message because of the nature of  
24 the technology used to make the communication.

25 (G) Any other advertisement as determined by regulations of  
26 the Commission.

27 (b) “Cumulative contributions” means the cumulative amount  
28 of contributions received by a committee beginning 12 months  
29 prior to the date of the expenditure and ending seven days before  
30 the time the advertisement is sent to the printer or broadcaster.

31 (c) (1) “Top contributors” means the persons from whom the  
32 committee paying for an advertisement has received its three  
33 highest cumulative contributions of fifty thousand dollars (\$50,000)  
34 or more.

35 (2) If two or more contributors of identical amounts qualify as  
36 top contributors, the most recent contributor of that amount shall  
37 be listed as the top contributor in any disclosure required by Section  
38 84503.

39 (3) If a contributor appears to qualify as a top contributor but  
40 received earmarked funds to make the contribution, the person or

1 committee that earmarked the funds and gave those funds to the  
2 contributor shall instead be disclosed as the top contributor if they  
3 qualified as such. The person or committee transferring earmarked  
4 funds shall disclose the true source of the funds to the committee  
5 receiving the earmarked funds at the time the funds are transferred.  
6 Funds are “earmarked” in the following circumstances:

7 (A) The contributor solicited and received the funds from donors  
8 for the purpose of making a contribution to the committee paying  
9 for the advertisement.

10 (B) The funds were given to the contributor subject to a  
11 condition, agreement, or understanding with the donor that all or  
12 a portion would be used to make a contribution to the committee  
13 paying for the advertisement, including any circumstance where  
14 the donor identifies the committee as a potential recipient of the  
15 contribution and the committee in fact receives all or a portion of  
16 the donor’s contribution.

17 (C) The contributor had existing funds from a donor and a  
18 subsequent agreement or understanding was reached with the donor  
19 that all or a portion of the funds would be used to contribute to the  
20 committee paying for the advertisement, including any  
21 circumstance where the donor identifies the committee as a  
22 potential recipient of the contribution and the committee in fact  
23 receives all or a portion of the donor’s contribution.

24 ~~SEC. 2.~~

25 *SEC. 5.* Section 84502 of the Government Code is repealed.

26 ~~SEC. 3.~~

27 *SEC. 6.* Section 84502 is added to the Government Code, to  
28 read:

29 84502. (a) Any advertisement paid for by a committee pursuant  
30 to subdivision (a) of Section 82013 shall include the words “Paid  
31 for by” followed by the name of the committee as it appears on  
32 the most recent Statement of Organization filed pursuant to Section  
33 84101.

34 (b) Any advertisement paid for by a committee as defined by  
35 subdivision (b) or (c) of Section 82013 shall include the words  
36 “Paid for by” followed by the name that the filer is required to use  
37 on campaign statements pursuant to subdivision (o) of Section  
38 84211.

39 ~~SEC. 4.~~

40 *SEC. 7.* Section 84503 of the Government Code is repealed.

1     ~~SEC. 5.~~

2     *SEC. 8.* Section 84503 is added to the Government Code, to  
3 read:

4     84503. (a) Any advertisement paid for by a committee pursuant  
5 to subdivision (a) of Section 82013 shall include the words “This  
6 committee has major funding from” followed by the names of the  
7 top contributors to the committee paying for the advertisement. If  
8 fewer than three contributors qualify as top contributors, only those  
9 contributors that qualify shall be disclosed pursuant to this section.  
10 If there are no contributors that qualify as top contributors, this  
11 disclosure is not required. If the content of the advertisement names  
12 each of the top contributors as major funding sources of the  
13 committee, this disclosure is not required.

14     (b) The disclosure of a top contributor pursuant to this section  
15 need not include legal terms such as “incorporated,” “committee,”  
16 “political action committee,” or “corporation,” or abbreviations  
17 of these terms, unless the term is part of the contributor’s name in  
18 common usage or parlance.

19     (c) If this article requires the disclosure of the name of a top  
20 contributor that is a committee pursuant to subdivision (a) of  
21 Section 82013 and is a sponsored committee pursuant to 82048.7  
22 with a single sponsor, only the name of the single sponsoring  
23 organization shall be disclosed.

24     (d) This section does not apply to a committee as defined by  
25 subdivision (b) or (c) of Section 82013 or a political party  
26 committee.

27     ~~SEC. 6.~~

28     *SEC. 9.* Section 84504 of the Government Code is repealed.

29     ~~SEC. 7.~~

30     *SEC. 10.* Section 84504 is added to the Government Code, to  
31 read:

32     84504. (a) An advertisement that is disseminated over the  
33 radio or by telephonic means shall include the disclosures required  
34 by Sections 84502, 84503, and 84506.5 at the beginning or end of  
35 the advertisement, read in a clearly spoken manner and in a pitch  
36 and tone substantially similar to the rest of the advertisement, and  
37 shall last no less than three seconds.

38     (b) Notwithstanding the definition of “top contributors” in  
39 paragraph (1) of subdivision (c) of Section 84501, radio and  
40 prerecorded telephonic advertisements shall be required to disclose

1 only the single top contributor of fifty thousand dollars (\$50,000)  
2 or more.

3 ~~SEC. 8.~~

4 *SEC. 11.* Section 84504.1 is added to the Government Code,  
5 to read:

6 84504.1. (a) An advertisement that is disseminated as a video,  
7 including advertisements on television and videos disseminated  
8 over the Internet, shall include the disclosures required by Sections  
9 84502 and 84503 at the beginning or end of the advertisement.

10 (b) The disclosure required by subdivision (a) shall be written  
11 and displayed for at least five seconds of a broadcast of thirty  
12 seconds or less or for at least ten seconds of a broadcast that lasts  
13 longer than thirty seconds.

14 (1) The written disclosure required by subdivision (a) shall  
15 appear on a solid black background on the entire bottom one-third  
16 of the television or video display screen and shall be in a  
17 contrasting color in Arial equivalent type, and the type size for the  
18 tallest letters in the written disclosure shall be exactly 4 percent  
19 of the height of the television or video display screen. The top  
20 contributors, if any, shall each be disclosed on a separate horizontal  
21 line, in descending order, beginning with the top contributor who  
22 made the largest cumulative contributions on the first line. The  
23 name of each of the top contributors shall be centered horizontally.  
24 If the names of the top three contributors exceed or cause the  
25 disclosure to exceed one-third of the television or video display  
26 screen, the percent of the height of the type size shall be reduced  
27 to the minimum amount necessary to provide for full disclosure  
28 of the top contributors. The written disclosures required by Sections  
29 84502 and 84503 shall be underlined, except for the names of the  
30 top contributors, if any.

31 (2) Committees subject to Section 84223 shall include the text  
32 “Funding Details At [insert Commission Internet Web site with  
33 information required to be posted by subdivision (c) of Section  
34 84223].” The text shall be in contrasting color in Arial equivalent  
35 type and the type size shall be equivalent to at least 2.5 percent of  
36 the height of the television or video display screen.

37 (3) If using a type size of 4 percent of the height of the television  
38 or video display screen causes the name of any of the top  
39 contributors to exceed the width of the screen, the type sizes of  
40 the name of the contributor that exceeds the width of the screen

1 shall be reduced until it fits on the width of the screen, but in no  
2 case shall the type size be smaller than 2.5 percent of the height  
3 of the screen.

4 ~~SEC. 9.~~

5 *SEC. 12.* Section 84504.2 is added to the Government Code,  
6 to read:

7 84504.2. (a) A print advertisement shall include the disclosures  
8 required by Sections 84502, 84503, and 84506.5, displayed as  
9 follows:

10 (1) The disclosure area shall have a solid white background and  
11 shall be in a printed or drawn box on the bottom of at least one  
12 page that is set apart from any other printed matter. All text in the  
13 disclosure area shall be in contrasting color.

14 (2) The text shall be in an Arial equivalent type with a type size  
15 of at least 10-point for printed advertisements designed to be  
16 individually distributed, including, but not limited to, mailers,  
17 flyers, and door hangers.

18 (3) The top contributors, if any, shall each be disclosed on a  
19 separate horizontal line, in descending order, beginning with the  
20 top contributor who made the largest cumulative contributions on  
21 the first line. The name of each of the top contributors shall be  
22 centered horizontally in the disclosure area.

23 (4) Immediately below the text described in paragraph (3),  
24 committees subject to Section 84223 shall include the text  
25 “Funding Details At [insert Commission Internet Web site with  
26 information required to be posted by subdivision (c) of Section  
27 84223].” The text shall be in an Arial equivalent type with a type  
28 size of at least 10-point for printed advertisements designed to be  
29 individually distributed, including but not limited to mailers, flyers  
30 and door hangers.

31 (b) Notwithstanding paragraphs (2) and (4) of subdivision (a),  
32 the disclosure on a printed advertisement that is larger than those  
33 designed to be individually distributed, including, but not limited  
34 to, yard signs or billboards, shall be in Arial equivalent type with  
35 a type size of at least 10 percent of the height of the advertisement,  
36 and printed on a solid background with sufficient contrast that is  
37 easily readable by the average person.

38 (c) Notwithstanding the definition of “top contributors” in  
39 paragraph (1) of subdivision (c) of Section 84501, newspaper,  
40 magazine, or other public print advertisements that are 20 square

1 inches or less shall be required to disclose only the single top  
2 contributor of fifty thousand dollars (\$50,000) or more.

3 ~~SEC. 10.~~

4 *SEC. 13.* Section 84504.3 is added to the Government Code,  
5 to read:

6 84504.3. (a) An electronic media advertisement shall do all  
7 of the following:

8 (1) Contain the disclosures required by Sections 84502, 84503,  
9 and 84506.5 in a type size and font that is easily readable by the  
10 average viewer, visible for a period of at least four seconds and  
11 contrasts with the background so as to be easily readable by the  
12 average person, unless impractical.

13 (2) Hyperlink to an Internet Web site containing the text required  
14 by paragraph (1).

15 (b) An Internet Web site that is hyperlinked to as provided for  
16 in paragraph (2) of subdivision (a) shall remain online and available  
17 to the public until 30 days after the date of the election where the  
18 candidate or measure supported or opposed by the advertisement  
19 was voted upon.

20 (c) An advertisement made via a form of electronic media that  
21 is audio only and therefore cannot include either of the disclaimers  
22 in subdivision (a) shall comply with the disclaimer requirements  
23 for radio advertisements in Section 84504.

24 (d) An advertisement made via a form of electronic media that  
25 allows users to engage in discourse and post content, or any other  
26 type of social media, shall only be required to include the  
27 disclaimer required by subdivision (a) on the committee's home  
28 page, landing page, or similar location and shall not be required  
29 to include the disclaimer required by subdivision (a) on each  
30 individual post, comment, or other similar communication.

31 (e) The disclaimer required by this section does not apply to  
32 advertisements made via social media where the only expense or  
33 cost of the communication is compensated staff time unless the  
34 social media account where the content is posted was created only  
35 for the purpose of advertisements governed by this title.

36 ~~SEC. 11.~~

37 *SEC. 14.* Section 84505 of the Government Code is amended  
38 to read:

39 84505. (a) In addition to the requirements of Sections 84502,  
40 84503, and 84506.5, the committee placing the advertisement or

1 persons acting in concert with that committee shall be prohibited  
2 from creating or using a noncandidate-controlled committee or a  
3 nonsponsored committee to avoid, or that results in the avoidance  
4 of, the disclosure of any individual, industry, business entity,  
5 controlled committee, or sponsored committee as a top contributor.

6 (b) Written disclosures required by Sections 84502, 84503, and  
7 84506.5 shall not appear in all capital letters provided, however,  
8 capital letters shall be permitted for the beginning of a sentence,  
9 the beginning of a proper name or location, or as otherwise required  
10 by conventions of the English language.

11 ~~SEC. 12.~~

12 *SEC. 15.* Section 84506 of the Government Code is repealed.

13 ~~SEC. 13.~~

14 *SEC. 16.* Section 84507 of the Government Code is repealed.

15 ~~SEC. 14.~~

16 *SEC. 17.* Section 84508 of the Government Code is repealed.

17 ~~SEC. 15.~~

18 *SEC. 18.* Section 84509 of the Government Code is repealed.

19 ~~SEC. 16.~~

20 *SEC. 19.* Section 84509 is added to the Government Code, to  
21 read:

22 84509. If the order of top contributors required to be disclosed  
23 pursuant to this article changes or a new contributor qualifies as  
24 a top contributor, the disclosure in the advertisement shall be  
25 updated as follows:

26 (a) A television, radio, telephone, electronic billboard, or other  
27 electronic media advertisement shall be updated to reflect the new  
28 top contributors within seven business days, or five business days  
29 if the change in top contributors occurs within 30 days of an  
30 election.

31 (b) A print media advertisement, including nonelectronic  
32 billboards, shall be updated to reflect the new top contributors  
33 prior to placing a new or modified order for additional printing of  
34 the advertisement.

35 ~~SEC. 17.~~

36 *SEC. 20.* Section 84511 of the Government Code is amended  
37 to read:

38 84511. (a) This section applies to a committee that does either  
39 of the following:

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

5 (2) Makes an expenditure of any amount to an individual for  
6 his or her appearance in an advertisement that supports or opposes  
7 the qualification, passage, or defeat of a ballot measure and that  
8 states or suggests that the individual is a member of an occupation  
9 that requires licensure, certification, or other specialized,  
10 documented training as a prerequisite to engage in that occupation.

11 (b) A committee described in subdivision (a) shall file, within  
12 10 days of the expenditure, a report that includes all of the  
13 following:

14 (1) An identification of the measure that is the subject of the  
15 advertisement.

16 (2) The date of the expenditure.

17 (3) The amount of the expenditure.

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

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

21 (c) An advertisement paid for by a committee described in  
22 paragraph (1) of subdivision (a) shall include a disclosure statement  
23 stating “(spokesperson’s name) is being paid by this campaign or  
24 its donors” in highly visible font shown continuously if the  
25 advertisement consists of printed or televised material, or spoken  
26 in a clearly audible format if the advertisement is a radio broadcast  
27 or telephonic message. If the advertisement is a television or video  
28 advertisement, the statement shall be shown continuously, except  
29 when the disclosure statement required by Section 84504.1 is being  
30 shown.

31 (d) (1) An advertisement paid for by a committee described in  
32 paragraph (2) of subdivision (a) shall include a disclosure statement  
33 stating “Persons portraying members of an occupation in this  
34 advertisement are compensated spokespersons not necessarily  
35 employed in those occupations” in highly visible font shown  
36 continuously if the advertisement consists of printed or televised  
37 material, or spoken in a clearly audible format if the advertisement  
38 is a radio broadcast or telephonic message.

39 (2) A committee may omit the disclosure statement required by  
40 this subdivision if all of the following are satisfied with respect to

1 each individual identified in the report filed pursuant to subdivision  
 2 (b) for that advertisement:

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

5 (B) The committee maintains credible documentation of the  
 6 appropriate license, certification, or other training as evidence that  
 7 the individual may engage in the occupation identified in the report  
 8 and portrayed in the advertisement and makes that documentation  
 9 immediately available to the Commission upon request.

10 *SEC. 21. Section 85704 of the Government Code is amended*  
 11 *to read:*

12 85704. (a) A person may not make any contribution to a  
 13 committee on the condition or with the agreement that it will be  
 14 contributed any committee or candidate that is earmarked for a  
 15 contribution to any particular other committee or candidate unless  
 16 the contribution is fully disclosed pursuant to Section 84302.

17 (b) For purposes of this section a contribution is earmarked if  
 18 the contribution is made under any of the following circumstances:

19 (1) The committee or candidate receiving the contribution  
 20 solicited the contribution for the purpose of making a contribution  
 21 to another committee or candidate, and requests the contributor  
 22 to consent to such use.

23 (2) The contribution was made subject to a condition,  
 24 agreement, or understanding with the donor that all or a portion  
 25 of the contribution would be used to make a contribution to another  
 26 committee or candidate including any circumstance in which the  
 27 donor identifies the committee or candidate as a potential recipient  
 28 of the contribution and the committee or candidate in fact receives  
 29 all or a portion of the donor's contribution.

30 (3) After the contribution was made the contributor and the  
 31 committee or candidate receiving the contribution reached a  
 32 subsequent agreement or understanding that all or a portion of  
 33 the contribution would be used to make a contribution to another  
 34 committee or candidate including any circumstance in which the  
 35 donor identifies the committee or candidate as a potential recipient  
 36 of the contribution and the committee or candidate in fact receives  
 37 all or a portion of the donor's contribution.

38 ~~SEC. 18.~~

39 *SEC. 22.* No reimbursement is required by this act pursuant to  
 40 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school  
2 district will be incurred because this act creates a new crime or  
3 infraction, eliminates a crime or infraction, or changes the penalty  
4 for a crime or infraction, within the meaning of Section 17556 of  
5 the Government Code, or changes the definition of a crime within  
6 the meaning of Section 6 of Article XIII B of the California  
7 Constitution.

8 ~~SEC. 19:~~

9 *SEC. 23.* The Legislature finds and declares that this bill  
10 furthers the purposes of the Political Reform Act of 1974 within  
11 the meaning of subdivision (a) of Section 81012 of the Government  
12 Code.

13 *SEC. 24.* *This act is an urgency statute necessary for the*  
14 *immediate preservation of the public peace, health, or safety within*  
15 *the meaning of Article IV of the Constitution and shall go into*  
16 *immediate effect. The facts constituting the necessity are:*

17 *In order to protect the interests of Californians who are*  
18 *empowered with the right to vote, it is appropriate that they be*  
19 *duly informed and that their constitutional right to instruct their*  
20 *representatives be protected. This purpose is best served by an*  
21 *informed electorate and an informed press. The need for greater*  
22 *transparency of campaign contributions and advertisement*  
23 *disclosures is vital to the interests of the State such that this act*  
24 *must take effect immediately.*