

**ASSEMBLY BILL**

**No. 1494**

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**Introduced by Assembly Member Levine**  
(Coauthors: Senators Allen and McGuire)

February 27, 2015

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An act to amend Section 85500 of, and to add Section 12179.2 to the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 1494, as introduced, Levine. Political Reform Act of 1974: independent expenditure tax.

Existing law designates the Secretary of State as the chief elections officer of the state and requires him or her to see that elections are efficiently conducted and that state election laws are enforced. Existing law also authorizes the Secretary of State in certain circumstances to assist the county elections officer in discharging his or her duties.

The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing, including requiring the filing of reports of contributions and expenditures. Among its provisions, the act requires a committee that makes an independent expenditure, as defined, of \$1,000 or more during an election cycle in connection with a candidate for elective state office or a state ballot measure to disclose that expenditure by filing a report online or electronically with the Secretary of State.

This bill would require a committee subject to the independent expenditure disclosure requirement to pay a tax at the rate of an undetermined percentage of the amount of each independent expenditure reported to the Secretary of State within 5 days of filing the report. The bill would require the Secretary of State to establish a fund with the tax

revenues and allocate those funds to the Fair Political Practices Commission and local elections offices for the purpose of increasing transparency in political campaigns, civic engagement, and voter registration and turnout.

Existing law makes a willful violation of the Political Reform Act of 1974 a misdemeanor and subject offenders to criminal penalties.

The bill would impose a state-mandated local program by creating additional crimes.

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. Section 12179.2 is added to the Government
- 2 Code, to read:
- 3 12179.2. (a) The Secretary of State shall establish a fund for
- 4 the purpose of increasing transparency in political campaigns, civic
- 5 engagement, and voter registration and turnout and deposit
- 6 revenues received pursuant to subdivision (c) of Section 85500
- 7 into the fund. Upon appropriation by the Legislature, the Secretary
- 8 of State shall allocate these funds to the Fair Political Practices
- 9 Commission for the purpose of increasing transparency in political
- 10 campaigns and to local elections offices, through a competitive
- 11 grant program, to increase voter registration and turnout.
- 12 (b) Notwithstanding Section 10231.5, the Secretary of State
- 13 shall report to the Legislature and to the Department of Finance
- 14 by March 31 of each year on the allocation and use of fund moneys
- 15 specified in subdivision (a). The Secretary of State shall also post
- 16 this information on his or her Internet Web site.

1 SEC. 2. Section 85500 of the Government Code is amended  
2 to read:

3 85500. (a) In addition to any other report required by this title,  
4 a committee, including a political party committee, that is required  
5 to file reports pursuant to Section 84605 and that makes  
6 independent expenditures of one thousand dollars (\$1,000) or more  
7 during an election cycle in connection with a candidate for elective  
8 state office or state ballot measure, shall file online or electronically  
9 a report with the Secretary of State disclosing the making of the  
10 independent expenditure. This report shall disclose the same  
11 information required by subdivision (b) of Section 84204 and shall  
12 be filed within 24 hours of the time the independent expenditure  
13 is made.

14 (b) An expenditure ~~may~~ *shall* not be considered independent,  
15 and shall be treated as a contribution from the person making the  
16 expenditure to the candidate on whose behalf, or for whose benefit,  
17 the expenditure is made, if the expenditure is made under any of  
18 the following circumstances:

19 (1) The expenditure is made with the cooperation of, or in  
20 consultation with, the candidate on whose behalf, or for whose  
21 benefit, the expenditure is made, or any controlled committee or  
22 any agent of the candidate.

23 (2) The expenditure is made in concert with, or at the request  
24 or suggestion of, the candidate on whose behalf, or for whose  
25 benefit, the expenditure is made, or any controlled committee or  
26 any agent of the candidate.

27 (3) The expenditure is made under any arrangement,  
28 coordination, or direction with respect to the candidate or the  
29 candidate's agent and the person making the expenditure.

30 (c) *A committee subject to this section shall pay a tax at the rate*  
31 *of \_\_\_ percent (\_\_\_ %) of the amount of each independent*  
32 *expenditure reported pursuant to subdivision (a) to the Secretary*  
33 *of State within 5 days of the filing of the report pursuant to*  
34 *subdivision (a).*

35 SEC. 3. No reimbursement is required by this act pursuant to  
36 Section 6 of Article XIII B of the California Constitution because  
37 the only costs that may be incurred by a local agency or school  
38 district will be incurred because this act creates a new crime or  
39 infraction, eliminates a crime or infraction, or changes the penalty  
40 for a crime or infraction, within the meaning of Section 17556 of

1 the Government Code, or changes the definition of a crime within  
2 the meaning of Section 6 of Article XIII B of the California  
3 Constitution.

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

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