

AMENDED IN ASSEMBLY APRIL 22, 2015

AMENDED IN ASSEMBLY APRIL 7, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**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 amended, Levine. Political Reform Act of 1974: independent expenditure ~~tax~~. *report annual fee*.

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 10% of~~

~~the amount of each independent expenditure reported to the Secretary of State within 5 days of filing the report. pay to the Secretary of State, within 5 days of filing an independent expenditure report, an annual reporting fee in an amount based on the amount that the committee declares that it will spend in each 2-year election cycle, as defined. The bill would require the Secretary of State to establish a fund with the tax revenues and allocate those funds those fees to be deposited into a Civic Engagement Fund created by the bill. The bill would, upon appropriation by the Legislature, require the Secretary of State to allocate the funds in the Civic Engagement Fund for the costs of oversight of committees filing the independent expenditure reports, to the Fair Political Practices Commission and for the purpose of increasing transparency in political campaigns, and to local elections offices for the purpose of increasing transparency in political campaigns, civic engagement, and offices, through a competitive grant program, to increase 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~~This 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  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

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

- 1 SECTION 1. 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~~

1 ~~revenues received pursuant to subdivision (c) of Section 85500~~  
2 ~~into the fund.~~ *There is hereby created in the State Treasury the*  
3 *Civic Engagement Fund. The purpose of the Civic Engagement*  
4 *Fund is to provide oversight of committees filing reports under*  
5 *Section 85500 and to increase transparency in political campaigns,*  
6 *civic engagement, and voter registration and turnout. The Secretary*  
7 *of State shall deposit revenues received pursuant to subdivision*  
8 *(c) of Section 85500 into the Civic Engagement Fund. Upon*  
9 *appropriation by the Legislature, the Secretary of State shall*  
10 *allocate these funds for the costs of oversight of committees filing*  
11 *reports under Section 85500, to the Fair Political Practices*  
12 *Commission for the purpose of increasing transparency in political*  
13 *campaigns, and to local elections offices, through a competitive*  
14 *grant program, to increase voter registration and turnout.*

15 (b) Notwithstanding Section 10231.5, the Secretary of State  
16 shall report to the Legislature and to the Department of Finance  
17 by March 31 of each year on the allocation and use of fund moneys  
18 specified in subdivision (a). The Secretary of State shall also post  
19 this information on his or her Internet Web site.

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

22 85500. (a) In addition to any other report required by this title,  
23 a committee, including a political party committee, that is required  
24 to file reports pursuant to Section 84605 and that makes  
25 independent expenditures of one thousand dollars (\$1,000) or more  
26 during an election cycle in connection with a candidate for elective  
27 state office or state ballot measure, shall file online or electronically  
28 a report with the Secretary of State disclosing the making of the  
29 independent expenditure. This report shall disclose the same  
30 information required by subdivision (b) of Section 84204 and shall  
31 be filed within 24 hours of the time the independent expenditure  
32 is made.

33 (b) An expenditure shall not be considered independent, and  
34 shall be treated as a contribution from the person making the  
35 expenditure to the candidate on whose behalf, or for whose benefit,  
36 the expenditure is made, if the expenditure is made under any of  
37 the following circumstances:

38 (1) The expenditure is made with the cooperation of, or in  
39 consultation with, the candidate on whose behalf, or for whose

1 benefit, the expenditure is made, or any controlled committee or  
2 any agent of the candidate.

3 (2) The expenditure is made in concert with, or at the request  
4 or suggestion of, the candidate on whose behalf, or for whose  
5 benefit, the expenditure is made, or any controlled committee or  
6 any agent of the candidate.

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

10 (c) (1) A committee subject to this section shall pay a tax at  
11 the rate of 10 percent of the amount of each independent  
12 expenditure reported pursuant to subdivision (a) to the Secretary  
13 of State within 5 days of the filing of the report pursuant to  
14 subdivision (a). *an annual reporting fee to the Secretary of State.*  
15 *The fee shall be charged as follows:*

16 (A) *One hundred dollars (\$100) for a committee filing a report*  
17 *and declaring that it will spend less than one hundred thousand*  
18 *dollars (\$100,000) per two-year election cycle.*

19 (B) *One thousand dollars (\$1,000) for a committee filing a*  
20 *report and declaring that it will spend less than two hundred fifty*  
21 *thousand dollars (\$250,000) per two-year election cycle.*

22 (C) *Two thousand dollars (\$2,000) for a committee filing a*  
23 *report and declaring that it will spend less than five hundred*  
24 *thousand dollars (\$500,000) per two-year election cycle.*

25 (D) *Ten thousand dollars (\$10,000) for a committee filing a*  
26 *report and declaring that it will spend less than one million dollars*  
27 *(\$1,000,000) per two-year election cycle.*

28 (E) *Fifty thousand dollars (\$50,000) for a committee filing a*  
29 *report and declaring that it will spend less than ten million dollars*  
30 *(\$10,000,000) per two-year election cycle.*

31 (2) *The annual reporting fee shall be paid within 5 days of the*  
32 *filing of the report pursuant to subdivision (a).*

33 (3) *If a committee expends more than the declared amount, in*  
34 *the report filed in which the committee discloses that fact, it shall*  
35 *make a new declaration and pay the increased fee less the amount*  
36 *of the fee or fees already paid.*

37 (4) *For purposes of this subdivision, "two-year election cycle"*  
38 *means the period of time between the immediately preceding*  
39 *statewide general election and the next statewide general election.*

1 SEC. 3. No reimbursement is required by this act pursuant to  
2 Section 6 of Article XIII B of the California Constitution because  
3 the only costs that may be incurred by a local agency or school  
4 district will be incurred because this act creates a new crime or  
5 infraction, eliminates a crime or infraction, or changes the penalty  
6 for a crime or infraction, within the meaning of Section 17556 of  
7 the Government Code, or changes the definition of a crime within  
8 the meaning of Section 6 of Article XIII B of the California  
9 Constitution.

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

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