

Assembly Bill No. 2720

CHAPTER 975

An act relating to the Political Reform Act of 1974, and making an appropriation therefor.

[Approved by Governor September 29, 2000. Filed
with Secretary of State September 30, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2720, Olberg. Political Reform Act of 1974: Bipartisan California Commission on Internet Political Practices.

Existing law, the Political Reform Act of 1974, among other things, requires the disclosure of campaign contributions and expenditures.

This bill would create the Bipartisan California Commission on Internet Political Practices consisting of 13 members, to examine the issues, including disclosure, posed by political activity on the Internet. The members of the commission would be appointed by the Governor, the Senate Committee on Rules, the Minority Floor Leader of the Senate, the Speaker of the Assembly, the Minority Floor Leader of the Assembly, the Secretary of State, and the Chairperson of the Fair Political Practices Commission, as specified.

This bill would require the commission to examine the various issues posed by campaign activity on the Internet in relation to the goals and purposes of the Act, and make recommendations for appropriate legislative action, if any.

This bill would require the commission to report its findings and recommendations to the Legislature not later than December 1, 2001. It would provide that the committee would cease to exist on January 1, 2002.

This bill would appropriate \$220,000 from the General Fund to the Controller for allocation to the Bipartisan California Commission on Internet Political Practices for the purposes of the bill.

Appropriation: yes.

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

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

(a) As candidates, campaign committees, organizations, groups, business entities, and individuals explore and develop new uses of the Internet for political purposes in California, political activity on the Internet will increase exponentially.

(b) As a medium for political activity, the Internet is unique because it transcends political and geographic boundaries

worldwide. It permits any candidates and committees to engage in fundraising and campaigning, and permits individuals, groups, and others to engage in political speech and other political activity that could constitute the type of activity subject to regulation under the Political Reform Act of 1974 (the Act).

(c) The Act predates the development of the Internet by nearly two decades. The Act is intended to inform the electorate and to prevent the corruption of the political process by public disclosure of contributions and expenditures to candidates and public officials. However, the Act is silent on its application to political activity on the Internet.

(d) Recent efforts by the Federal Elections Commission (FEC) to apply the Federal Election Campaign Act of 1971, as amended, to political activity on the Internet caused strong criticism to the commission's interpretive rulings. The FEC has now embarked on a formal inquiry in order to assess the federal act and regulations to political activity on the Internet. The FEC is currently reviewing the more than 1,200 comments received to determine the content of future regulatory changes.

(e) Because political activity on the Internet presents novel and difficult issues, and because questions exist as to the extent that the Internet as a medium should be, or can be, subject to state regulation, there exists a need for a study to address the issues presented by political activity on the Internet and on the desirability of state regulation in light of the goals and purposes of the Act.

SEC. 2. (a) The Bipartisan California Commission on Internet Political Practices is hereby established. The commission shall consist of thirteen members appointed as follows:

(1) Three members appointed by the Governor, one of whom shall be a member of the Democratic Party, and one of whom shall be a member of the Republican Party.

(2) Two members appointed by the Senate Committee on Rules.

(3) One member appointed by the Minority Floor Leader of the Senate.

(4) Two members appointed by the Speaker of the Assembly.

(5) One member appointed by the Minority Floor Leader of the Assembly.

(6) Two members appointed by the Secretary of State, one of whom shall be a member of the Democratic Party, and one of whom shall be a member of the Republican Party.

(7) Two members appointed by the Chairperson of the Fair Political Practices Commission, one of whom shall be a member of the Democratic Party, and one of whom shall be a member of the Republican Party.

(b) Each appointing authority shall seek to appoint individuals with diversified backgrounds and expertise to ensure that the



membership of the California Commission on Internet Political Practices is familiar with, among other matters, all of the following:

- (1) The magnitude of change posed by Internet technology.
- (2) Political campaign practices and trends.
- (3) Legal developments concerning political speech, the Internet, and the Act.
- (4) The concerns of public interest groups.

(c) The Bipartisan California Commission on Internet Political Practices shall meet and select a chairperson from among its members not later than 45 days after the effective date of this act. The chairman may hire a director, a secretary, and a legal adviser to assist with the work of the commission.

(d) The Bipartisan California Commission on Internet Political Practices shall examine the various issues posed by campaign activity on the Internet in relation to the goals and purposes of the Act, and make recommendations for appropriate legislative action, if any. The examination of issues should include, but are not limited to, the following:

(1) Whether political communications on the Internet, especially those that expressly advocate support for or opposition to clearly identified candidates for elective office or ballot measures should be subject to the campaign finance disclosure requirements of the Act.

(2) Whether costs associated with the development of campaign websites should be disclosed to the public, and whether they should be treated, depending on the circumstances, as reportable contributions, expenditures, independent expenditures, or payments.

(3) Whether websites created by individuals, sometimes referred to as “fan sites,” that contain references to candidates and measures, or urge support or opposition to candidates or measures, or that provide hyperlinks to official campaign sites, should be treated differently from sites created by political parties, candidate and ballot measure committees, or independent committees.

(4) Whether the identity of publishers of websites that feature political campaign activity should be required to be disclosed similar to current identification requirements for persons who pay for printed or broadcast advertising.

(5) Whether current laws are adequate to protect against fraud, libel, or slander in the context of Internet political activity.

(6) Whether any disclosure requirements should be imposed on Internet political activity in order to encourage the broadest possible citizen participation in the electoral process.

(7) Whether the Act is an appropriate regulatory vehicle for campaign activity at the state level, or whether a different regulatory structure for Internet campaign activity should be developed, if any.

(e) The meetings of the Bipartisan California Commission on Internet Political Practices shall be open and public. The



Commission members shall receive one hundred dollars (\$100) per diem for each day of attendance at a meeting of the commission, not to exceed 10 meetings.

(f) The Bipartisan California Commission on Internet Political Practices shall report its findings and recommendations to the Legislature not later than December 1, 2001. The commission shall cease to exist on January 1, 2002.

SEC. 3. The sum of two hundred twenty thousand dollars (\$220,000) is hereby appropriated from the General Fund to the Controller for allocation to the Bipartisan California Commission on Internet Political Practices to defray the costs of the committee in conducting the study and preparing the report required by this act.

