

AMENDED IN ASSEMBLY MAY 6, 2009

AMENDED IN ASSEMBLY APRIL 27, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 7

Introduced by Assembly Member Krekorian

December 1, 2008

An act to amend Sections 84506 and 84508 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 7, as amended, Krekorian. Political Reform Act of 1974.

(1) The Political Reform Act of 1974 requires a broadcast or mass mailing advertisement supporting or opposing a candidate or ballot measure, if paid for by an independent expenditure, to include a disclosure statement that identifies the name of the committee making the independent expenditure and the names of the persons from whom the committee making the independent expenditure has received its 2 highest cumulative contributions of \$50,000 or more during the 12-month period prior to the expenditure. However, if the committee is able to show that contributions from those 2 highest cumulative contributions were spent for other purposes, then the act requires the committee to disclose the names of the contributors making the next largest cumulative contributions of \$50,000 or more. A violation of the act is subject to criminal penalties.

The bill would require a broadcast or mass mailing advertisement supporting or opposing a candidate or ballot measure that is paid for by an independent expenditure to include a statement or phrase that clearly identifies the economic or other special interest of the major

donors of \$50,000 or more, listing the economic or other special interest in descending order based on the amount of contributions made by the respective donor to the committee. The bill would also require a committee to disclose the Uniform Resource Locator for its Internet Web site and for the Web site to list the committee's responsible officer and all donors to the committee *who contributed at least \$100*.

(2) Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

The bill would impose a state-mandated local program by placing these penalties on persons who violate the bill.

(3) 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.

(4) 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 84506 of the Government Code is
2 amended to read:

3 84506. (a) A broadcast or mass mailing advertisement
4 supporting or opposing a candidate or ballot measure, that is paid
5 for by an independent expenditure, shall include a disclosure
6 statement that identifies all of the following:

7 (1) The name of the committee making the independent
8 expenditure.

9 (2) The names of the persons from whom the committee making
10 the independent expenditure has received its two highest
11 cumulative contributions of fifty thousand dollars (\$50,000) or
12 more during the 12-month period prior to the expenditure. If the
13 committee can show, on the basis that contributions are spent in
14 the order they are received, that contributions received from the
15 two donors who made the highest cumulative contributions of fifty

1 thousand dollars (\$50,000) or more to the committee have been
2 used for expenditures unrelated to the candidate or ballot measure
3 featured in the communication, the committee shall disclose the
4 contributors making the next largest cumulative contributions of
5 fifty thousand dollars (\$50,000) or more.

6 (3) A statement or phrase that clearly identifies the economic
7 or other special interest of the major donors of fifty thousand
8 dollars (\$50,000) or more. If any of those persons is a committee
9 other than a candidate-controlled committee, the person shall be
10 identified by the names of the economic or other special interest
11 who made the highest cumulative contributions of fifty thousand
12 dollars (\$50,000) or more to that person. The statement or phrase
13 shall list each economic or other special interest in descending
14 order based on the amount of the contributions made by the
15 respective donor to the committee.

16 (4) The Uniform Resource Locator for an Internet Web site
17 established by the committee. The Internet Web site shall list the
18 committee's responsible officer and all donors to the committee
19 *who have contributed a cumulative amount of one hundred dollars*
20 *(\$100) or more.*

21 (b) If an acronym is used to identify any committee names
22 required by this section, the names of any sponsoring organization
23 of the committee shall be printed on print advertisements or spoken
24 in broadcast advertisements.

25 SEC. 2. Section 84508 of the Government Code is amended
26 to read:

27 84508. If disclosure of two major donors is required by Sections
28 84503 and 84506, the committee shall be required to disclose, in
29 addition to the committee name, only its highest major contributor
30 in any advertisement that is either of the following:

31 (a) An electronic broadcast of 15 seconds or less.

32 (b) A newspaper, magazine, or other public print media
33 advertisement that is 20 square inches or less.

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

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.
3 SEC. 4. The Legislature finds and declares that this bill furthers
4 the purposes of the Political Reform Act of 1974 within the
5 meaning of subdivision (a) of Section 81012 of the Government
6 Code.

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