

ASSEMBLY BILL

No. 1322

Introduced by Assembly Member Huffman

February 27, 2009

An act to amend Sections 84503, 84504, 84506, 84506.5, 84507, and 84508 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 1322, as introduced, Huffman. Political Reform Act of 1974: campaign disclosures.

Existing law requires an independent expenditure committee to disclose the top 2 donors to the committee, as specified, in all advertising or statements for or against a ballot measure.

This bill would require committees to disclose the top 3 donors to the committee and specify the way disclosure would be made in radio, print, or television advertising.

Because this bill would create new crimes, it 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.

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 84503 of the Government Code is
2 amended to read:
3 84503. (a) Any advertisement for or against any ballot measure
4 shall include a disclosure statement identifying any person whose
5 cumulative contributions are fifty thousand dollars (\$50,000) or
6 more.
7 (b) If there are more than ~~two~~ *three* donors of fifty thousand
8 dollars (\$50,000) or more, the committee is ~~only~~ required to
9 disclose the highest ~~and second highest~~ *three donors* in that order.
10 In the event that more than ~~two~~ *three* donors meet this disclosure
11 threshold at identical contribution levels, the ~~highest and second~~
12 *three highest* shall be selected according to chronological sequence.
13 (c) *For a televised advertisement, the top three donors must be*
14 *displayed in accordance with Section 84507.*
15 (d) *For a radio advertisement, the top three donors must be*
16 *verbally announced in accordance with Section 84507 at the*
17 *beginning and end of the advertisement.*
18 SEC. 2. Section 84504 of the Government Code is amended
19 to read:
20 84504. (a) Any committee that supports or opposes one or
21 more ballot measures shall name and identify itself using a name
22 or phrase that clearly identifies the economic or other special
23 interest of its major donors of fifty thousand dollars (\$50,000) or
24 more in any reference to the committee required by law, including,
25 but not limited, to, its statement of organization filed pursuant to
26 Section 84101.
27 (b) If the major donors of fifty thousand dollars (\$50,000) or
28 more share a common employer, the identity of the employer shall
29 also be disclosed.
30 (c) Any committee which supports or opposes a ballot measure;
31 shall print or broadcast its name as provided in this section *and*
32 *disclose the top three donors in the manner required by Sections*
33 *84503 and 84507* as part of any advertisement or other paid public
34 statement.

(d) If candidates or their controlled committees, as a group or individually, meet the contribution thresholds for a person, they shall be identified by the controlling candidate's name.

SEC. 3. Section 84506 of the Government Code is amended to read:

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

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

(2) The names of the persons from whom the committee making the independent expenditure has received its ~~two~~ *three* highest cumulative contributions of fifty thousand dollars (\$50,000) or more during the 12-month period prior to the expenditure. If the committee can show, on the basis that contributions are spent in the order they are received, that contributions received from the ~~two~~ *three* highest contributors have been used for expenditures unrelated to the candidate or ballot measure featured in the communication, the committee shall disclose the *three* contributors making the next largest cumulative contributions of fifty thousand dollars (\$50,000) or more.

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

SEC. 4. Section 84506.5 of the Government Code is amended to read:

84506.5. An advertisement supporting or opposing a candidate that is paid for by an independent expenditure must include a statement that it was not authorized by a candidate or a committee controlled by a candidate. *The statement shall be in boldface type, be prominently displayed, and be in substantially the following form:*

“NOTICE OF INDEPENDENT EXPENDITURE: This communication is neither approved nor authorized by ____ (ANY CANDIDATE IN THE ____DISTRICT). It is paid for by COMMITTEE NAME, an independent expenditure committee. The donors to this committee are listed at www.____.”

SEC. 5. Section 84507 of the Government Code is amended to read:

84507. Any disclosure statement required by this article shall be printed clearly and legibly in no less than 10-point type and in a conspicuous manner as defined by the commission or, if the communication is broadcast, the information shall be spoken so as to be clearly audible and understood by the intended public and otherwise appropriately conveyed for the hearing impaired. *If the communication is broadcast on television, the information shall be displayed on the bottom one-fourth portion of the screen in white letters against a black background for the duration of the advertisement.*

SEC. 6. Section 84508 of the Government Code is amended to read:

84508. If disclosure of ~~two~~ *three* major donors is required by Sections 84503 and 84506, the committee shall be required to disclose, in addition to the committee name, only its highest major contributor in any advertisement which is *either of the following*:

- (a) An electronic broadcast of 15 seconds or less, ~~or~~.
- (b) A newspaper, magazine, or other public print media advertisement which is 20 square inches or less.

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

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