



## CITY COUNCIL AGENDA REPORT

DATE: January 18, 2012

AGENDA OF: January 24, 2012

DEPARTMENT: City Council

SUBJECT: Public Participation in Political Processes, Local Economic Conditions and Campaign Finance Reform—Resolution of Support. (CN)

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RECOMMENDATION: Resolution supporting several issues related to broader public participation in the political process and the improvement of local economic conditions through active community engagement and campaign finance reform.

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BACKGROUND: The year 2011 was highlighted by rising public awareness and action related to economic distress, economic inequality, and the disproportionate influence of powerful institutions and individuals on local, state and national policy. On January 5, 2012, the California State Assembly introduced a resolution related to campaign finance reform memorializing the Legislature's disagreement with the decision of the United States Supreme Court in *Citizens United v. Federal Election Commission*.

DISCUSSION: Local governmental bodies have addressed these issues by adopting actions and resolutions to support political reform. Recently, the Santa Cruz City Council formed three ad-hoc Council Committees to improve public outreach and to increase public participation regarding our City budgeting process and priorities. Adoption of the attached resolution would further reinforce our current efforts on the local economy and align the Council with broadly supported efforts to address the excess influence powerful economic interests have on our political system.

FISCAL IMPACT: Approval of the recommendation has no fiscal impact.

Submitted by:  
Don Lane  
Mayor

Submitted by:  
David Terrazas  
Councilmember

Submitted by:  
Ryan Coonerty  
Councilmember

Attachments: Resolution  
Assembly Bill 1148 (amended January 13, 2012)

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
SUPPORTING SEVERAL ITEMS RELATED TO BROADER PUBLIC PARTICIPATION  
IN THE POLITICAL PROCESS AND IMPROVEMENT OF  
LOCAL ECONOMIC CONDITIONS

WHEREAS, efforts have sprung up in hundreds of communities across the United States including Santa Cruz to increase public participation and encourage meaningful reform in national, state and local government; and

WHEREAS, these movements have raised important issues related to income inequality, improper banking practices, rising student debt levels and increased corporate influence on our nation's politics and governance; and

WHEREAS, in the Santa Cruz community, many groups have embraced related goals to address these issues such as: supporting local business and economic development, encouraging local banking, raising awareness of the mortgage foreclosure crisis, educating people about the significant burden rising tuition and fees have on today's youth and increasing efforts to build community and expand civic engagement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby will continue and strengthen its work toward local community investment and job creation.

BE IT FURTHER RESOLVED that the City Council will move forward with an enhanced local purchasing preference policy to increase support for local businesses, local jobs and the local economy.

BE IT FURTHER RESOLVED that the City of Santa Cruz will explore additional opportunities to utilize local banking institutions and increase the investment of funds in local banks and credit unions.

BE IT FURTHER RESOLVED that the City Council supports efforts challenging the documented abuses of large financial institutions including unlawful foreclosures and evictions, and debt collection on local residents.

BE IT FURTHER RESOLVED that the City Council supports efforts to significantly increase the participation and influence of local residents in our political system and to diminish the influence of special interests in the political process.

BE IT FURTHER RESOLVED that the City Council supports a Federal constitutional amendment to remedy the negative impacts of unconstrained corporate spending on political activity and approval of California Assembly Bill (AB) 1148 (new campaign finance disclosure rules) to help voters make better informed decisions by disclosing the true funders of political ads in the ads themselves to counter the negative impact of the United States Supreme Court's *Citizens United* decision on California's political process and to reinvigorate civic engagement within our community.

RESOLUTION NO. NS-

BE IT FURTHER RESOLVED that the Mayor is hereby directed to write letters to appropriate State and Federal officials indicating the City's support for above referenced constitutional amendment and for AB 1148.

PASSED AND ADOPTED this 24<sup>th</sup> day of January, 2012, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk Administrator

AMENDED IN ASSEMBLY JANUARY 13, 2012

AMENDED IN ASSEMBLY JANUARY 4, 2012

AMENDED IN ASSEMBLY APRIL 26, 2011

LEGISLATIVE INFORMATION

**ASSEMBLY BILL**

**No. 1148**

**Introduced by Assembly Member Brownley**

**(Principal coauthor: Assembly Member Fong)**

**(Coauthors: Assembly Members *Alejo, Allen, Ammiano, Beall, Bonilla, Buchanan, Feuer, Gordon, Hayashi, Hill, Huffman, Ma, Monning, Portantino, Skinner, Swanson, and Wieckowski, and Williams*)**

**(Coauthors: Senators *Hancock and, Leno, Pavley, and Yee*)**

February 18, 2011

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An act to amend ~~Section~~ *Sections 84305.5, 84504, and 84505 of, to add Sections 84506.1, 84506.2, and 84506.3 to, to repeal Sections 84502, 84503, and 84506.5 of, and to repeal and add Article 5 (commencing with Section 84501) to Chapter 4 of Title 9 Sections 84501, 84506, 84507, and 84508 of, the Government Code, relating to the Political Reform Act of 1974.*

LEGISLATIVE LETTER

AB 1148, as amended, Brownley. Political Reform Act of 1974: advertisements: disclosure.

The Political Reform Act of 1974 regulates mass mailings, known as slate mailers, that support or oppose multiple candidates or ballot measures for an election. The act requires that each slate mailer identify the slate mailer organization or committee primarily formed to support or oppose one or more ballot measures that is sending the slate mailer,

and to contain other specified information in specified formatting. The act requires that each candidate and each ballot measure that has paid to appear in the slate mailer be designated by an asterisk.

This bill would instead require that a candidate or ballot measure appearing in the slate mailer be designated by an asterisk if the slate mailer organization or committee primarily formed to support or oppose one or more ballot measures that is sending the slate mailer has received payment to include the candidate or ballot measure in the slate mailer.

The act also regulates advertisements, which are defined as any general or public advertisement that is authorized and paid for by a person or committee for the purpose supporting or opposing a candidate for elective office or a ballot measure or ballot measures. The act places certain disclosure requirements on advertisements for or against any ballot measure, *including that the advertisement disclose any person who has made cumulative contributions of \$50,000 or more, as prescribed.* The act places more specific disclosure requirements on broadcast or mass mailing advertisements that are paid for by independent expenditures that support or oppose a candidate or ballot measure.

This bill would repeal and recast those provisions to impose, instead, provisions relating to disclosures for advertisements paid for by an independent expenditure and required disclosures of persons who have made cumulative contributions of \$50,000 or more. This bill would, instead, impose specified disclosure requirements on radio, television, and video advertisements, and certain mass mailing and print advertisements that support or oppose a candidate or ballot measure or solicit contributions in support of those purposes. *The bill would require advertisements that are authorized by a candidate or agent of the candidate to include a statement in which the candidate identifies himself or herself and states that he or she approves the message.* The bill would require ~~these~~ advertisements that are not authorized by a candidate or an agent of the candidate to disclose, in a prescribed format, the 3 largest identifiable contributors, as defined, of the committee that paid for the advertisement. *The bill would require mass mailings or print advertisements that are paid for by certain persons who are not committees to disclose the name of that person as the funder of the mass mailing or print advertisement.* The bill would also require that ~~a committee~~ certain committees establish and maintain a committee disclosure Internet Web site, as defined, which discloses the top 5 identifiable contributors and provides a link to the Internet Web site

maintained by the Secretary of State for campaign nance disclosures of the committee. The bill would require these advertisements to identify the address for the committee disclosure Internet Web site.

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

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 specied 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 <sup>2</sup>/<sub>3</sub> vote of each house and compliance with specied procedural requirements.~~

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

*The Political Reform Act of 1974, an initiative measure, provides that the act may be amended by a statute that becomes effective upon approval of the voters.*

*This bill would require the Secretary of State to submit the provisions of the bill that would amend the Political Reform Act of 1974 to the voters for approval at a statewide election, as specied.*

~~Vb <sup>2</sup>/<sub>3</sub>-majority. A n~~

~~h~~

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

- 1 SECTION 1. Section 84305.5 of the Government Code is
- 2 amended to read:
- 3 84305.5. (a) A slate mailer organization or committee primarily
- 4 formed to support or oppose one or more ballot measures shall not
- 5 send a slate mailer unless the slate mailer complies with all of the
- 6 following:
- 7 (1) The name, street address, and city of the slate mailer
- 8 organization or committee primarily formed to support or oppose
- 9 one or more ballot measures are shown on the outside of each piece
- 10 of slate mail and on at least one of the inserts included with each
- 11 piece of slate mail in no less than 8-point roman type, which shall

1 be in a color or print that contrasts with the background so as to  
 2 be easily legible. A post office box may be stated in lieu of a street  
 3 address if the street address of the slate mailer organization or the  
 4 committee primarily formed to support or oppose one or more  
 5 ballot measures is a matter of public record with the Secretary of  
 6 State's Political Reform Division.

7 (2) At the top or bottom of the front side or surface of at least  
 8 one insert, or at the top or bottom of one side or surface of a  
 9 postcard or other self-mailer, there is a notice in at least 8-point  
 10 roman boldface type, which shall be in a color or print that  
 11 contrasts with the background so as to be easily legible, and in a  
 12 printed or drawn box and set apart from any other printed matter.  
 13 The notice shall consist of the following statement:

14  
 15  
 16 NOTICE TO VOTERS  
 17  
 18 THIS DOCUMENT WAS PREPARED BY (name of slate  
 19 mailer organization or committee primarily formed to support  
 20 or oppose one or more ballot measures), NOT AN OFFICIAL  
 21 POLITICAL PARTY ORGANIZATION. Appearance in this  
 22 mailer does not necessarily imply endorsement of others  
 23 appearing in this mailer, nor does it imply endorsement of, or  
 24 opposition to, any issues set forth in this mailer. (Name of slate mailer  
 25 organization or committee primarily formed to support or oppose one or  
 26 more ballot measures) has been paid to include each candidate and ballot  
 27 measure that is designated by an \*.

28  
 29 (3) (A) Each candidate and each ballot measure for which the  
 30 slate mailer organization or committee primarily formed to support  
 31 or oppose one or more ballot measures has received payment to  
 32 include the candidate or ballot measure in the slate mailer is  
 33 designated by an \*. A candidate or ballot measure for which the  
 34 slate mailer organization or committee primarily formed to support  
 35 or oppose one or more ballot measures has not received payment  
 36 to include the candidate or ballot measure in the slate mailer shall  
 37 not be designated by an \*.

38 (B) The \* required by this paragraph shall be of the same type  
 39 size, type style, color or contrast, and legibility as is used for the

1 name of the candidate, or the ballot measure name or number and  
 2 position advocated, to which the \* designation applies, except that  
 3 in no case shall the \* be required to be larger than 10-point boldface  
 4 type. The designation shall immediately follow the name of the  
 5 candidate, or the name or number and position advocated on the  
 6 ballot measure, where the designation appears in the slate of  
 7 candidates and measures. If there is no slate listing, the designation  
 8 shall appear at least once in at least 8-point boldface type,  
 9 immediately following the name of the candidate, or the name or  
 10 number and position advocated on the ballot measure.

11 (4) The name of a candidate appearing in the slate mailer who  
 12 is a member of a political party differing from the political party  
 13 that the mailer appears by representation or indicia to represent is  
 14 accompanied, immediately below the name, by the party  
 15 designation of the candidate, in no less than 9-point roman type,  
 16 which shall be in a color or print that contrasts with the background  
 17 so as to be easily legible. The designation shall not be required in  
 18 the case of candidates for nonpartisan ofce.

19 (b) The name, street address, and city of the slate mailer  
 20 organization or committee primarily formed to support or oppose  
 21 one or more ballot measures, as required by paragraph (1) of  
 22 subdivision (a), and the notice required by paragraph (2) of  
 23 subdivision (a) may appear on the same side or surface of an insert  
 24 in the slate mailer.

25 ~~SEC. 2. Article 5 (commencing with Section 84501) of Chapter~~  
 26 ~~4 of Title 9 of the Government Code is repealed.~~

27 ~~SEC. 3. Article 5 (commencing with Section 84501) is added~~  
 28 ~~to Chapter 4 of Title 9 of the Government Code, to read:~~

29  
 30 ~~Article 5. Disclosure in Advertisements~~

31  
 32 ~~84501. For purposes of this article the following terms have~~  
 33 ~~the following meanings:~~

34 ~~(a) (1) Advertisement means any general or public~~  
 35 ~~advertisement which is authorized and paid for by a person or~~  
 36 ~~committee for the purpose of supporting or opposing a candidate~~  
 37 ~~for elective ofce or a ballot measure or ballot measures.~~

38 ~~(2) Advertisement does not include a communication from~~  
 39 ~~an organization other than a political party to its members, a~~  
 40 ~~campaign button smaller than 10 inches in diameter, a bumper~~

1 sticker smaller than 60 square inches, or other advertisement as  
2 determined by regulations of the Commission.

3 (b) ~~Committee disclosure Internet Web site means the Internet~~  
4 ~~Web site for a committee identifying the top identifiable~~  
5 ~~contributors to that committee, as described in Section 84506.~~

6 (c) ~~Cumulative contributions means the cumulative amount~~  
7 ~~of contributions received by a committee during a period of time~~  
8 ~~to be determined by the Commission by regulation, but in no event~~  
9 ~~less than the period commencing 18 months prior to the date the~~  
10 ~~committee made its first expenditure to qualify, support, or oppose~~  
11 ~~a candidate for elective office or a ballot measure or ballot~~  
12 ~~measures and ending seven days after the advertisement is sent to~~  
13 ~~the printer or broadcast station or uploaded to the Internet.~~

14 (d) ~~Identifiable contributor means a person or committee that~~  
15 ~~has made cumulative contributions of at least ten thousand dollars~~  
16 ~~(\$10,000) to a committee.~~

17 84502. ~~The Commission shall adopt regulations that establish~~  
18 ~~the span of time used to calculate cumulative contributions,~~  
19 ~~consistent with the requirements of subdivision (c) of Section~~  
20 ~~84501. A regulation adopted pursuant to this section shall be~~  
21 ~~adopted as an emergency regulation, pursuant to Section 11346.1.~~

22 84503. (a) ~~A radio advertisement that supports or opposes a~~  
23 ~~candidate or ballot measure or solicits contributions in support of~~  
24 ~~that purpose shall, if the advertisement is authorized by a candidate~~  
25 ~~or an agent of the candidate, include an audio statement in which~~  
26 ~~the candidate identifies himself or herself and states that the~~  
27 ~~candidate has approved the message. If the candidate is an~~  
28 ~~identifiable contributor to the committee that paid for the~~  
29 ~~advertisement, the candidate shall also state that his or her~~  
30 ~~contributions paid for the advertisement in part.~~

31 (b) ~~A radio advertisement that supports or opposes a candidate~~  
32 ~~or ballot measure or solicits contributions in support of that~~  
33 ~~purpose, shall include, at the end of the advertisement, a disclosure~~  
34 ~~read in a clearly spoken manner in a pitch and tone substantially~~  
35 ~~similar to the rest of the advertisement that reads as follows: Top~~  
36 ~~three funders are [state names in descending order of identifiable~~  
37 ~~contributors who made the three largest cumulative contributions~~  
38 ~~to the committee that paid for the advertisement]. Full funding~~  
39 ~~details at [insert Internet Web site address of the committee~~  
40 ~~disclosure Internet Web site].~~

1 ~~(e) If there are fewer than three identifiable contributors, the~~  
2 ~~disclosure shall be adjusted accordingly to disclose the qualifying~~  
3 ~~identifiable contributors, if any.~~

4 ~~84504. (a) A television or video advertisement that supports~~  
5 ~~or opposes a candidate or ballot measure or solicits contributions~~  
6 ~~in support of that purpose shall, if the advertisement is authorized~~  
7 ~~by a candidate or an agent of the candidate, include a statement in~~  
8 ~~which the candidate identifies himself or herself and states that~~  
9 ~~the candidate has approved the message. If the candidate is an~~  
10 ~~identifiable contributor to the committee that paid for the~~  
11 ~~advertisement, the candidate shall also state that his or her~~  
12 ~~contributions paid for the advertisement in part.~~

13 ~~(b) A television or video advertisement that supports or opposes~~  
14 ~~a candidate or ballot measure or solicits contributions in support~~  
15 ~~of that purpose shall include all of the following at the end of the~~  
16 ~~advertisement:~~

17 ~~(1) A full-screen without audio on a black background for a~~  
18 ~~minimum of three seconds that is dedicated to the disclosure~~  
19 ~~described in this subdivision.~~

20 ~~(2) The text Top Funders for This Ad located at the top of the~~  
21 ~~television or video display screen and centered horizontally. The~~  
22 ~~text shall be white in color and the font size shall be at least 5~~  
23 ~~percent of the height of the television or video display screen.~~

24 ~~(3) Immediately below the text described in paragraph (2), the~~  
25 ~~logos, if any, as they appear on the Internet Web site homepage~~  
26 ~~of the identifiable contributor, for the identifiable contributors who~~  
27 ~~made the three largest cumulative contributions to the committee~~  
28 ~~that paid for the advertisement. Each logo shall occupy at least 15~~  
29 ~~percent of the width or height of the television or video display~~  
30 ~~screen and the logos shall be displayed from left to right in~~  
31 ~~descending order beginning with the largest identifiable contributor.~~

32 ~~(4) Immediately below the logos, if any, described in paragraph~~  
33 ~~(3), or beneath the text described in paragraph (2) if no identifiable~~  
34 ~~contributor has a logo, the identifiable contributors who have made~~  
35 ~~the three largest cumulative contributions to the committee that~~  
36 ~~paid for the advertisement. The three identifiable contributors shall~~  
37 ~~each be disclosed on a separate vertical line, in descending order,~~  
38 ~~beginning with the identifiable contributor who made the largest~~  
39 ~~cumulative contribution on the first line. The name of each of the~~  
40 ~~three identifiable contributors shall be centered horizontally. The~~

1 ~~text shall be white in color and the font size shall be at least 5~~  
2 ~~percent the height of the television or video display screen.~~

3 ~~(5) The text Full Funding Details At [insert Internet Web site~~  
4 ~~address of the committee disclosure Internet Web site]. The text~~  
5 ~~shall be white in color and the font size shall be equivalent to 4~~  
6 ~~percent of the height of the television or video display screen. The~~  
7 ~~text shall be located in a position that is vertically 4 percent above~~  
8 ~~the bottom of the television or video display screen.~~

9 ~~(6) If there are fewer than three identifiable contrib-utors, the~~  
10 ~~disclosure shall be adjusted accordingly to disclose only those that~~  
11 ~~qualify as identifiable contrib-utors, if any.~~

12 ~~84505. Except for slate mailers, any mass mailing or print~~  
13 ~~advertisement that supports or opposes a candidate or ballot~~  
14 ~~measure or solicits contributions in support of that purpose shall~~  
15 ~~include a disclosure area on the largest page of the mass mailing~~  
16 ~~or print advertisement that meets all of the following criteria:~~

17 ~~(a) The disclosure area shall be set apart from the rest of the~~  
18 ~~page on which it is located by a line framing the disclosure area~~  
19 ~~in the shape of a square or rectangle and the line shall be a color~~  
20 ~~that is darker than the background color of the remainder of the~~  
21 ~~disclosure area. The disclosure area within the border line shall~~  
22 ~~have a solid background color that establishes a contrast to the~~  
23 ~~color of the disclosure text that is equivalent to or greater than the~~  
24 ~~text and background color contrast in the other areas of the mass~~  
25 ~~mailing or print advertisement.~~

26 ~~(b) The text Top Funders of This Ad shall be located at the~~  
27 ~~top of the disclosure area and centered horizontally on the page.~~  
28 ~~The text shall be in a font size of at least 14-point for pages smaller~~  
29 ~~than 8.5 inches by 11 inches and at least 16-point for pages that~~  
30 ~~are equal to, or larger than, 8.5 inches by 11 inches.~~

31 ~~(c) Immediately below the text described in subdivision (b) shall~~  
32 ~~be printed the logos, if any, as they appear on the Internet Web~~  
33 ~~site homepage of the identifiable contrib-utor, for the identifiable-~~  
34 ~~contributors who made the three largest cumulative contributions~~  
35 ~~to the committee. Each logo shall occupy at least 8 percent of the~~  
36 ~~width or height of the page on which the disclosure area is located~~  
37 ~~and the logos shall be displayed from left to right in descending~~  
38 ~~order beginning with the largest identifiable contrib-utor.~~

39 ~~(d) Immediately below the logos, if any, described in subdivision~~  
40 ~~(e), or beneath the text described in subdivision (b) if no~~

1 identifiable contributor has a logo, shall be identified by name the—  
 2 identifiable contributors who have made the three largest  
 3 cumulative contributions to the committee that paid for the mass  
 4 mailing or print advertisement. The three identifiable contributors  
 5 shall each be disclosed on a separate vertical line, in descending  
 6 order, beginning with the identifiable contributor who made the  
 7 largest cumulative contribution on the first line. The name of each  
 8 of the three identifiable contributors shall be centered horizontally.  
 9 The text shall identify the identifiable contributor in a font size of  
 10 at least 10-point for pages smaller than 8.5 inches by 11 inches  
 11 and at least 12-point for pages that are equal to, or larger than, 8.5  
 12 inches by 11 inches.

13 (e) ~~The text Full Funding Details At [insert Internet Web site~~  
 14 ~~address of the committee disclosure Internet Web site]. The text~~  
 15 ~~shall be located at the bottom of the disclosure area and shall be~~  
 16 ~~in 10-point font size for pages smaller than 8.5 inches by 11 inches~~  
 17 ~~and at least 12-point font size for pages that are equal to, or larger~~  
 18 ~~than, 8.5 inches by 11 inches.~~

19 (f) ~~If there are fewer than three identifiable contributors, the~~  
 20 ~~disclosure shall be adjusted accordingly to disclose the qualifying~~  
 21 ~~identifiable contributors, if any.~~

22 84506. A committee that pays for an advertisement described  
 23 in this article shall establish and maintain a committee disclosure  
 24 Internet Web site. If the committee has an Internet Web site home  
 25 page, that Internet Web site may also serve as the committee  
 26 disclosure Internet Web site. The committee disclosure Internet  
 27 Web site shall dedicate a full page, or part of a page, of the Internet  
 28 Web site for making a contribution disclosure statement that  
 29 includes all of the following:

30 (a) ~~The disclosure statement area shall be at least 250 pixels~~  
 31 ~~wide. The disclosure area shall have a white background and a~~  
 32 ~~border that is dark in color.~~

33 (b) ~~A title that reads Top Funders of This Committee. The~~  
 34 ~~text shall be black in color and shall be at least 10-point font size.~~

35 (c) ~~Immediately below the text described in subdivision (b), a~~  
 36 ~~list of the identifiable contributors who have made the five largest~~  
 37 ~~cumulative contributions to the committee. Each of the five~~  
 38 ~~identifiable contributors shall be disclosed on a separate vertical~~  
 39 ~~line, in descending order, beginning with the identifiable~~  
 40 ~~contributor who made the largest cumulative contribution on the~~

1 rst line.—The text shall be black in color and the shall be at least  
2 9-point font size.

3 (d) ~~Immediately below the text described in subdivision (c), the~~  
4 ~~logos, if any, as they appear on the Internet Web site homepage~~  
5 ~~of the identifiable contrib utor, for the identifiable contrib utors who~~  
6 ~~made the v e largest cumulative contributions to the committee.~~  
7 ~~Each logo shall occupy at least 75 horizontal or vertical pixels and~~  
8 ~~shall be displayed from left to right in descending order beginning~~  
9 ~~with the largest identifiable contrib utor.~~

10 (e) ~~A link to the Internet Web site maintained by the Secretary~~  
11 ~~of State that contains campaign nance disclosures made by the~~  
12 ~~committee pursuant to this title for the current election cycle. The~~  
13 ~~link shall be labeled Full funding info at Secretary of State s~~  
14 ~~Internet Web site. The link shall be a standard hyperlink that is~~  
15 ~~displayed as blue underline text in Arial equivalent font in at least~~  
16 ~~9-point font size.~~

17 (f) ~~If there are fewer than v e identifiable contrib utors, the~~  
18 ~~disclosure shall be adjusted accordingly to disclose the qualifying~~  
19 ~~identifiable contrib utors, if any.~~

20 84507. ~~For purposes of any disclosure required under this~~  
21 ~~article, the following shall also apply in the event that an~~  
22 ~~identifiable contrib utor is a person who is an individual:~~

23 (a) ~~If the committee receiving the contribution is supporting or~~  
24 ~~opposing a candidate, then the disclosure shall include the~~  
25 ~~occupation and employer of the identifiable contrib utor in addition~~  
26 ~~to the contributor s name.~~

27 (b) ~~If the committee receiving the contribution is supporting or~~  
28 ~~opposing a ballot measure, and the passage or defeat of the ballot~~  
29 ~~measure directly benets or harms the emplo yer of the identifiable~~  
30 ~~contributor, then the disclosure shall include the oecupation and~~  
31 ~~employer of the identifiable contrib utor in addition to the~~  
32 ~~contributor s name. However, if an employer of an identifiable~~  
33 ~~contributor is also an identifiable contrib utor of that committee,~~  
34 ~~then the contributions of the employees shall, instead, be deemed~~  
35 ~~to be contributions by the employer for purposes of determining~~  
36 ~~the total cumulative contribution made by the employer in order~~  
37 ~~to determine which identifiable contrib utors shall be disclosed on~~  
38 ~~an advertisement pursuant to this article.~~

39 (c) ~~If the committee receiving the contribution is supporting or~~  
40 ~~opposing a ballot measure, and the passage or defeat of the ballot~~

1 ~~measure does not directly benefit or harm the employer of the~~  
 2 ~~identifiable contributor, then the disclosure shall include only the~~  
 3 ~~name of the identifiable contributor.~~

4 ~~84508. Disclosures made pursuant to this article shall be~~  
 5 ~~sufficient to identify the identifiable contributor but need not~~  
 6 ~~include legal terms as incorporated, committee, political~~  
 7 ~~action committee, or company, or their abbreviations. Nothing~~  
 8 ~~in this section shall prevent a contributor from being disclosed as~~  
 9 ~~a name used in common usage or parlance, including, but not~~  
 10 ~~limited to, an abbreviation or acronym.~~

11 ~~SEC. 4. No reimbursement is required by this act pursuant to~~  
 12 ~~Section 6 of Article XIII B of the California Constitution because~~  
 13 ~~the only costs that may be incurred by a local agency or school~~  
 14 ~~district will be incurred because this act creates a new crime or~~  
 15 ~~infraction, eliminates a crime or infraction, or changes the penalty~~  
 16 ~~for a crime or infraction, within the meaning of Section 17556 of~~  
 17 ~~the Government Code, or changes the definition of a crime within~~  
 18 ~~the meaning of Section 6 of Article XIII B of the California~~  
 19 ~~Constitution.~~

20 ~~SEC. 5. The Legislature finds and declares that this bill furthers~~  
 21 ~~the purposes of the Political Reform Act of 1974 within the~~  
 22 ~~meaning of subdivision (a) of Section 81012 of the Government~~  
 23 ~~Code.~~

24 *SEC. 2. Section 84501 of the Government Code is repealed.*

25 ~~84501. (a) Advertisement means any general or public~~  
 26 ~~advertisement which is authorized and paid for by a person or~~  
 27 ~~committee for the purpose of supporting or opposing a candidate~~  
 28 ~~for elective office or a ballot measure or ballot measures.~~

29 ~~(b) Advertisement does not include a communication from~~  
 30 ~~an organization other than a political party to its members, a~~  
 31 ~~campaign button smaller than 10 inches in diameter, a bumper~~  
 32 ~~sticker smaller than 60 square inches, or other advertisement as~~  
 33 ~~determined by regulations of the commission.~~

34 *SEC. 3. Section 84501 is added to the Government Code, to*  
 35 *read:*

36 *84501. For purposes of this article, the following terms have*  
 37 *the following meanings:*

38 *(a) (1) Advertisement means any general or public*  
 39 *advertisement which is authorized and paid for by a person or*

1 committee for the purpose of supporting or opposing a candidate  
2 for elective office or a ballot measure or ballot measures.

3 (2) Advertisement does not include a communication from  
4 an organization other than a political party to its members, a  
5 campaign button smaller than 10 inches in diameter, a bumper  
6 sticker smaller than 60 square inches, or other advertisement as  
7 determined by regulations of the Commission.

8 (b) Committee disclosure Internet Web site means the Internet  
9 Web site for a committee identifying the top identifiable  
10 contributors to that committee, as described in Section 84506.3.

11 (c) Cumulative contributions means the cumulative amount  
12 of contributions received by a committee beginning 18 months  
13 prior to the date the committee made its first expenditure to qualify,  
14 support, or oppose a candidate for elective office or a ballot  
15 measure or ballot measures and ending seven days before the  
16 advertisement is sent to the printer or broadcast station or  
17 uploaded to the Internet.

18 (d) Identifiable contributor means a person or committee  
19 that has made cumulative contributions of at least ten thousand  
20 dollars (\$10,000) to a committee.

21 SEC. 4. Section 84502 of the Government Code is repealed.

22 ~~84502. Cumulative contributions means the cumulative~~  
23 ~~amount of contributions received by a committee beginning 12~~  
24 ~~months prior to the date the committee made its first expenditure~~  
25 ~~to qualify, support, or oppose the measure and ending within seven~~  
26 ~~days of the time the advertisement is sent to the printer or broadcast~~  
27 ~~station.~~

28 SEC. 5. Section 84503 of the Government Code is repealed.

29 ~~84503. (a) Any advertisement for or against any ballot measure~~  
30 ~~shall include a disclosure statement identifying any person whose~~  
31 ~~cumulative contributions are fifty thousand dollars (\$50,000) or~~  
32 ~~more.~~

33 ~~(b) If there are more than two donors of fifty thousand dollars~~  
34 ~~(\$50,000) or more, the committee is only required to disclose the~~  
35 ~~highest and second highest in that order. In the event that more~~  
36 ~~than two donors meet this disclosure threshold at identical~~  
37 ~~contribution levels, the highest and second highest shall be selected~~  
38 ~~according to chronological sequence.~~

39 SEC. 6. Section 84504 of the Government Code is amended to  
40 read:

1 84504. (a) Any committee that supports or opposes one or  
 2 more ballot measures shall name and identify itself using a name  
 3 or phrase that clearly identifies the economic or other special  
 4 interest of its major donors of fifty thousand dollars (\$50,000) or  
 5 more in any reference to the committee required by law, including,  
 6 but not limited, to its statement of organization led pursuant to  
 7 Section 84101.

8 (b) If the major donors of fifty thousand dollars (\$50,000) or  
 9 more share a common employer, the identity of the employer shall  
 10 also be disclosed.

11 (c) Any committee which supports or opposes a ballot measure;  
 12 shall print or broadcast its name as provided in this section as part  
 13 of any advertisement or other paid public statement, *unless the*  
 14 *advertisement is required to include a disclosure pursuant to any*  
 15 *other section of this article.*

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

19 *SEC. 7. Section 84505 of the Government Code is amended to*  
 20 *read:*

21 84505. In addition to the requirements of Sections ~~84503,~~  
 22 ~~84504, 84506, and 84506.5~~ *84506.1, 84506.2, and 84506.3*, the  
 23 committee placing the advertisement or persons acting in concert  
 24 with that committee shall be prohibited from creating or using a  
 25 noncandidate-controlled committee or a nonsponsored committee  
 26 to avoid, or that results in the avoidance of, the disclosure of any  
 27 individual, industry, business entity, controlled committee, or  
 28 sponsored committee as a major funding source.

29 *SEC. 8. Section 84506 of the Government Code is repealed.*

30 ~~84506. (a) A broadcast or mass mailing advertisement~~  
 31 ~~supporting or opposing a candidate or ballot measure, that is paid~~  
 32 ~~for by an independent expenditure, shall include a disclosure~~  
 33 ~~statement that identifies both of the following:~~

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

36 ~~(2) The names of the persons from whom the committee making~~  
 37 ~~the independent expenditure has received its two highest~~  
 38 ~~cumulative contributions of fifty thousand dollars (\$50,000) or~~  
 39 ~~more during the 12-month period prior to the expenditure. If the~~  
 40 ~~committee can show, on the basis that contributions are spent in~~

~~1 the order they are received, that contributions received from the  
2 two highest contributors have been used for expenditures unrelated  
3 to the candidate or ballot measure featured in the communication;  
4 the committee shall disclose the contributors making the next  
5 largest cumulative contributions of fifty thousand dollars (\$50,000)-  
6 or more.~~

~~7 (b) If an acronym is used to identify any committee names  
8 required by this section, the names of any sponsoring organization  
9 of the committee shall be printed on print advertisements or spoken  
10 in broadcast advertisements.~~

11 *SEC. 9. Section 84506 is added to the Government Code, to*  
12 *read:*

13 *84506. (a) A radio advertisement that supports or opposes a*  
14 *candidate or ballot measure or solicits contributions in support*  
15 *of that purpose shall, if the advertisement is authorized by a*  
16 *candidate or an agent of the candidate, include an audio statement*  
17 *in which the candidate identifies himself or her self and states that*  
18 *the candidate has approved the message.*

19 *(b) A radio advertisement that supports or opposes a candidate*  
20 *or ballot measure or solicits contributions in support of that*  
21 *purpose shall, if the advertisement is not authorized by a candidate*  
22 *or an agent of the candidate, include at the end of the*  
23 *advertisement a disclosure read in a clearly spoken manner in a*  
24 *pitch and tone substantially similar to the rest of the advertisement*  
25 *that reads as follows: Top funders of this ad are [state names in*  
26 *descending order of identifiable contributors who made the three*  
27 *largest cumulative contributions to the committee that paid for the*  
28 *advertisement]. Full funding details at [state Internet Web site*  
29 *address of the committee disclosure Internet Web site].*

30 *(c) If there are fewer than three identifiable contributors, the*  
31 *disclosure shall be adjusted accordingly to disclose the qualifying*  
32 *identifiable contributors, if any. If the committee does not have*  
33 *any identifiable contributors, but the committee has received*  
34 *cumulative contributions totaling at least ten thousand dollars*  
35 *(\$10,000), the disclosure shall be adjusted to include the name of*  
36 *the committee in the place of the names of identifiable contributors.*

37 *SEC. 10. Section 84506.1 is added to the Government Code,*  
38 *to read:*

39 *84506.1. (a) A television or video advertisement that supports*  
40 *or opposes a candidate or ballot measure or solicits contributions*

1 *in support of that purpose shall, if the advertisement is authorized*  
2 *by a candidate or an agent of the candidate, include a statement*  
3 *in which the candidate identifies himself or her self and states that*  
4 *the candidate has approved the message.*

5 *(b) A television or video advertisement that supports or opposes*  
6 *a candidate or ballot measure or solicits contributions in support*  
7 *of that purpose shall, if the advertisement is not authorized by a*  
8 *candidate or an agent of the candidate, include all of the following*  
9 *at the end of the advertisement:*

10 *(1) A full-screen without audio on a black background for a*  
11 *minimum of three seconds that is dedicated to the disclosure*  
12 *described in this subdivision.*

13 *(2) The text Top Funders for This Ad located at the top of*  
14 *the television or video display screen and centered horizontally.*  
15 *The text shall be white in color and the font size shall be at least*  
16 *5 percent of the height of the television or video display screen.*

17 *(3) Immediately below the text described in paragraph (2), the*  
18 *logos, if any, as they appear on the Internet Web site homepage*  
19 *of the identifiable contributor, for the identifiable contributors*  
20 *who made the three largest cumulative contributions to the*  
21 *committee that paid for the advertisement. Each logo shall occupy*  
22 *at least 15 percent of the width or height of the television or video*  
23 *display screen and the logos shall be displayed from left to right*  
24 *in descending order beginning with the largest identifiable*  
25 *contributor.*

26 *(4) Immediately below the logos, if any, described in paragraph*  
27 *(3), or beneath the text described in paragraph (2) if no identifiable*  
28 *contributor has a logo, the identifiable contributors who have*  
29 *made the three largest cumulative contributions to the committee*  
30 *that paid for the advertisement. The three identifiable contributors*  
31 *shall each be disclosed on a separate vertical line, in descending*  
32 *order, beginning with the identifiable contributor who made the*  
33 *largest cumulative contribution on the first line. The name of each*  
34 *of the three identifiable contributors shall be centered horizontally.*  
35 *The text shall be white in color and the font size shall be at least*  
36 *5 percent of the height of the television or video display screen.*

37 *(5) The text Full Funding Details At [insert Internet Web site*  
38 *address of the committee disclosure Internet Web site]. The text*  
39 *shall be white in color and the font size shall be equivalent to 4*  
40 *percent of the height of the television or video display screen. The*

1 text shall be located in a position that is vertically 4 percent above  
2 the bottom of the television or video display screen.

3 (6) If there are fewer than three identifiable contributors, the  
4 disclosure shall be adjusted accordingly to disclose only those  
5 that qualify as identifiable contributors, if any. If the committee  
6 does not have any identifiable contributors, but the committee has  
7 received cumulative contributions totaling at least ten thousand  
8 dollars (\$10,000), the disclosure shall be adjusted to include the  
9 name of the committee in the place of the names of identifiable  
10 contributors.

11 SEC. 11. Section 84506.2 is added to the Government Code,  
12 to read:

13 84506.2. Except for slate mailers or advertisements that are  
14 authorized by a candidate or an agent of the candidate, any mass  
15 mailing or print advertisement that supports or opposes a  
16 candidate or ballot measure or solicits contributions in support  
17 of that purpose and that is paid for by a committee, or by any  
18 person who is not a committee and who spends more than one  
19 thousand dollars (\$1,000) on mass mailing or print advertising  
20 cumulatively in the period beginning 18 months prior to the date  
21 the person made his or her first expenditure to qualify, support,  
22 or oppose the candidate for elective office or the ballot measure  
23 and ending seven days before the mass mailing or print  
24 advertisement is sent to the printer, shall include a disclosure area  
25 on the largest page of the mass mailing or print advertisement that  
26 meets all of the following criteria:

27 (a) The disclosure area shall be set apart from the rest of the  
28 page on which it is located by a line framing the disclosure area  
29 in the shape of a square or rectangle and the line shall be a color  
30 that is darker than the background color of the remainder of the  
31 disclosure area. The disclosure area within the border line shall  
32 have a solid background color that establishes a contrast to the  
33 color of the disclosure text that is equivalent to or greater than  
34 the text and background color contrast in the other areas of the  
35 mass mailing or print advertisement.

36 (b) For purposes of a mass mailing or print advertisement paid  
37 for by a committee, the disclosure shall include the following:

38 (1) The text *To Funders of This Ad* shall be located at the  
39 top of the disclosure area and centered horizontally in the  
40 disclosure area. The text shall be in a font size of at least 14-point

1 *for pages smaller than 8.5 inches by 11 inches and at least 16-point*  
2 *for pages that are equal to, or larger than, 8.5 inches by 11 inches.*

3 (2) *Immediately below the text described in paragraph (1) shall*  
4 *be printed the logos, if any, as they appear on the Internet Web*  
5 *site homepage of the identifiable contributor, for the identifiable*  
6 *contributors who made the three largest cumulative contributions*  
7 *to the committee. Each logo shall occupy at least 8 percent of the*  
8 *width or height of the page on which the disclosure area is located*  
9 *and the logos shall be displayed from left to right in descending*  
10 *order beginning with the largest identifiable contributor.*

11 (3) *Immediately below the logos, if any, described in paragraph*  
12 *(2), or beneath the text described in paragraph (1) if no identifiable*  
13 *contributor has a logo, shall be identified by name the identifiable*  
14 *contributors who have made the three largest cumulative*  
15 *contributions to the committee that paid for the mass mailing or*  
16 *print advertisement. The three identifiable contributors shall each*  
17 *be disclosed on a separate vertical line, in descending order,*  
18 *beginning with the identifiable contributor who made the largest*  
19 *cumulative contribution on the first line. The name of each of the*  
20 *three identifiable contributors shall be centered horizontally. The*  
21 *text shall identify the identifiable contributor in a font size of at*  
22 *least 10-point for pages smaller than 8.5 inches by 11 inches and*  
23 *at least 12-point for pages that are equal to, or larger than, 8.5*  
24 *inches by 11 inches.*

25 (4) *The text Full Funding Details At [insert Internet Web site*  
26 *address of the committee disclosure Internet Web site]. The text*  
27 *shall be located at the bottom of the disclosure area and shall be*  
28 *in 10-point font size for pages smaller than 8.5 inches by 11 inches*  
29 *and at least 12-point font size for pages that are equal to, or larger*  
30 *than, 8.5 inches by 11 inches.*

31 (5) *If there are fewer than three identifiable contributors, the*  
32 *disclosure shall be adjusted accordingly to disclose the qualifying*  
33 *identifiable contributors, if any. If the committee does not have*  
34 *any identifiable contributors, but the committee has received*  
35 *cumulative contributions totaling at least ten thousand dollars*  
36 *(\$10,000), the disclosure shall be adjusted to include the name of*  
37 *the committee in the place of the names of identifiable contributors.*

38 (c) *For purposes of a mass mailing or print advertisement paid*  
39 *for by a person who is not a committee and who spends more than*  
40 *one thousand dollars (\$1,000) on mass mailings or print*

1 advertisements, as described in this section, the disclosure shall  
 2 include the text *This advertisement funded by [insert name of the*  
 3 *person who paid for the mass mailing or print advertisement].*  
 4 *The text shall be centered within the disclosure area and shall be*  
 5 *in a font size of at least 14-point for pages smaller than 8.5 inches*  
 6 *by 11 inches and at least 16-point for pages that are equal to, or*  
 7 *larger than, 8.5 inches by 11 inches. The person shall not be*  
 8 *required to create or maintain a disclosure Internet Web site*  
 9 *described in Section 84506.3.*

10 SEC. 12. Section 84506.3 is added to the Government Code,  
 11 to read:

12 84506.3. Except for a committee that is controlled by a  
 13 candidate, a committee that pays for an advertisement described  
 14 in this article shall establish and maintain a committee disclosure  
 15 Internet Web site. If the committee has an Internet Web site  
 16 homepage, that Internet Web site may also serve as the committee  
 17 disclosure Internet Web site. The homepage of the committee  
 18 disclosure Internet Web site and any other Internet Web sites  
 19 maintained by the committee shall include a disclosure statement  
 20 area for the purpose of making a contribution disclosure statement  
 21 that includes all of the following:

22 (a) The disclosure statement area shall be at least 250 pixels  
 23 wide. The disclosure area shall have a white background and a  
 24 border that is dark in color.

25 (b) A title that reads *Top Funders of This Committee*. The  
 26 text shall be black in color and shall be at least 10-point font size.

27 (c) Immediately below the text described in subdivision (b), a  
 28 list of the identifiable contributors who have made the largest  
 29 cumulative contributions to the committee. Each of the ve  
 30 identifiable contributors shall be disclosed on a separate vertical  
 31 line, in descending order, beginning with the identifiable  
 32 contributor who made the largest cumulative contribution on the  
 33 first line. The text shall be black in color and shall be at least  
 34 9-point font size.

35 (d) Immediately below the text described in subdivision (c), the  
 36 logos, if any, as they appear on the Internet Web site homepage  
 37 of the identifiable contributor, for the identifiable contributors  
 38 who made the largest cumulative contributions to the  
 39 committee. Each logo shall occupy at least 75 horizontal or vertical

1 pixels and shall be displayed from left to right in descending order  
 2 beginning with the largest identifiable contributor.

3 (e) A link to the Internet Web site maintained by the Secretary  
 4 of State that contains campaign finance disclosures made by the  
 5 committee pursuant to this title for the current election cycle. The  
 6 link shall be labeled Full funding info at Secretary of State's  
 7 Internet Web site. The link shall be a standard hyperlink that is  
 8 displayed as blue underlined text in Arial equivalent font in at  
 9 least 9-point font size.

10 (f) If there are fewer than five identifiable contributors, the  
 11 disclosure shall be adjusted accordingly to disclose the qualifying  
 12 identifiable contributors, if any. If the committee does not have  
 13 any identifiable contributors, but the committee has received  
 14 cumulative contributions totaling at least ten thousand dollars  
 15 (\$10,000), the disclosure shall be adjusted to include the name of  
 16 the committee in the place of the names of identifiable contributors.

17 SEC. 13. Section 84506.5 of the Government Code is repealed.

18 ~~84506.5. An advertisement supporting or opposing a candidate~~  
 19 ~~that is paid for by an independent expenditure must include a~~  
 20 ~~statement that it was not authorized by a candidate or a committee~~  
 21 ~~controlled by a candidate.~~

22 SEC. 14. Section 84507 of the Government Code is repealed.

23 ~~84507. Any disclosure statement required by this article shall~~  
 24 ~~be printed clearly and legibly in no less than 10-point type and in~~  
 25 ~~a conspicuous manner as defined by the commission or, if the~~  
 26 ~~communication is broadcast, the information shall be spoken so~~  
 27 ~~as to be clearly audible and understood by the intended public and~~  
 28 ~~otherwise appropriately conveyed for the hearing impaired.~~

29 SEC. 15. Section 84507 is added to the Government Code, to  
 30 read:

31 84507. For purposes of any disclosure required by Sections  
 32 84506 to 84506.3, inclusive, for advertisements that are not  
 33 authorized by a candidate or an agent of the candidate, the  
 34 following shall also apply in the event that an identifiable  
 35 contributor is a person who is an individual:

36 (a) If the committee receiving the contribution is supporting or  
 37 opposing a candidate, then the disclosure shall include the  
 38 occupation and employer of the identifiable contributor in addition  
 39 to the contributor's name.

1 (b) If the committee receiving the contribution is supporting or  
 2 opposing a ballot measure, and the passage or defeat of the ballot  
 3 measure directly benefits or harms the employer of the identifiable  
 4 contributor, then the disclosure shall include the occupation and  
 5 employer of the identifiable contributor in addition to the  
 6 contributor's name. However, if an employer of an identifiable  
 7 contributor is also an identifiable contributor of that committee,  
 8 then the contributions of the employees shall, instead, be deemed  
 9 to be contributions by the employer for purposes of determining  
 10 the total cumulative contribution made by the employer in order  
 11 to determine which identifiable contributors shall be disclosed on  
 12 an advertisement pursuant to this article.

13 (c) If the committee receiving the contribution is supporting or  
 14 opposing a ballot measure, and the passage or defeat of the ballot  
 15 measure does not directly benefit or harm the employer of the  
 16 identifiable contributor, then the disclosure shall include only the  
 17 name of the identifiable contributor.

18 SEC. 16. Section 84508 of the Government Code is repealed.

19 ~~84508. If disclosure of two major donors is required by Sections~~  
 20 ~~84503 and 84506, the committee shall be required to disclose, in~~  
 21 ~~addition to the committee name, only its highest major contributor~~  
 22 ~~in any advertisement which is:~~

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

26 SEC. 17. Section 84508 is added to the Government Code, to  
 27 read:

28 84508. Disclosures made pursuant to Sections 84506 to  
 29 84506.3, inclusive, shall be sufficient to identify the identifiable  
 30 contributor but need not include such legal terms as  
 31 incorporated, committee, political action committee, or  
 32 company, or their abbreviations. Nothing in this section shall  
 33 prevent a contributor from being disclosed as a name used in  
 34 common usage or parlance, including, but not limited to, an  
 35 abbreviation or acronym.

36 SEC. 18. No reimbursement is required by this act pursuant  
 37 to Section 6 of Article XIII B of the California Constitution because  
 38 the duties imposed on a local agency or school district by this act  
 39 were expressly included in a ballot measure approved by the voters

1 *in a statewide election, within the meaning of Section 17556 of*  
2 *the Government Code.*  
3 *SEC. 19. The Secretary of State shall, pursuant to subdivision*  
4 *(b) of Section 81012 of the Government Code, submit Sections 1*  
5 *to 17, inclusive, of this act to the voters for approval at a statewide*  
6 *election in accordance with Section 9040 of the Elections Code.*

O