

Assembly Bill No. 481

CHAPTER 496

An act to amend Sections 82036, 82036.5, 84102, 84104, 84213, and 84506 of, and to amend, renumber, and add Section 82047.6 of, the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 24, 2012. Filed with
Secretary of State September 24, 2012.]

LEGISLATIVE COUNSEL'S DIGEST

AB 481, Gordon. Political Reform Act of 1974: campaign disclosure.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees.

This bill would require each campaign committee to identify its principal officer or officers, as defined, and would require each principal officer to maintain the committee's accounts and records. In addition, the bill would require a committee's principal officer, in the event the committee files a statement or report disclosing an independent expenditure, to sign a verification verifying that the committee has not received unreported contributions or reimbursements to make the independent expenditure and has not coordinated with the candidate or the opponent of the candidate or the proponent or the opponent of the state measure that is the subject of the expenditure.

The Political Reform Act of 1974 defines "late contribution" and "late independent expenditure" as any contribution or independent expenditure totaling in the aggregate \$1,000 or more that is made for or against any specific candidate, committee, or measure involved in an election that is made or received before the date of the election but after the closing date of the last campaign statement required to be filed prior to the election.

This bill would instead define "late contribution" and "late independent expenditure" to mean a contribution or independent expenditure made within 90 days before the date of the election at which the candidate or measure is to be voted on.

The Political Reform Act of 1974 requires that broadcast and mass mailing advertisements supporting or opposing candidates or ballot measures include disclosure statements that reflect specified information.

This bill would require any advertisement supporting or opposing candidates or ballot measures to include such disclosure statements.

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 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.

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

SECTION 1. Section 82036 of the Government Code is amended to read:

82036. "Late contribution" means any of the following:

(a) A contribution, including a loan, that totals in the aggregate one thousand dollars (\$1,000) or more and is made to or received by a candidate, a controlled committee, or a committee formed or existing primarily to support or oppose a candidate or measure within 90 days before the date of the election at which the candidate or measure is to be voted on. For purposes of the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board, "the date of the election" is the deadline to return ballots.

(b) A contribution, including a loan, that totals in the aggregate one thousand dollars (\$1,000) or more and is made to or received by a political party committee, as defined in Section 85205, within 90 days before the date of a state election.

SEC. 2. Section 82036.5 of the Government Code is amended to read:

82036.5. "Late independent expenditure" means an independent expenditure that totals in the aggregate one thousand dollars (\$1,000) or more and is made for or against a specific candidate or measure involved in an election within 90 days before the date of the election. For purposes of the Board of Administration of the Public Employees' Retirement System and the Teachers' Retirement Board, "the date of the election" is the deadline to return ballots.

SEC. 3. Section 82047.6 of the Government Code is amended and renumbered to read:

82047.7 "Proponent of a state ballot measure" means "proponent" as defined in Section 9002 of the Elections Code.

SEC. 4. Section 82047.6 is added to the Government Code, to read:

82047.6. (a) "Principal officer" means the individual primarily responsible for approving the political activities of a committee, including, but not limited to, the following activities:

(1) Authorizing the content of communications made by the committee.

(2) Authorizing expenditures, including contributions, on behalf of the committee.

(3) Determining the committee's campaign strategy.

(b) If two or more individuals share the primary responsibility for approving the political activities of a committee, each individual is a principal officer.

SEC. 5. Section 84102 of the Government Code is amended to read:

84102. The statement of organization required by Section 84101 shall include all of the following:

(a) The name, street address, and telephone number, if any, of the committee. In the case of a sponsored committee, the name of the committee shall include the name of its sponsor. Whenever a committee has more than one sponsor, and the sponsors are members of an industry or other identifiable group, a term identifying that industry or group shall be included in the name of the committee.

(b) In the case of a sponsored committee, the name, street address, and telephone number of each sponsor.

(c) The full name, street address, and telephone number, if any, of the treasurer and any other principal officers. A committee with more than one principal officer shall identify its principal officers as follows:

(1) A committee with three or fewer principal officers shall identify all principal officers.

(2) A committee with more than three principal officers shall identify no fewer than three principal officers.

If no individual other than the treasurer is a principal officer, the treasurer shall be identified as both the treasurer and the principal officer.

(d) The full name and office sought by any candidate, and the title and ballot number, if any, of any measure, that the committee supports or opposes as its primary activity. A committee that does not support or oppose one or more candidates or ballot measures as its primary activity shall provide a brief description of its political activities, including whether it supports or opposes candidates or measures and whether such candidates or measures have common characteristics, such as a political party affiliation.

(e) A statement whether the committee is independent or controlled and, if it is controlled, the name of each candidate or state measure proponent by which it is controlled, or the name of any controlled committee with which it acts jointly. If a committee is controlled by a candidate for partisan office, the controlled committee shall indicate the political party, if any, with which the candidate is affiliated.

(f) For a committee that is a committee by virtue of subdivision (a) or (b) of Section 82013, the name and address of the financial institution where the committee has established an account and the account number.

(g) Such other information as shall be required by the rules or regulations of the Commission consistent with the purposes and provisions of this chapter.

SEC. 6. Section 84104 of the Government Code is amended to read:

84104. It shall be the duty of each candidate, treasurer, principal officer, and elected officer to maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that campaign statements were properly filed, and to otherwise comply with the provisions of this chapter. The detailed accounts, records, bills, and receipts shall be retained by the filer for a period specified by the Commission. However, the Commission shall not require retention of records for a period longer than the statute of limitations specified in Section 91000.5 or two years after the adoption of an audit report pursuant to Chapter 10 (commencing with Section 90000), whichever is less.

SEC. 7. Section 84213 of the Government Code is amended to read:

84213. (a) A candidate and state measure proponent shall verify his or her campaign statement and the campaign statement of each committee subject to his or her control. The verification shall be in accordance with the provisions of Section 81004 except that it shall state that to the best of his or her knowledge the treasurer of each controlled committee used all reasonable diligence in the preparation of the committee's statement. This section does not relieve the treasurer of any committee from the obligation to verify each campaign statement filed by the committee pursuant to Section 81004.

(b) If a committee is required to file a campaign statement or report disclosing an independent expenditure pursuant to this title, a principal officer of the committee or, in the case of a controlled committee, the candidate or state measure proponent or opponent who controls the committee shall sign a verification on a report prescribed by the Commission. Notwithstanding any other provision of this title, the report containing the verification required by this subdivision shall be filed only with the Commission. The verification shall read as follows:

I have not received any unreported contributions or reimbursements to make these independent expenditures. I have not coordinated any expenditure made during this reporting period with the candidate or the opponent of the candidate who is the subject of the expenditure, with the proponent or the opponent of the state measure that is the subject of the expenditure, or with the agents of the candidate or the opponent of the candidate or the state measure proponent or opponent.

SEC. 8. Section 84506 of the Government Code is amended to read:

84506. (a) An 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 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 highest contributors have been used for expenditures unrelated to the candidate or ballot measure featured in the communication,

the committee shall disclose the 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. 9. 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.

SEC. 10. 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.