

# **ADVERTISEMENT DISCLOSURES**

This chapter describes the disclosures required on mailings and other advertisements made by ballot measure committees. A disclosure is the portion of a political message that identifies the committee that paid for and authorized the communication.

**QUICK TIP:** Advertisement disclosures are required even during the ballot qualification period.

The basic disclosure for most communications is "Ad paid for by [committee name]." The disclosure ensures that the committee paying for the ad is identified. The Act does not regulate the truth or accuracy of political communications given that the First Amendment provides broad protection for political speech. Some advertisements must also include the words "Ad Committee's Top Funder(s)" followed by the names of the top contributors to the committee paying for the advertisement.

# A. Top Three Contributors of \$50,000 or More

"Top contributors" means the persons from whom the committee paying for an advertisement has received its three highest cumulative contributions of fifty thousand dollars (\$50,000) or more. If two or more contributors of identical amounts qualify as top contributors, the most recent contributor of that amount must be listed as the top contributor.

**QUICK TIP:** A primarily formed ballot measure committee that has accepted a \$50,000 contribution may not avoid disclosing the contributor by returning \$1,000 of the contribution.

If an advertisement paid for by a committee supports or opposes a candidate, the determination of top contributors may not include any nonprofit organization exempt from federal income taxation pursuant to Section 501(c)(3) of the United States Internal Revenue Code or any person who has prohibited in writing the use of their contributions to support or oppose candidates if the committee does not use such contributions to support or oppose candidates.

When a committee primarily formed to support or oppose a state ballot measure contributes funds to another committee primarily formed to support or oppose the same state ballot measure and the funds used for the contribution were earmarked to support or oppose that measure, the committee receiving the earmarked contribution shall disclose the contributor who earmarked their funds as the top contributor if the definition of top contributor is met. If the committee receiving the earmarked contribution contributes any portion of the contribution to another committee primarily formed to support or oppose the specifically identified state ballot measure, that committee must disclose the true source of the contribution to the new committee receiving the earmarked funds. The new committee must disclose the contributor on the new committee's advertisements if the definition of top contributor is met.

**Ex 7.1 –** A ballot measure committee has received 15 contributions of \$50,000 or more. The committee will buy 30 second ads on local television stations. The television ads must identify the committee name as it appears on its most recent Form 410 and the names of the top three contributors who donated \$50,000 or more.

**Ex 7.2** – An elected officeholder made a \$10,000 contribution to a ballot measure committee that is not controlled by the officeholder. Must the officeholder's name be identified in the committee's advertisements?

No. The officeholder's name would be required in advertisements if the officeholder was a top three contributor of \$50,000 or more.

**Ex 7.3** – A non-controlled ballot measure committee's four highest contributors are a corporation (\$150,000), an individual (\$100,000), a state officeholder using personal funds (\$85,000) and the same state officeholder's controlled committee (\$50,000).

The contributions from the state officeholder's personal funds and controlled committee funds are cumulated, for a total of \$135,000. Therefore, the ranking of the contributors are (1) the corporation, (2) the officeholder, and (3) the individual.

#### **Disclosure Examples**

The disclosure must include, unless otherwise noted: "Ad paid for by [committee's name]" and "Ad Committee's Top Funder(s) [names of top three contributors of \$50,000 or more]" each listed on a seperate horizontal line in descending order.

"Ad paid for by Citizens in Support of Measure B, sponsored by the Taxpayers Alliance, Ad Committee's Top Funders Pacific Productions XYZ Partnership"

"Ad paid for by Californians for Education Issues PAC, Ad Committee's Top Funders Student Political Action Committee ZZZ Trade Association and Teachers United Organization"

"Ad paid for by Voters in Support of Measure A" (no sponsors or \$50,000 contributors)

## B. Summary of Advertisement Disclosures for Ballot Measure Committees

The disclosures that a ballot measure committee must put on its ads are summarized this chapter and discussed below. For more information on specific advertisement disclosures, please refer to the <u>political advertisement disclosure charts</u> available on the FPPC's website. Generally, ballot measure committees will reference ad chart #6 on the FPPC's website.

Please note that advertisements that are "online platform disclosed advertisements" have different disclosure requirements than other types of online advertisements. "Online platform disclosed advertisements" are either (1) electronic media advertisements made via an online platform that allows users to engage in discourse and post content, or any other type of social media, for which the committee pays the online platform or (2) electronic media advertisements that are in the form of a graphic, image, animated graphic, or animated image that an online platform hosting the advertisement does not allow to hyperlink to an internet website containing required disclosures. For more information on "online platform disclosed advertisements" please refer to the "Online Platform Disclosed Advertisement Requirements" chart later in this chapter.

Electronic media advertisements that are not "online platform disclosed advertisements" shall follow disclosure requirements described in this chapter, other than those listed in the "Online Platform Disclosed Advertisement Requirements" chart.

# C. Online Platform Disclosed Advertisements

"Online platform disclosed advertisements" are either (1) electronic media advertisements made via an online platform that allows users to engage in discourse and post content, or any other type of social media, for which the committee pays the online platform, or (2) electronic media advertisements that are in the form of a graphic, image, animated graphic, or animated image that an online platform hosting the advertisement does not allow to hyperlink to an internet website containing required disclosures.

Electronic media advertisements that are not "online platform disclosed advertisements" shall follow disclosure requirements described previously in this chapter.

Communication	Disclosure and Manner of Display
Type of Advertisement	Either (1) electronic media advertisements made via an online platform that
Law Applies To:	allows users to engage in discourse and post content, or any other type of social
	media, for which the committee pays the online platform or (2) electronic media
	advertisements that are in the form of a graphic, image, animated graphic, or
	animated image that an online platform hosting the advertisement does not allow
	to hyperlink to an internet website containing required disclosures.

Communication	Disclosure and Manner of Display
Ad Disclosure that	An Online Platform Must Do One of the Following:
Online Platform is Required to Place on Advertisement:	<ol> <li>Display "Paid for by" or "Ad Paid for by" followed by "Ad Committee's Top Funders" followed by the committee's top three contributors of \$50,000 or more, followed by a colon, followed by surrounded in quotation marks, the name of the committee easily readable to the average viewer located adjacent to any statement the communication is an advertisement (or is premeted or enserged). The online platform may display only one bundred</li> </ol>
	promoted or sponsored). The online platform may display only one hundred or more characters of the "Ad Committee's Top Funders" followed by the committee's top three contributors and name of the committee disclosures if followed by a "" that is clearly clickable and that links to a page that provides the disclosures. The ad may instead link to a website that the committee has created pursuant to other provisions of the Act that contains the committee's name, top contributor information, and whether the ad was authorized by a candidate for independent expenditure ads on candidates.
	2) Display a hyperlink, icon, button, or tab with the text "Who funded this ad?," "Paid for by," or "Ad Paid for by" that is clearly clickable and links to a page that provides the "Ad Committee's Top Funders" followed by the committee's top three contributors of \$50,000 or more, followed by a colon, followed by the committee's name disclosures. This text must be easily readable to the average viewer, in the same or similar font and in at least the same font size as the online platform's text stating that the communication is an advertisement (or is promoted or sponsored). The ad may instead link to a website that the committee's name, top contributor information, and whether the ad was authorized by a candidate for independent expenditure ads on candidates.
	Fewer than three contributors qualify as top contributors, only those contributors that qualify shall be disclosed. If there are no contributors that qualify as top contributors, the top contributor disclosure is not required.
	The Online Platform Must Also:
	Display a prominent button, icon, tab, or hyperlink with the text "View Ads" or similar text. The button, icon, tab, or hyperlink shall link to a page containing the records required to be displayed in the publicly available online database in one of the following locations:
	<ol> <li>Near the top of a profile, landing page, or similar location of a committee that paid for an advertisement in a position that the average viewer will readily see it upon viewing that page.</li> </ol>
	<ol> <li>On a page that displays the committee's profile information or biographical information.</li> </ol>
	<ol> <li>On a page on which the average viewer would normally navigate to view additional information about a committee.</li> </ol>

Communication	Disclosure and Manner of Display
Information Committee Paying	Upon requesting the dissemination of the advertisement, committee must do all of the following:
for Advertisement is Required to Provide to Online Platform:	1) Expressly notify the online platform that the advertisement is one that falls under the Act.
	<ol> <li>Provide the online platform with committee's top contributors and the committee's name and identification number.</li> </ol>
	<ol> <li>Provide the online platform with the name of the candidate to which the advertisement refers and the office to which the candidate is seeking election, or number or letter of the ballot measure and the jurisdiction to which the advertisement refers.</li> </ol>
	4) Update the online platform with any change in the name of the committee or its top three contributors within 5 business days.
Records Required to	For all committees that purchased online platform disclosed ads and paid for five
be Kept and Provided	hundred dollars (\$500) or more in advertisements to the online platform during
to the Public in Online	the preceding 12 months the database must contain:
Platform's Public	
Database:	1) A digital copy of the advertisement.
	<ol> <li>The approximate number of views generated from the advertisement and the date and time that the advertisement was first displayed and last displayed.</li> </ol>
	3) Information regarding the range charged or the total amount spent on the advertisement.
	4) The name of the candidate to which the advertisement refers and the office to which the candidate is seeking election, as applicable, or number or letter of the ballot measure and the jurisdiction to which the advertisement refers.
	5) The name and identification number of the committee that paid for the advertisement, if the committee is assigned an identification number.
	These records are required to be made available by the online platform as soon as practicable and must be retained by the online platform for 4 years.

# D. Mass Mailings – Postal Mailings and Emails

### Mass Mailings That Are Not Ads

Unless otherwise covered in the chart above, all **mass mailings** that are not considered ads of more than 200 similar pieces sent in a calendar month must contain:

- the words "Paid for by" immediately adjacent to and either above or in front of the committee's name and address on the outside of the mailing and on at least one of the inserts
- in no less than 6-point type and in a color or print that contrasts with the background

If the sender is a single committee, the name and address need only be shown on the outside of each piece of mail.

Unless otherwise covered in the chart above, all **mass emails** that are not considered ads of more than 200 similar pieces sent in a calendar month must contain:

 the name of the committee sending the email preceded by the words "Paid for by" in at least the same size font as the majority of the text

#### **Communications That Are Ads**

For communcations that are considered ads under the Act, please refer to the <u>political advertisement disclosure charts</u> available on the FPPC's website.

#### **Recordkeeping for Mass Mailings (Including Emails)**

For each mass mailing and electronic mailing, the committee must retain the following for four years:

- A sample of the mailing;
- The date of the mailing;
- The number of pieces sent; and
- The method of postage used for postal mailings.

# **Answering Your Mailing Questions**

A. Must the committee's identification number appear on a mailing?

No. The committee may include its committee ID #, but it is not legally required.

B. If an organization includes a copy of a committee's flyer in its regularly published newsletter, is the committee required to be identified on the outside of the mailer?

No. The committee's name and address must be identified on the flyer only.

C. A committee has more than one address. Which address must be used on mailings?

Any address that appears on the committee's Statement of Organization (Form 410) on file with the Secretary of State may be used.

D. A committee pays for a ballot measure committee's mailing as a nonmonetary contribution. Which committee must be identified on the outside, the committee paying for the mailing or the ballot measure committee?

Only the committee that pays for the mailing is required to be identified on the outside of the mailing.

## E. Disclosures – Clear and Conspicuous

Disclosures on political ads and literature must be shown clearly so as to be understood by the intended public. Written disclosures must be printed clearly and legibly.

Spoken disclosures must be clearly audible and intelligible. Specific requirements for color contrast, print font size and time appearing on screen are listed in the <u>political advertisement disclosure charts</u> available on the FPPC's website.

For political advertisements in **languages other than English**, disclosures should be written or spoken in the same language used in the advertisement.

# F. Updating a Disclosure

When a committee's name changes, when there are new top contributors or when the order of the top contributors change, advertisement disclosures must be revised. Television, radio, electronic media, or robocalls must be amended within five business days. Print media, mailings, or other tangible items must be amended every time an order to reproduce is placed.

## G. Electronic Media Ads

Different disclosures are required depending on the type of electronic media ad. For example, the "Ad paid for by" and "Ad Committee's Top Funder(s)" disclosures are required on websites, emails and social media. Other types of electronic media ads must include a hyperlink to a website that includes the "Ad paid for by" and "Ad Committee's Top Funder(s)" language. Please see the <u>political advertisement disclosure</u> charts available on the FPPC's website for details or contact the FPPC for specific questions. Additionally, as noted at the beginning of this chapter, "online platform disclosed advertisements" have their own separate disclosure requirements. Please refer to the Online Platform Disclosed Advertisements chart in this chapter for those requirements. Moreover, special requirements for third-party influencer online advertisement posting are discussed later in this chapter under Section L.

## **Space or Time-Limited Ads**

For certain audio, video and television ads or small-size print ads, the Act permits the full disclosure to be shortened.

- Radio and prerecorded phone ads. Only the top two contributors of \$50,000 or more must be disclosed. If the ad lasts 15 seconds or less or the disclosure statement would last more than eight seconds, only the top contributor must be disclosed.
- **Television and video ads.** The size for the smallest letters in the disclosure must be four percent of the height of the display screen and must be displayed at the beginning or end of the ad for at least five seconds of a broadcast of 30 seconds or less or for at least 10 seconds for a broadcast of longer than 30 seconds.

**Ex 7.4 –** If a committee purchases radio time for ads 15 seconds or less in duration, the ads must identify the name of the committee and the highest single contributor of \$50,000 or more.

# H. Exceptions

A disclosure is not required on regular-size campaign buttons (less than 10 inches in diameter), pins, bumper stickers (less than 60 square inches), or magnets. It is not required on pens, pencils, rulers, mugs, potholders, key tags, golf balls and similar small campaign promotional items where a disclosure cannot be conveniently printed.

The disclosure is not required on t-shirts, caps, hats, and other articles of clothing; skywriting and airplane banners; or committee checks and receipts.

#### **Member Communications**

A disclosure is not required on communications from an organization to its members, but a disclosure is required on communications from a political party committee to its members.

## I. Ballot Measure Ad – Paid Spokesperson

When a ballot measure committee makes an expenditure of \$5,000 or more to an individual for their appearance in an advertisement to support or oppose a ballot measure, the advertisement must include a statement that the individual is being paid for their appearance. For example, "Dr. Jane Miller is being paid by this campaign or its contributors."

Also, when a ballot measure committee makes any payment to an individual in an advertisement portraying a member of a licensed occupation (e.g., nurse, doctor, firefighter, scientist, engineer, lawyer, etc.) who is not actually a member of that occupation, the advertisement must include a disclosure stating "Persons portraying members of an occupation in this advertisement are compensated spokespersons not necessarily employed in those occupations."

If the individual is actually a member of the occupation portrayed, the committee may omit this disclosure and shall maintain documentation of the individual's license or certification for the occupation. Upon request from the FPPC, documentation of an individual's occupation must be provided by electronic means within 24 hours.

The statement must be in highly visible font, shown continuously if the advertisement consists of printed or televised material, or spoken in a clearly audible format if the advertisement is a radio broadcast or telephone message. In addition, the committee must file the Paid Spokesperson Report, Form 511. (See Chapter 11.)

**Ex 7.5** – "Paid for by Yes on 88, Tobacco Tax Funds Research, Ad Committee's Top Funders the CA Nurses Association and American Medical Association PAC. Dr. Jane Miller is being paid by this campaign or its contributors."

## J. Slate Mailer Disclosure Requirements

A slate mailer is a mass mailing that supports or opposes four or more candidates or ballot measures. A ballot measure committee may be subject to slate mailer disclosure and identification requirements if it:

- Is involved in the production of one or more slate mailers and exercises control over the selection of candidates and measures to be supported or opposed in the slate mailers; and
- Receives or is promised payments that total \$500 or more in a calendar year for the production of one or more slate mailers.

For more information on slate mailer disclosures, consult the FPPC and Section 84305.5.

## K. Penalties

The penalty for failing to comply with the Act's disclosure requirements is a fine of up to \$5,000 per violation. In addition, any person who violates the disclosure requirements concerning ballot measure and independent expenditure advertisements may be liable for a fine of up to three times the cost of the advertisement, including placement costs.

# L. Third-Party Influencer Online Advertisement Posting Rules

The Act requires specific disclosures on campaign advertisements posted by third parties who are paid by a committee to post content, such as a social media "influencer," instead of the committee posting content itself or paying a traditional vendor (e.g., television or radio) to post the content.

A third-party who is paid by a committee to post content on an internet website, web application, or digital application, including content posted on internet platforms such as social media accounts and blogs, to support or oppose a candidate for elective office or a ballot measure must include a disclaimer with that content stating that the person was paid by the committee in connection with the posted content. The Act requires a committee to notify the person paid to post the content to include a required disclaimer, which may read: "The author was paid by [name of committee and committee identification number] in connection with this posting" or something substantially similar.

Please note that the third-party influencer advertisement disclaimer requirements do not apply where the electronic media disclosures of Section 84504.3 apply or to content posted on the committee's own website, profile, or landing page by a person compensated by the committee to post such content, or to content requiring a spokesperson disclosure under Section 84511. (See Section I of this chapter.) Additionally, these disclaimer requirements do not apply to content posted by a compensated employee of a committee on the employee's own social media page or account where the only expense or cost of the communication is compensated staff time.

If a third-party influencer fails to post the advertisement disclaimer, the Commission is authorized to seek injunctive relief to compel disclosure and may not seek administrative, civil, or criminal penalties against the third-party poster.

For more information on third-party influencer advertisement posting rules, please see Section 84513 and Regulation 18450.10.

# Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

#### **Government Code Sections**

- 82025 Expenditure.
- 82031 Independent Expenditure.
- 82041.5 Mass Mailing.
- 84305 Requirements for Mass Mailing.
- 84305.5 Slate Mailer Identification and Disclosure Requirements.
- 84310 Identification Requirements for Telephone Calls.
- 84501 Advertisement.
- 84502 Disclosure;Committee Name.
- 84503 Top Contributor Disclosure.
- 84504 Disclosure; Radio and Telephone Ads.
- 84504.1 Disclosure; Video and Television Ads.
- 84504.2 Disclosure; Print Ads.
- 84504.3 Disclosure; Electronic Media Ads.
- 84504.6 Disclosure; Online Platform.
- 84504.7 Disclosure; Text Messages.
- 84505 Avoidance of Disclosure.
- 84509 Amended Disclosure.
- 84511 Ballot Measure Ads; Paid Spokesperson Disclosure.
- 84513 Third-Party Posts Paid for by Committee Disclosure.

#### **Title 2 Regulations**

- 18247.5 Primarily Formed Committees.
- 18401 Required Recordkeeping for Chapters 4 & 5.
- 18435 Definition of Mass Mailing.
- 18440 Telephone Advocacy.
- 18450.1 Definitions. Advertisement Disclosure.
- 18450.2 Definitions. Authorized and Paid For.
- 18450.3 Top Contributor Disclosure for Affiliated Entities.
- 18450.4 Video and Television Advertisement Disclosure.
- 18450.5 Amended Advertising Disclosure.
- 18450.10 Advertisements by a Paid Third-Party Influencer.
- 18450.11 Spokesperson Disclosure.