



Council Meeting: March 20, 2012

SUBJECT: Discussion and Possible Action Regarding AB 1648, Modifying the Political Reform Act of 1974

BACKGROUND

The City has various policies supporting an informed community as noted below. AB 1648 would increase the funding information available in political campaigns to help voters make well-informed decisions. It would require the three largest funders (over \$10,000) of political advertisements to be clearly identified. It would also require campaign committees to maintain a website where the largest funders are listed so voters can easily access this information at all times. Mayor Spitaleri requested placing AB 1648 on the Council agenda.

EXISTING POLICY

General Plan, Community Vision, Goal 1: Achieve a community in which all community members are well informed about local issues, city programs and services.

General Plan, Community Vision 1.2 Provide accurate and thorough information in a timely manner to ensure that community members have an opportunity to respond effectively

Council Policy, Legislative Management 7.3.1A.1A Support efforts to achieve the goals of the Political Reform Act of 1974 (reporting conflict of interest statements to the Fair Political Practices Commission) in a more cost-effective way. [2008 LAP]

DISCUSSION

AB 1648 (aka the California Disclose Act), modifies existing provisions of the Political Reform Act of 1974. AB 1648 was introduced in February 2012 by Assemblymember Julia Brownley to improve disclosure regarding sources of campaign spending, and thereby better inform the public in their decision making. A fact sheet on the bill, developed by Assemblymember Brownley's office, is attached (Attachment A). Complete information about the bill, including full text and the bill's progress through the state legislature, is available at the Official California Legislative Information website at www.leginfo.ca.gov.

Significant provisions of AB 1648 include:

- Requires the three largest funders of political ads to be clearly identified.

- Applies to all television ads, radio ads, print ads, mass mailers and websites.
- Requires campaign committees to maintain a website identifying major funders.

FISCAL IMPACT

None.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1. Approve support of AB 1648.
2. Do not approve support of AB 1648
3. Other direction as provided by Council.

RECOMMENDATION

Staff makes no recommendation.

Reviewed by:

Robert Walker, Assistant City Manager

Prepared by: Coryn Campbell, Assistant to the City Manager

Approved by:

Gary M. Luebbers

City Manager

Attachments

Attachment A: AB 1648 California Disclose Act Fact Sheet, prepared by the Office of Assemblymember Julia Brownley

AB 1648 (Brownley) California Disclose Act Fact Sheet

PURPOSE

Campaign spending has reached unprecedented levels in recent years, and has only risen following the 2010 United States Supreme Court *Citizens United* ruling that authorized unlimited spending of general treasury funds by corporations, unions, and wealthy individuals. Although there are limits on the amount of direct contributions candidates can receive, funders can make unlimited contributions to candidates through independent expenditure committees and to ballot measure committees that have significantly shaped the way California is governed. However, many of these committees are purposely established to thwart existing contribution limits and to hide who exactly is funding the campaign messages that voters see and hear. AB 1648 will help cast light on spending in elections by disclosing major funding sources directly on advertisements.

SUMMARY

AB 1648 will increase the information available in political campaigns to help voters make rational decisions and give them greater confidence in the electoral process. It will require the three largest funders of political advertisements over \$10,000 to be clearly and unambiguously identified directly on all mediums of advertisements, including television, radio, print, and mass mailer ads for candidates and ballot measures in California. It would also require campaign committees to maintain a website where its largest major funders are listed so voters can easily access such important information at all times.

EXISTING LAW

The Political Reform Act of 1974 (PRA) requires regular reports of political contributions to the Secretary of State. However, they are unmanageable for most voters and the website on which they are hosted is subject to frequent technical problems that block voters' ability to access information. The PRA also regulates political advertisements paid for by cumulative contributions over \$50,000 to have a disclosure statement identifying the individual or independent expenditure. However, this disclosure is almost always presented in a manner that distorts top funders and is difficult to understand. Any change to the PRA must further the purposes of the Act, as AB 1648 does by improving campaign transparency, and requires a 2/3 vote of the Legislature.

BACKGROUND

On the 100th anniversary of California's adoption of the initiative process, *Field Poll* conducted a survey that found that while Californians are still supportive of statewide ballot proposition elections, they believe reforms can be made to weaken the influence special interests have asserted over direct democracy intended to empower the average citizen. For example, it found that 84% of all voters (86% Democrats, 78% Republicans, and 88% Independents) believe that public disclosure requirements of initiative sponsors must more clearly identify who are its major funders. A survey conducted by the Greenlining Institute similarly found that 59% of voters would be less likely to elect candidates who voted against improving funding disclosure on political advertisements, demonstrating widespread voter demand for more information.

OPPOSITION

None on File

Version: 3/13/2012

During the November 2010 election in California, over \$200 million was spent on ballot measures alone, by campaign committees with vague names such as “Californians for Progress.” Independent expenditures on behalf of a candidate have similarly skyrocketed, increasing over 6,000% in the past 10 years, to the point where it is not uncommon for such expenditures to outpace the total amount spent by all candidates in a race. While it is essential in a democracy for individuals and organizations to be able to communicate effectively and efficiently with voters, it is equally important that voters are not intentionally deceived and elections are not decided upon misinformation.

The Supreme Court justified unlimited independent expenditures in its *Citizens United* decision, but only because it continued to uphold that “**disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.**” At a time when public confidence in its elected officials is unequivocally low, strengthening disclosure requirements on political advertisements is necessary to help Californians be better informed and feel more represented by their government.

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California Clean Money Campaign

SUPPORT

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