

Date of Hearing: April 9, 2013

ASSEMBLY COMMITTEE ON ELECTIONS AND REDISTRICTING

Paul Fong, Chair

AB 400 (Fong) – As Introduced: February 15, 2013

SUBJECT: Petitions: initiative, referendum, or recall.

SUMMARY: Requires an initiative, referendum, or recall petition that is circulated by a paid circulator to include a statement identifying the five largest contributors in support of the measure. Specifically, this bill:

- 1) Defines "paid circulator," for the purposes of this bill, as a person who is compensated in any manner for collecting petition signatures to qualify a state or local initiative, referendum, or recall measure.
- 2) Requires a state or local initiative, referendum, or recall petition that is circulated by a paid circulator who is paid by a committee to include, in 12-point type at the top of the petition, a disclosure statement identifying the names of the persons from whom the committee received the five largest cumulative contributions.
- 3) Provides that if more than five donors meet the disclosure threshold at identical contribution levels, the five highest donations shall be disclosed according to chronological sequence.
- 4) Requires the disclosure statement to be updated within seven days of any change in the five largest cumulative contributors.
- 5) Requires a committee that employs one or more paid circulators to circulate an initiative, referendum, or recall petition to submit the disclosure statement required by this bill, and any updates, to the Secretary of State (SOS), and requires the SOS to post those statements on his or her Internet Web site.
- 6) Requires the petition to include the name of the committee immediately following the disclosure statement. Requires the committee to identify itself using a name or phrase that clearly identifies the economic or other special interest of its major donors of \$50,000 or more. Provides that if the major donors to the committee share a common employer, the identity of that employer shall be disclosed.
- 7) Defines "cumulative contributions," for the purposes of this bill, as the cumulative amount of contributions received by a committee beginning 12 months prior to the date the committee made its first expenditure to qualify or support the initiative, referendum, or recall.
- 8) Provides that local elections officials shall not be required to verify the accuracy of the disclosures required by this bill, or to reapprove the petition when the petition is updated to reflect a change in the five largest cumulative contributors.
- 9) Provides that signatures collected on a petition shall not be invalid solely because the information required by this bill was absent or inaccurate.

EXISTING LAW:

- 1) Requires committees, as defined, to periodically report contributions received and expenditures made to support or oppose the qualification or passage of an initiative, referendum, or recall measure.
- 2) Requires that any state or local initiative petition contain a statement notifying voters of their right to inquire whether the petition is being circulated by a paid signature gatherer or a volunteer.

FISCAL EFFECT: Unknown. State-mandated local program; contains reimbursement direction.

COMMENTS:

- 1) Purpose of the Bill: According to the author:

While committees supporting or opposing ballot measures are required to file periodic campaign finance reports, potential signers of the petitions do not have easy access to this information when approached by a petition circulator. Petitions contain official titles, summaries, and (in some cases) the text of the proposed measures, but there is no readily available information regarding the source or sponsors of the measures at the time a voter is asked to sign a petition. While the voter can ask the circulator for this information, the circulator is not required to know or disclose this information. Circulators often only know who is paying them and little else about the petitions they are helping to qualify.

Surveys consistently have shown that voters want improved public disclosure of the sources that are funding signature gathering for proposed ballot measures. In fact, the Public Policy Institute of California (PPIC) has found greater than 70 percent support for increasing public disclosure of funding sources for initiative campaigns each of the eight times that they asked that question. In their most recent survey in March of this year, the PPIC found that 81 percent of Democrats, 80 percent of Republicans, and 85 percent of Independents supported increased disclosure of the funding sources for initiative campaigns.

AB 400 will improve transparency about the financial backers of proposed ballot measures by requiring initiative, referendum, and recall petitions to include a listing of the five top donors to the committee that is funding the petition drive.

- 2) Existing Disclosure Requirements: As noted above, existing law requires campaign committees to file periodic reports disclosing contributions received and expenditures made to support or oppose the qualification or passage of an initiative, referendum, or recall measure. In most cases, those campaign disclosure reports will be available online if the measure is a state measure. To the extent that having more information about the financial supporters of a measure is an important consideration for a voter when deciding whether to sign a petition to place that measure on the ballot, the voter typically will be able to get that information from campaign reports.

On the other hand, existing law also recognizes an interest in providing voters with information about the contributors to a measure at the time voters are asked to support or oppose that measure. Specifically, existing law requires advertisements for or against ballot measures to include a disclosure statement identifying the two largest donors of \$50,000 or more to the committee paying for the advertisement. Additionally, existing law requires a committee that is supporting or opposing one or more ballot measures to name and identify itself using a name that identifies the economic or other special interest of its major donors of \$50,000 or more.

- 3) Speaker's Commission on the California Initiative Process: In 2000, then-Assembly Speaker Robert M. Hertzberg created a commission on the California initiative process. The goal of the Commission was to examine the initiative process and recommend changes to make the process more responsive to voter concerns. The Commission issued its final report in January 2002. Among the recommendations proposed by the Commission was a requirement that all petitions to qualify a statewide initiative for the ballot be accompanied by a written campaign financial disclosure, which may be printed on, attached, or bound to the petition.
- 4) Arguments in Support: In support of this bill, the California Teamsters Public Affairs Council writes:

[AB 400] is a basic transparency measure that will allow voters to have a clearer idea who is sponsoring an initiative campaign before they agree to sign a petition to place the measure on the ballot. Paid signature gatherers often deliberately obscure the real motive behind the measure. These sort of deceptive practices are very corrosive of our democratic system of government. The electorate deserves more honesty and transparency.

- 5) Previous Legislation: SB 469 (Bowen) of 2005, would have required an initiative, referendum, or recall petition to include a statement identifying the five largest contributors in support of the measure, among other provisions. SB 469 was vetoed by Governor Schwarzenegger.

AB 1500 (Hertzberg) of 2002, would have required any person who circulates an initiative petition for signatures to make available to potential signers the names of the top 5 contributors to the committee and the cumulative amount contributed by each as disclosed on the committee's most recent campaign report, among other provisions. AB 1500 died on the Senate inactive file.

REGISTERED SUPPORT / OPPOSITION:

Support

American Association of University Women
Engineers and Scientists of California, IFPTE Local 20, AFL-CIO
California Common Cause
California Conference Board of Amalgamated Transit Union
California Teamsters Public Affairs Council
International Longshore and Warehouse Union
Professional and Technical Engineers, IFPTE Local 21, AFL-CIO
United Food and Commercial Workers Western States Council
UNITE-HERE, AFL-CIO
Utility Workers Union of America, Local 132, AFL-CIO

Opposition

None on file.

Analysis Prepared by: Ethan Jones / E. & R. / (916) 319-2094