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Proposition 32: Political Contributions by Payroll Deduction

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Senate Elections and Constitutional Amendments Committee

Hon. Lou Correa, Chair

Assembly Elections and Redistricting Committee

Hon. Paul Fong, Chair





Background

- California's Campaign Finance and Disclosure Laws: Political Reform Act of 1974.*** The act, approved by the voters, applies to state and local candidates, ballot measures, and officials, and is enforced by the Fair Political Practices Commission.

- Political Spending.***
 - Contributions are limited and must be disclosed.
 - Independent expenditures are not limited but must be disclosed.
 - Other forms of spending, such as "member communications," are not limited and need not be disclosed.

- Payroll Deductions Used to Finance Political Spending.*** Organizations may use money received from payroll deductions to finance political spending.



Proposed Changes to Political Reform Act

- Ban Use of Payroll Deductions to Finance Spending for “Political Purposes.”*** This prohibition applies to unions, corporations, government contractors, and state and local government employers.

- Prohibit Political Contributions by Corporations and Unions.*** This prohibition does not affect a union or corporation’s ability to make independent expenditures.

- Limit Authority of Government Contractors to Contribute to Elected Officials.*** Government contractors (including public sector labor unions with collective bargaining contracts) could not make contributions to elected officials who play a role in awarding their contract. This prohibition would be in effect from the time their contract is being considered until the date it expires.