Date of Hearing: April 30, 2025

# ASSEMBLY COMMITTEE ON ELECTIONS Gail Pellerin, Chair AB 950 (Solache) – As Amended April 22, 2025

**SUBJECT**: Political Reform Act of 1974: advertisements.

**SUMMARY**: Allows the names of top campaign contributors that are required to be disclosed on campaign advertisements to be shortened or abbreviated in certain circumstances. Makes minor changes to the formatting and text of certain required disclosures on campaign advertisements such that those disclosures can be made in a smaller amount of space. Specifically, **this bill**:

- 1) Allows the name of a top campaign contributor, as specified, that is required to be disclosed on a campaign advertisement, to be shortened by doing any of the following:
  - a) Using any of the following abbreviations:
    - i) The two-letter postal abbreviations for states, such as "CA" for "California."
    - ii) All of the following: "&" for "and," "Air" for "Airlines," "Assoc." for "Association," "Co." for "Company," "Co-op" for "Cooperative," "Fed." For "Federation," "Invest." for "Investments," and "Tech." for "Technology" or "Technologies."
    - iii) Any other abbreviations that the Fair Political Practices Commission (FPPC) determines meet all of the following criteria:
      - (1) The abbreviation is likely to be widely recognizable by voters.
      - (2) The abbreviation is unambiguous in its intended meaning within entity names.
      - (3) The abbreviation is published or provided in written advice by the FPPC.
  - b) Leaving out "A," "An," or "The" at the beginning of an entity name.
  - c) Leaving out words at the end of the top contributor's name, provided that removing those words still uniquely identifies the entity among active entities.
- 2) Allows, in the case of a print advertisement that is larger than those designed to be individually distributed including, but not limited to, yard signs or billboards, for the text of the names of top contributors that are required to be separated by clearly visible bullet points or by inserting the applicable number (1, 2, 3) before the names of the three largest contributors.
- 3) Shortens the disclosure statements that are required to appear on an advertisement supporting or opposing a candidate that is paid for by an independent expenditure (IE) as follows:

- a) In the case of an advertisement that is not paid for by a candidate for any office, shortens the statement from specifying that the advertisement was not authorized by a candidate or a committee controlled by a candidate to the statement "Not paid for by a candidate."
- b) In the case of an IE advertisement that was authorized or paid for by a candidate for another office, shortens the statement from "This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office" to "Not paid for by a candidate for this office."
- 4) Makes technical and clarifying changes.

### **EXISTING LAW:**

- 1) Creates the FPPC, and makes it responsible for the impartial, effective administration and implementation of the Political Reform Act (PRA). (Government Code §§83100, 83111)
- 2) Requires advertisements that support or oppose candidates or ballot measures to include disclosure statements in specified circumstances. These required statements may include a disclosure of the committee that is paying for the advertisement, a disclosure of the top contributors to the committee paying for the advertisement, as specified, and a statement (in the case of an IE supporting or opposing a candidate) that the advertisement was not authorized by a candidate or a committee controlled by a candidate for that office. (Government Code §§84501-84514)
- 3) Requires the disclosures described above in 2) to comply with certain formatting, display, legibility, and audibility requirements. (Government Code §§84504-84504.7) Requires, in the case of a printed advertisement that is larger than those designed to be individually distributed including yard signs and billboards, that the disclosures be in Arial equivalent type with a total height of at least 5 percent of the height of the advertisement, and printed on a solid background with sufficient contrast that is easily readable by the average viewer. Permits the text to be adjusted so it does not appear on separate horizontal lines, with the top contributors separated by a comma. (Government Code §84504.2)

FISCAL EFFECT: Unknown

### **COMMENTS**:

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

The current disclosure size requirements for political advertisements on billboards have created unintended consequences that are hampering equal accessibility to effective and affordable political advertising in this medium. They also reduce the legibility of the disclosure information, making it difficult for viewers to quickly identify sponsors while maintaining the necessary transparency. AB 950 would make necessary updates to ensure that the actual political advertisement can still be seen.

2) "Disclose Act" and Related Previous Legislation: Eight years ago, the Legislature approved and Governor Brown signed AB 249 (Mullin), Chapter 546, Statutes of 2017, which significantly changed the content and format of disclosure statements required on specified campaign advertisements in a manner that generally required such disclosures to be more prominent. AB 249 also established new requirements for determining when contributions are considered to be earmarked, and imposed new disclosure requirements for earmarked contributions to ensure that committees are able to determine which contributors must be listed on campaign advertisements. AB 249 is commonly known as the "Disclose Act." The passage of AB 249 marked the culmination of seven years of debate and negotiation over similar legislation. AB 249 took effect on January 1, 2018.

Since the enactment of AB 249, there have been several other bills that have modified the content and format of the disclosure statements created by that bill. AB 2155 (Mullin), Chapter 777, Statutes of 2018, made various changes to the Disclose Act that generally were minor, clarifying, or technical in nature, or otherwise were consistent with disclosure examples that were provided by supporters when AB 249 was being considered by the Legislature. AB 2188 (Mullin), Chapter 754, Statutes of 2018, required online platforms that sell political ads to make specified information about those political ads available to the public, and made various changes to the required format for disclosures on electronic media ads. AB 201 (Cervantes), Chapter 555, Statutes of 2019, required a text message that supports or opposes a candidate or ballot measure to disclose the name of the candidate or committee that paid for the text message and, in certain circumstances, the top contributors to the committee. AB 864 (Mullin), Chapter 558, Statutes of 2019, made numerous, mostly technical changes to the Disclose Act and other provisions of state law governing the content and format of disclosure statements that are required to appear on communications disseminated by candidates and committees.

More recently, SB 1360 (Umberg), Chapter 887, Statutes of 2022, made various changes to the text and formatting of required disclosures on petitions and campaign advertisements, including allowing a committee to shorten its name in a disclosure on certain types of advertisements where longer disclosures are less practical.

3) Balancing Disclosure against Overly Burdensome Regulation: Campaign disclaimer laws, such as those established by the Disclose Act and related legislation, are primarily intended to promote transparency by informing the public about the entities funding political advertisements. However, these laws also recognize that strict disclaimer requirements can sometimes be impractical or overly burdensome—particularly with respect to certain forms of communication.

To address this, the Disclose Act includes exceptions and accommodations that ease disclaimer requirements in specific cases. For instance, small promotional items that cannot reasonably accommodate printed disclosures are generally exempt. Additionally, for formats like radio or prerecorded phone ads—where full disclaimers would occupy a disproportionate amount of time—the law permits abbreviated versions, disclosing fewer contributors to maintain the effectiveness and feasibility of these advertisements.

Ensuring that disclaimer requirements are reasonable is essential, as overly burdensome

mandates may face legal challenges for infringing on First Amendment rights. That's particularly true where regulations are so onerous that they deter individuals or groups from engaging in political speech.

The Disclose Act allows for shorter disclaimers on large printed materials, such as billboards and lawn signs, recognizing that these formats require large, readable text and cannot accommodate lengthy disclosures without compromising legibility. Despite these existing accommodations, disclaimers under the Disclose Act can still occupy a significant portion of such advertisements—sometimes 50% or more of the available space.

This bill proposes modest changes to reduce the space required for disclaimers by allowing abbreviated content and minor formatting adjustments. These revisions aim to improve the practicality of compliance while also helping to safeguard the constitutionality of California's campaign disclaimer laws by reducing the risk of them being deemed excessively burdensome.

4) **Arguments in Support**: The sponsor of this bill, the California State Outdoor Advertising Association, writes in support:

California's existing laws require political advertisements to disclose their sponsors to promote transparency and inform voters. However, in the case of yard signs or billboards (particularly for committees supporting or opposing a candidate or proposition), the regulations have inadvertently resulted in disclosures that can consume up to 50% of the total space on the sign. For a committee, the top three contributors must be listed, each taking up a minimum of 5% of the sign's height/space, which can crowd out the messaging of the advertisement itself. This can make advertisements difficult to read and reduce the viability of billboards as a means of political communication. The disproportionate size of the disclosure text undermines the intent of the law by impairing legibility.

AB 950 presents a thoughtful and reasonable solution by using widely recognized abbreviations to shorten contributor names, replacing repetitive legal language with clear, concise alternatives, and using the FPPC-issued committee ID number to link to full disclosure information.

5) **Political Reform Act of 1974**: California voters passed an initiative, Proposition 9, in 1974 that created the FPPC and codified significant restrictions and prohibitions on candidates, officeholders, and lobbyists. That initiative is commonly known as the PRA. Amendments to the PRA that are not submitted to the voters, such as those contained in this bill, must further the purposes of the initiative and require a two-thirds vote of both houses of the Legislature.

## **REGISTERED SUPPORT / OPPOSITION:**

# Support

California State Outdoor Advertising Association (Sponsor)

## **Opposition**

None on file.

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