

Date of Hearing: June 24, 2014

ASSEMBLY COMMITTEE ON ELECTIONS AND REDISTRICTING

Paul Fong, Chair

SB 844 (Pavley) – As Amended: June 17, 2014

SENATE VOTE: 35-0

SUBJECT: Elections: ballot measure contributions.

SUMMARY: Requires the Secretary of State (SOS) to create an Internet Web site, or use other available technology, to consolidate information about each state ballot measure in a manner that is easy for voters to access and understand on any computer system platform, as specified.

Specifically, this bill:

- 1) Requires the online version of the state ballot pamphlet to contain, for each candidate featured in the pamphlet and each committee supporting or opposing a state ballot measure featured in the pamphlet, a hyperlink to any campaign contribution disclosure reports for those candidates or committees that are available online.
- 2) Requires the SOS to create an Internet Web site, or use other available technology, to consolidate information about each ballot measure in a manner that is easy for voters to access and understand on any computer system platform. Requires the information to include all of the following:
  - a) A summary of the ballot measure's content;
  - b) The total amount of reported contributions made in support of and opposition to a ballot measure and the total amount of reported independent expenditures made in support of and opposition to a ballot measure;
  - c) A current list of the top 10 contributors supporting and opposing a ballot measure, if compiled by the Fair Political Practices Commission (FPPC) pursuant to current law. Requires the FPPC to provide the list, and any updates to the list, to the SOS;
  - d) A list of each committee primarily formed to support or oppose the ballot measure, as described by current law, and a means to access the sources of funding reported for each committee. Requires the sources of funding to be updated as new information becomes available to the public pursuant to the Political Reform Act of 1974 (PRA);
  - e) For committees primarily formed to support or oppose a state ballot measure that raise one million dollars (\$1,000,000) or more for an election, the list of the committee's top 10 contributors provided to the FPPC pursuant to current law. Requires the FPPC to provide the top 10 contributor lists, and any subsequent updates to the lists, to the SOS for the purposes of compliance with the provisions of this bill; and,
  - f) Any other Internet Web site hyperlinks to other relevant information.

- 3) Requires the ballot pamphlet, if the ballot contains an election for a state measure, to contain a printed statement that refers voters to the SOS's Internet Web site for a list of committees primarily formed to support or oppose a ballot measure, and information on how to access the committee's top 10 contributors.
- 4) Requires the ballot pamphlet, for each state measure to be voted upon, to contain, immediately below the analysis prepared by the Legislative Analyst, a printed statement that refers voters to the SOS's Internet Web site for a list of committees primarily formed to support or oppose a ballot measure, and information on how to access the committee's top 10 contributors.

EXISTING LAW:

- 1) Requires the statewide ballot pamphlet to include information, in a specific order, for each state measure to be voted upon including, but not limited to:
  - a) A complete copy of each state measure;
  - b) A copy of the specific constitutional or statutory provision, if any, that each state measure would repeal or revise;
  - c) A copy of the arguments and rebuttals for and against each state measure;
  - d) A copy of the analysis of each state measure prepared by the Legislative Analyst; and,
  - e) Table of contents, indexes, art work, graphics, and other materials that the SOS determines will make the ballot pamphlet easier to understand or more useful for the average voter.
- 2) Provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures, as defined, and imposing other reporting and recordkeeping requirements on campaign committees, as defined.
- 3) Requires each campaign committee formed or existing primarily to support or oppose a statewide ballot measure to file with the SOS periodic reports identifying the sources and amounts of contributions received during specified periods.
- 4) Requires a committee primarily formed to support or oppose a state ballot measure or state candidate that raises \$1,000,000 or more for an election, to maintain an accurate list of the committee's top 10 contributors, as specified by the FPPC. Requires a current list of the top 10 contributors to be disclosed on the FPPC's Internet Web site, as specified. Requires the FPPC to update the top 10 contributor list as specified. Requires the FPPC to adopt regulations to govern the manner in which the FPPC displays the top 10 contributor list. Requires the FPPC to provide the top 10 contributor lists to the SOS, upon request of the SOS, for the purpose of additionally posting the contributor lists on the SOS's Internet Web site.
- 5) Requires the FPPC to compile, maintain, and display on its Internet Web site a current list of the top contributors supporting and opposing each state ballot measure, as specified.

- 6) Requires the state ballot pamphlet to contain a written explanation of the top 10 contributor lists described above, including a description of the Internet Web site where the lists are available to the public.

FISCAL EFFECT: Unknown

COMMENTS:

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

Over the last two decades, the Legislature has proposed approximately a half dozen proposals to address the public's demand and right to know about who is financing California's ballot initiatives. SB 844 is a narrowly crafted bill that addresses many of the failings and omissions of previous legislative attempts and provides a sensible and efficient way for voters to access this information.

Money plays an enormous role in our politics, but unfortunately voters are often in the dark about who is trying to influence the outcome of initiative campaigns, Californians need greater transparency so they can vote with full knowledge of the financial forces working behind the scenes to shape state law.

Surveys conducted by the Public Policy Institute of California have consistently found that more than 80 percent of likely voters support requiring funding disclosure of donations towards ballot initiatives.

According to MapLight, a nonprofit elections research organization, in order to find out campaign finance information for Proposition 30 (2012), it took 460 mouse clicks to compile a complete list of contributors for and against the ballot initiative.

The average voter does not have the time, nor the expertise to parse through each individual committee to figure out who the top cumulative contributors are for or against each proposition. Without easy-to-access and easy-to-use tools that can identify the top contributors to campaigns for and against ballot initiatives, voters will have a more difficult time making an informed decision about state policy.

The status quo situation of expecting voters to wade through endless lists of data and employ hundreds of mouse clicks to determine who is influencing campaigns is simply unacceptable and not a reasonable expectation.

SB 844 would provide voters with the identities of large financial contributors who pump millions of dollars into campaigns to pass or defeat state ballot initiatives. This information is crucial to ensuring that voters make informed decisions at the ballot box.

- 2) Contributor Lists in the Ballot Pamphlet and Online: Over the years, numerous legislative proposals have attempted to bring more transparency to who is financing ballot measures. Many proposals have attempted to add campaign contribution information to the state ballot pamphlet as well as require it to be posted and accessible online. Last session, SB 334 (DeSaulnier) of 2011, which was vetoed by Governor Brown, would have required the state

ballot pamphlet to contain a list of the five highest contributors of \$50,000 or more to each primarily formed committee supporting or opposing each state measure appearing on the ballot. In his veto message the Governor stated the following:

This bill would require that the voter pamphlet list the top five contributors for and against a ballot measure. Printing of the voter pamphlet starts months before an election, so the required contributor list would only include contributions received more than 15 weeks before an election. I am concerned that this outdated information could mislead voters about the true supporters and opponents of a ballot measure.

The Secretary of State's website already provides up-to-date and accurate information on all campaign contributions. It is a helpful resource for concerned voters.

This bill, however, does not require the ballot pamphlet to contain contributor information. Rather, this bill requires the ballot pamphlet, if the ballot contains an election for a state measure, to contain a printed statement that refers voters to the SOS's Internet Web site for a list of committees primarily formed to support or oppose a ballot measure, and information on how to access the committee's top 10 contributors.

In addition to the statement provided in the printed ballot pamphlet, this bill also requires the online version of the state ballot pamphlet to contain, for each candidate and committee supporting or opposing a state ballot measure featured in the pamphlet, a hyperlink to any campaign contribution disclosure reports for each candidate or committee that are available online. Directing voters to the SOS's web site and to campaign contribution disclosure reports may be helpful in providing more disclosure on contributions received and expenditures made by each candidate and committee. However, if those reports are not easy to understand by the average voter then they may not be as helpful as intended.

- 3) State Committee Contributor Lists: Earlier this year, the Legislature passed and the Governor signed SB 27 (Correa), Chapter 16, Statutes of 2014, which, among other things, requires a committee primarily formed to support or oppose a state ballot measure or state candidate, that raises \$1,000,000 or more for an election, to maintain an accurate list of the committee's top 10 contributors, as specified by the FPPC. In addition, SB 27 requires the current list of the top 10 contributors to be disclosed on the FPPC's Internet Web site, as specified, and requires the FPPC to update the top 10 contributor lists, as specified. SB 27 requires the FPPC to provide the top 10 contributor lists to the SOS, upon request of the SOS, for the purpose of posting the contributor lists on the SOS's Internet Web site.

This bill incorporates similar provisions contained in SB 27. For instance, this bill requires the SOS to create an Internet Web site, or use other available technology, to consolidate information about each state ballot measure that includes a summary of a ballot measure's content, a current list of the top 10 contributors supporting and opposing a ballot measure compiled by the FPPC, as specified, and a list of the top 10 contributors provided by the FPPC for committees primarily formed to support or oppose a state ballot measure that raise \$1,000,000 or more for an election, as specified.

In addition to these provisions, this bill also requires the web site created by the SOS to include the total amount of reported contributions and independent expenditures made in support of and opposition to a ballot measure as well as a list of each committee primarily

formed to support or oppose a ballot measure and a means to access the sources of funding reported for each committee. While these new disclosure requirements may provide more transparency, the bill does not specify when these figures will be updated. In particular, the requirement to post the total amount of reported contributions and independent expenditures does not specify when the totals will be updated. Consequently the information provided may be outdated and inaccurate. The committee may wish to amend the bill to provide a timeframe by which the SOS must update the total amount of reported contributions and independent expenditures made in support of and opposition to a ballot measure.

- 4) Computer System Platform: As mentioned above, this bill requires the SOS to create an Internet Web site, or use other available technology, to consolidate information about each ballot measure in a manner that is easy for voters to access and understand on any computer system platform. It is unclear what the author means by "any computer system platform." The phrase is very broad and could be interpreted to mean that the information must be accessible on any computer system platform, regardless of how old or obsolete the system is.
- 5) Primarily Formed Committees: The PRA defines a "primarily formed committee" as a recipient committee which is formed or exists primarily to support or oppose any of the following: a single candidate, a single measure, a group of specific candidates being voted upon in the same city, county, or multicounty election, or two or more measures being voted upon in the same city, county, multicounty, or state election.
- 6) Arguments in Support: Maplight writes in support:

The political process in California is being flooded by money. In 2012 alone, over \$400 million went into campaigns to support and oppose our state ballot measures, an average of nearly \$35 million per proposition. 70 % of this money (over \$300 million) came from just 20 contributors.

With such large amounts of money coming from such a small fraction of the California electorate (and oftentimes from sources outside of California), it is more important than ever that California voters know who is spending money to influence their decisions at the ballot box...

By allowing voters to easily identify the top ten largest financial contributors for and against California propositions, SB 844 will enable voters to access who is seeking to influence their decisions at the ballot box.

- 7) Related Legislation: SB 1253 (Steinberg), which is also being heard in this committee today, contains similar provisions to those included in this bill. SB 1253, among other provisions, requires the SOS to create an Internet Web site, or use other available technology, to consolidate information about each state ballot measure in a manner that is easy for voters to access and understand. Specifically, SB 1253 requires the web site to include, among other things, a summary of each ballot measure, a current list of the top 10 contributors supporting or opposing a ballot measure, as specified, a list of each committee primarily formed to support or oppose a ballot measure, as specified, and for committees primarily formed to support or oppose a state ballot measure that raise \$1,000,000 or more for an election, a list of the committee's top 10 contributors as provided by the FPCC, as specified.

- 8) 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 proposition and require a two-thirds vote of each house of the Legislature.

REGISTERED SUPPORT / OPPOSITION:

Support

California Common Cause  
California Forward Action Fund  
California Voter Foundation  
City of Thousand Oaks  
League of Women Voters of California  
MapLight  
Service Employees International Union, California State Council

Opposition

None on file.

Analysis Prepared by: Nichole Becker / E. & R. / (916) 319-2094