

Proposed "California DISCLOSE Act" Overview

Citizen's United unleashed unlimited, anonymous corporate spending on campaigns. Nationally, groups accumulating anonymous donations spent more than \$130 million. In California, nearly \$200 million was spent on November 2010 ballot measures alone, most by corporations hiding behind misleading named committees like "Stop Hidden Taxes". This hidden spending is subverting our democracy.

To combat this unregulated corporate influence over elections in California, we need a California DISCLOSE Act— because **Democracy Is Strengthened by Casting Light On Spending in Elections**.

This game-changing legislation would amend the Political Reform Act based on the national DISCLOSE Act (H.R. 5175) that passed the House of Representatives in 2010 and ideas submitted to the FPPC Task Force on the Political Reform Act. It would apply to ballot measures, independent expenditures, and general issue advocacy.

- 1) **New disclosure requirements in reports on disbursements by all organizations engaging in political activity to "pierce through" to actual significant funders.**
(Exceptions for non-profit donations that are explicitly not to be used for political purposes.)
- 2) **Replace standard "Paid for by" disclosure requirements with *real* disclosure:**
 - a) **"Stand By Your Ad":** Require top funder of television and radio ads (e.g. the CEO of an organization or an individual) to appear and say that they approve of the message
E.g. Yes on 23 ads would include: *"I am Bill Klesse, the CEO of Valero Energy Corporation, located in Texas, and we approve of this message."*
 - b) **Disclose other major funders in a clear and obvious fashion:**
 1. Television ads: Top 5 funders to appear in writing in a clearly readable manner when the top funder is reading their Stand by Your Ad statement.
 2. Radio ads: Read off next largest funder after Stand by Your Ad statement.
 3. Print Advertising: Disclose Top 5 funders in type no less than 18 points in size.
 - c) **Tell voters where to find the details:** *"For full funding info, go to [www.<org website>](#)."*
Thus full disclosure in a radio ad for Yes on 26 would have been:
"I'm Dave O'Reilly, CEO of Chevron, and we approve of this message. Other major funding by the American Beverage Association. For full funding info, go to <website>."
- 3) **New disclosure requirements for slate mailers**
 - a) Require slates that appear to represent parties to say, e.g.:
"Paid Political Advertising. This is not the official slate of a Democratic Party Organization"
 - b) Require subhead disclosures for other commercial slates
"Paid Political Advertising. This is not the official slate any political party or organization."
 - c) Require the amount paid to appear next to paid endorsements, e.g. "Paid \$X"
 - d) Include other recommendations of FPPC Task Force on the Political Reform Act.
- 4) **Require disclosure of Top 5 funders of ballot measures in the ballot pamphlet and on the ballot itself** — letting voters know who is really behind propositions when it counts.