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CITY HALL • ONE FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

PATRICIA KERNIGHAN
Councilmember
District 2

(510) 238-7002
FAX (510) 238-6910
TDD (510) 839-6451

To: Council President Reid and Members of the Rules & Legislation
Committee

From: Councilmember Patricia Kernighan

Date: January 11, 2012

Re: CA Disclose Act (AB 1148)

Councilmembers Kernighan and Schaaf ask your support for the CA Disclose Act (AB 1148) now making its way through the California Assembly's appropriate committees. On January 9, AB 1148 passed out of the Assembly Elections Committee and was forwarded to the Assembly Appropriations Committee.

The attached Fact Sheet gives a summary of the bill prepared by Assemblymember Julia Brownley, and identifies the bill's sponsor, which is the California Clean Money Campaign, and its supporters and opponent.

Attachment: AB 1148 (Brownley) California Disclose Act Fact Sheet (1/11/12)

Rules & Legislation Committee
January 19, 2012
Item # _____

AB 1148 (Brownley)
California Disclose Act
Fact Sheet

PURPOSE

Campaign spending has reached unprecedented levels in recent years, and has only risen following the 2010 United States Supreme Court *Citizens United* ruling that authorized unlimited spending of general treasury funds by corporations and unions. Although there are limits on the amount of direct contributions candidates can receive, funders can make unlimited contributions to candidates through independent expenditure committees and to ballot measure committees that have significantly shaped the way California is governed. However, many of these committees are purposely established to hide who exactly is funding the campaign messages that voters see and hear. AB 1148 will help cast light on spending in elections by disclosing major funding sources directly on advertisements.

SUMMARY

AB 1148 will increase the information available in political campaigns to help voters make rational decisions and give them greater confidence in the electoral process. It will require the largest major funders of political advertisements to be clearly and unambiguously identified directly on all mediums of advertisements, including television, radio, print, and mass mailer ads for candidates and ballot measures in California.

EXISTING LAW

The Political Reform Act of 1974 requires regular reports of political contributions to the Secretary of State. It also regulates political advertisements paid for by cumulative

contributions over \$50,000 to have a disclosure statement identifying the individual or independent expenditure. Any change to the Act requires a 2/3 vote of the Legislature or is subject to a majority vote of the people.

BACKGROUND

On the 100th anniversary of California's adoption of the initiative process, *Field Poll* conducted a survey that found that while Californians are still supportive of statewide ballot proposition elections, they believe reforms can be made to weaken the influence special interests have asserted over direct democracy intended to empower the average citizen. For example, it found that 84% of voters believe that public disclosure requirements of initiative sponsors must more clearly identify who are its major funders.

During the November 2010 election in California, nearly \$200 million was spent on ballot measures alone, by independent expenditure committees with vague names. While it is essential in a democracy for individuals and organizations to be able to communicate effectively and efficiently with voters, it is equally important that voters are not intentionally deceived and elections are not decided upon misinformation. It is for this reason that the Supreme Court continued to uphold in its *Citizens United* decision that "disclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages." At a time when public confidence in its elected officials is unequivocally low, strengthening disclosure requirements on

Office of Assemblymember Julia Brownley

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Contact: Irene Ho

(916) 319-2041

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political advertisements is necessary to help Californians be better informed and feel more represented by their government.

SPONSOR

California Clean Money Campaign

SUPPORT

California Alliance of Retired Americans
California Church IMPACT
California Common Cause
Greenlining Institute
League of Women Voters of California
Planning and Conservation League

OPPOSITION

California Broadcasters Association

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