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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-8

September 11, 1996

To: Board of Directors (Committee on Legislation--Action)

From: General Counsel

Subject: Anti-Corruption Act of 1996 Initiative

RECOMMENDATION(S)

It is recommended that the Board adopt a watch position on the Anti-Corruption Act of 1996 Initiative.

DETAILED REPORT

The Anti-Corruption Act of 1996 Initiative (Proposition 212) has qualified for the November, 1996 General Election. (Attachment 1.) Thus, as a result of the earlier qualified California Political Reform Act of 1996 initiative (Proposition 208), there will be two competing campaign contributions and spending limits disclosure initiatives before the voters. The California Political Reform Act Initiative is being sponsored by Common Cause while the Anti-Corruption Initiative is being sponsored by CALPIRG.

Your Board previously adopted a watch position on the California Political Reform Act Initiative. A comparison of the initiatives to each other and to existing law is attached. (Attachment 2.) This comparison was prepared by the Fair Political Practices Commission Legal Division and includes comment on precedential court cases which will be relevant in any future challenges of the successful initiative.

Both initiatives primarily deal with limiting campaign contributions with the Anti-Corruption Act Initiative seeking to impose more severe restrictions. However, under both initiatives, public board and commission appointees (including directors of Metropolitan) are prevented from donating to, soliciting or accepting campaign contributions from any person who appointed them to their position as director. Lobbyists are forbidden from contributing or arranging for contributions. Disclosure of

funding sources in political advertising is also required under both initiatives. Only the Anti-Corruption Act repeals ethics provisions of the Government Code applicable to various public officials, including Metropolitan directors and designated employees, which include a prohibition against receiving annual gifts of more than \$250 from a single source. Striking of this prohibition would not affect the currently required reporting of gifts worth \$50 and more under Metropolitan's conflicts code nor would it affect other prohibitions against receipt of gifts in connection with performance of public duties.

In the event that both initiatives pass, the valid provisions of the measure receiving the most votes would be enforced. (California Constitution, article 2, section 10.)

JO:gm
Attachment
#1532

ANTI-CORRUPTION ACT of 1996

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

TO THE HONORABLE SECRETARY OF STATE OF CALIFORNIA

We, the undersigned, registered, qualified voters of California, residents of _____ County (or City and County), hereby propose amendments to the Government Code and the Revenue and Taxation Code, relating to political practices, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding primary or general election or at any special statewide election held prior to that primary or general election or otherwise provided by law. The proposed statutory amendments read as follows:

The people of the State of California do enact as follows:

SEC.

1. Chapter 5 (commencing with Section 85100) of Title 9 of the Government Code is repealed.

SEC. 2. Chapter 5 (commencing with Section 85100) is added to the Government Code, to read:

Chapter 5. Anti-Corruption Act of 1996

APPLICABILITY, DEFINITIONS, AND AMENDMENT

SEC. 3. Title

85100. This chapter shall be known and may be cited as the Anti-Corruption Act of 1996.

SEC. 4. Findings and Declarations

85101. The people find and declare as follows:

(a) Our representative system of democracy has been distorted by the increasing role of money in the process. The interests of average voters are not represented in a process which favors candidates who can raise and spend huge sums of money from narrow interests rather than those candidates who represent a broad base of community support.

(b) Politicians have failed to impose rules which are sufficient to govern campaign spending, contributions, and lobbyists to prevent corruption. In the past seven years, the People have witnessed many members of the Legislature, their staffs, and lobbyists convicted of bribery and other

forms of corruption in which campaign contributions have been linked to official actions. Past and current laws did not and do not prevent corruption, therefore the People need the strictest measures possible to prevent corruption in the future.

(c) Large contributions to political committees and political campaigns have a corrupting or potentially corrupting influence on the policy making and electoral process, resulting in an elections process that distances voters from candidates. Over 90 percent of the money raised by California candidates for public offices comes in contributions of \$100.00 or more.

(d) Candidates generally do not seek financial support from people in the District that the candidates seek to represent. State legislators raise over 90 percent of their contributions from people and interests who live outside their district.

(e) Candidates are increasingly reliant on campaign contributions from groups and individuals with a specific financial stake in matters before state and local governments.

(f) While spending on political campaigns has escalated, citizen participation in the political process has declined, and the people know too little about the issues or the particular positions of candidates for elective office. Limits on campaign spending will relieve candidates and officeholders from the need for fundraising. The conduct of both political campaigns and governance thereby will be improved. Campaign expenditures have risen by 4000 percent since 1958. The increase has consisted principally of contributions from special interests.

(g) The United States Supreme Court based its decision in Buckley v. Valeo, 424 U.S. 1, on a concern that spending limits could restrict political speech, "by reducing the number of issues discussed, the depth of their exploration, and the size of the audience reached." The People's experience with the electoral process is otherwise. In California elections, unlimited spending has not increased the reach of issues to more voters. Instead, money has drowned and distorted political discourse.

(h) Current campaign financing arrangements, with the actual and perceived preferential access to lawmakers for special interests capable of contributing sizeable sums to lawmakers' campaigns, have provoked public disaffection with elective government.

(i) Lobbyists have a specific financial stake in legislation and policy and have a corrupting or potentially corrupting effect on elections when they make contributions to candidates for elective office in an executive or legislative body in which they also lobby.

(j) Political parties are increasingly controlled by large special interest contributors. Political parties respond less to average voters' needs and deter voter participation in political organization.

SEC. 5. Purpose of the Law

85102. The people enact this chapter to accomplish the following purposes:

(a) To restore trust and integrity in the state's elections and governing institutions.

(b) To eliminate corruption and the perception of corruption by reducing the influence of large contributions from individuals and groups with a specific financial stake in matters before state and local governments.

(c) To ensure, by severing the link between lobbying and campaign fundraising, that individuals and interest groups have an opportunity to participate in elections and governing.

(d) To improve the disclosure of contribution sources in reasonable and effective ways in order to prevent corruption and the appearance of corruption of elections and candidates.

(e) To improve citizen participation in elections by making elected officials and political parties more accountable to constituents than to special interest groups, thereby fostering competition and encouraging greater grassroots participation in political organization.

(f) To relieve candidates for elective office and elected officers from the burdens of excessive fundraising, thereby providing greater opportunity for public debate and political discourse.

SEC. 6. Applicability of the Law

85103. Unless the term is defined specifically in this chapter or the contrary is stated or clearly applies from the context, the definitions set forth in this title shall govern the interpretation of this chapter. This chapter shall be construed liberally to achieve its purposes. Nothing in this chapter shall exempt any person from the applicable provisions of this title or of any other law. Nothing in this chapter shall be construed to apply to the activities of any candidate, or committee, or to any election that is specifically subject to the Federal Election Campaign Act of 1971, as amended.

SEC. 7. Definitions

85104. The following terms as used in this chapter have the following meanings:

(a) "Candidate" means that term as defined in Section 82007.

(b) "Committee" means that term as defined in subdivisions (a) or (c) of Section 82013, but shall not include a candidate, as defined in subdivision (a) of this section, and shall not include a committee that does not make contributions to candidates. For purposes of this chapter, a political party is a committee unless specific provisions applicable to political parties indicate otherwise.

(c) "Citizen Contribution Committee" means a committee whose membership is comprised solely of 25 or more individuals who each make a contribution or contributions which in the aggregate total \$25.00 or less per calendar year per individual member. Such a committee shall be in existence for at least six (6) months prior to making any contribution to any candidate or committee and shall not be controlled by any candidate. Nothing in this section shall prohibit a political party from establishing Citizen Contribution Committees.

(d) "Individual" means one human being.

(e) "Statewide elective office" means the Office of Governor, Lieutenant Governor, Attorney General, Controller, Treasurer, Secretary of State, Superintendent of Public Instruction, Justices of the Supreme Court, and Insurance Commissioner, and any other office for which all registered voters of the state are entitled to vote in a general election.

(f) "Voting age population" means the population of the state, city, county, or other electoral district aged eighteen years or over as determined by the United States Secretary of Commerce. If for any reason no such determination is made, the commission shall from time to time determine the voting age population from the best readily available sources of information.

CANDIDACY

SEC. 8. Rules for Candidacy

85200. (a) Prior to the solicitation or receipt of any contribution or loan, an individual who intends to be a candidate for an elective office shall file with the commission and with the local filing officer, if any, with whom he or she is required to file campaign statements pursuant to Section 84215, a statement signed under penalty of perjury of the intention to be a candidate for office and identifying that specific office.

(b) A candidate shall establish one campaign contribution account at an office of a financial institution located in the state. Within 10 calendar days of establishing this account, the name and address of the financial institution and the account number shall be filed with the commission and with the local filing officer, if any, with whom he or she is required to file campaign statements pursuant to Section 84215.

(c) All contributions or loans made to the candidate, or to the candidate's controlled committee, shall be deposited into the account established pursuant to subdivision (b). Any personal funds of the candidate that will be used to promote the election of the candidate shall be deposited into the account. All campaign expenditures shall be made from the account.

CONTRIBUTION LIMITATIONS

SEC. 9. Limitations on Out-of-District Contributions

85306. (a) For purposes of seeking elective office, a candidate may not accept more than 25 percent of his or her total dollar value in contributions from individuals who at the time of their contribution were not of the voting age population of the electoral district of the elective office sought by the candidate. The limitations of this subdivision shall not apply to funding provided by federal, state, or local government for purposes of campaigning for an elective office.

(b) Contributions to candidates from persons, other than individuals, shall be treated as contributions from individuals who are not of the voting age population of the electoral district of the elective office sought by the candidate. When aggregated with contributions from individuals who are not of the voting age population of the electoral district as described in subdivision (a), such contributions from persons, other than individuals, shall not total more than 25 percent of the total dollar value of the candidate's contributions. This subdivision shall not apply to contributions from a Citizen Contribution Committee established and maintained within the electoral district of the candidate and 100 percent of whose membership comprises individuals who at the time of their contribution were of the voting age population of the electoral district of the elective office sought by the candidate. For the purposes of this subdivision only, membership less than 100 percent shall not constitute a violation of this provision to the extent that such membership meets the *de minimis* requirements for membership as set forth in this subdivision.

(c) The percentage of contributions from individuals in subdivision (a) and persons in subdivision (b) shall be reported by the candidate on any campaign statement required to be filed by the candidate pursuant to Chapter 4 (commencing with Section 84100). If any

campaign statement filed by a candidate pursuant to Chapter 4 (commencing with Section 84100) indicates, or should indicate, that more than 25 percent of the candidate's total dollar value in contributions is from persons who at the time of their contribution were not, pursuant to subdivisions (a) and (b), individuals of the voting age population of the electoral district of the elective office sought by the candidate, there shall be a violation of this title.

(1) When contributions to a candidate exceed the limits of this section by 10 percent or less of the maximum permissible dollar value, the remedies set forth in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000) shall apply, except that, when the commission or a court of law assesses a monetary penalty in an administrative or civil action for this violation, the amount of the monetary penalty shall be equal to the amount by which the contributions exceeded the limit.

(2) When contributions to a candidate exceed the limits of this section by more than 10 percent of the maximum permissible dollar value, the remedies set forth in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000) shall apply, except that, when the commission or a court of law assesses a monetary penalty in an administrative or civil action for this violation, the amount of the monetary penalty shall be three times the amount by which the contributions exceeded the limit, or ten thousand dollars (\$10,000), whichever is greater.

(3) The monetary penalty shall be distributed in accordance with section 91009. Notwithstanding Section 13340 of the Government Code, the moneys deposited into this fund are hereby appropriated to the commission for the purpose of enforcing the provisions of this title.

SEC. 10. Limitations on Contributions from Persons to Candidates

85301. (a) No person, except a Citizen Contribution Committee, shall make to a candidate, and no candidate shall accept, a contribution or contributions with an aggregate value in excess of the following:

(1) One hundred dollars (\$100) per election per candidate other than candidates for statewide elective office and the Board of Equalization.

(2) Two hundred dollars (\$200) per election per candidate for statewide elective office and the Board of Equalization.

(b) No person shall make one or more contributions to any other person for the purpose of contributing to a specific candidate, which when added together, or when added together with contributions made directly to the candidate by the first person, will have an aggregate value in excess of the limits stated in this section.

(c) Nothing in this chapter shall prohibit independent expenditures by a person.

(d) Nothing in this chapter shall prohibit a candidate from making a contribution or contributions of his or her personal funds to his or her own controlled committee in excess of the limits in this section, except that a candidate's expenditure of personal funds in the aggregate shall not exceed the limitations set forth in Section 85401 to the extent that section is in effect.

(e) This chapter shall not prohibit the state or a local jurisdiction from establishing lower contribution limitations than those set forth in this chapter.

(f) For purposes of this section, primary, general, special and run-off elections are separate elections.

SEC. 11. Limitations on Contributions from a Citizen Contribution Committee to a Candidate

85302. A Citizen Contribution Committee shall be permitted to make a contribution or contributions to a candidate, and a candidate shall be permitted to accept contributions from a Citizen Contribution Committee to the extent that such contributions do not exceed the maximum amount of what 100 individuals can contribute to a candidate, as set forth in Section 85301.

SEC. 12. Limitation on Contributions from Persons to Committees

85303. No person shall make to any committee, and no committee shall accept from any person, one or more contributions with an aggregate value in excess of two hundred dollars (\$200) in any calendar year per committee. This provision shall not apply to contributions to candidates, Citizen Contribution Committees, or political parties or to contributions which are otherwise prohibited by law.

SEC. 13. Limitation on Contributions from Persons to Political Parties

85304. (a) No person, except a Citizen Contribution Committee, shall make to a state or local political party organized under the laws of this state for the purpose of making contributions directly or indirectly in connection with state or local elections in California, one or more contributions with an aggregate value in excess of six hundred dollars (\$600) per calendar year per political party. No state or local political party organized under the laws of this state shall accept from a person, except a Citizen Contribution Committee, for the purpose of making contributions directly or indirectly in connection with state or local elections in California, one or more contributions with an aggregate value in excess of six hundred dollars (\$600) in any calendar year per political party. The limitations of this subdivision shall apply to contributions for generic activities which do not identify a specific candidate as well as to get-out-the-vote, voter file maintenance and all other activities of the political party in connection with state or local elections in California. Nothing in this subdivision shall be read to prohibit a Citizen Contribution Committee from making contributions to a political party to the extent that such contributions do not exceed the maximum amount of what 100 persons can contribute to a political party, as set forth above. The limitations of this subdivision shall not apply to contributions to the Voter Registration Fund of a state or local political party established under subdivision (b), below.

(b) A state or local political party shall be permitted to establish a Voter Registration Fund for the exclusive purpose of conducting non-candidate-specific, partisan voter registration activities in California. No person shall be permitted to make, nor shall a state or local political party organized under the laws of this state accept, contributions which when aggregated total more than \$5,000 per person in any calendar year to the Voter Registration Fund. Any administrative or other costs associated with a communication to solicit or otherwise direct contributions to the Voter Registration Fund shall be permitted to be paid through the

Voter Registration Fund to the extent that the communication has as its principal purpose to register voters in California.

SEC. 14. Aggregate Limitations on Contributions

85305. The following shall apply to limit the amount of aggregate contributions:

(a) No individual shall make contributions with an aggregate value of more than two thousand dollars (\$2,000) per calendar year to all state and local candidates, committees, and state or local political parties organized under the laws of this state for the purpose of making contributions directly or indirectly in connection to state or local elections in California. Of this aggregate amount, an individual shall contribute no more than one thousand dollars (\$1,000) per calendar year to committees other than political party committees. The limitations of this subdivision shall not apply to contributions to the Voter Registration Fund established by a state or local political party.

(b) No person shall make contributions with an aggregate value of more than ten thousand dollars (\$10,000) per calendar year to all state and local candidates, committees, and state and local political parties organized under the laws of this state for the purpose of making contributions directly or indirectly in connection with state or local elections in California. The limitations of this subdivision shall not apply to individuals or Citizen Contribution Committees.

SEC. 15. Limitations on When Contributions Can Be Received

85307. (a) No candidate shall accept or solicit contributions more than nine months before the election for the office for which the candidate has filed his or her statement of intention to be a candidate for elective office pursuant to Section 85200. The commission, or local elections authority designated by the commission in the case of local elections, shall for each election designate the date on which a candidate may begin to accept or solicit contributions.

(b) No candidate shall solicit contributions after the date of the general or runoff election for the office to which the candidate sought election. No candidate shall accept contributions more than 30 calendar days after the date of the general or runoff election for the office to which the candidate sought election.

(c) For purposes of this chapter, all contributions shall be deposited in the candidate's campaign account within 10 calendar days after they are received or, in the alternative, shall be returned to the contributor. Contributions so deposited shall be deemed to have been accepted by the candidate.

SEC. 16. Transfer of Contributions

85308. (a) No candidate may make any contribution to any other candidate who has established a candidate account pursuant to Section 85200.

(b) This section shall not prohibit a candidate from making a contribution from his or her own personal funds either to his or her own candidacy, to the controlled committee of any other candidate for elective office, or to a recall or ballot measure committee.

(c) This section shall not prohibit a candidate from transferring contributions among his or her own controlled committees, so long as each transfer complies with both of the

following:

(1) The transferring committee makes each transfer on a per-contribution basis in reverse chronological order of the contributions it received, beginning with the most recent contributor to the transferring committee.

(2) No transfer, either by itself, or when added to any contribution made by the same contributor to the committee receiving the contribution, shall exceed the amount the same contributor is otherwise permitted, pursuant to this chapter, to contribute to the committee receiving the transferred contribution.

SEC. 17. Candidate Loans

85309. (a) A loan to a candidate or a candidate's controlled committee for the purpose of seeking elective office by a commercial lending institution in the normal course of business shall not be subject to this chapter and shall be made by written instrument from the maker of the loan. A loan by a commercial lending institution shall be made to a candidate bearing the usual and customary interest rate of the lending institution. If the loan is made other than by a commercial lending institution in the normal course of business, then the terms of the loan shall be in writing and provide for payment of at least 80 percent of the prevailing commercial market rate of interest on the loan. All loans shall provide for satisfaction of the loan not later than 30 days after the election for which the candidate has filed or declared.

(b) Extensions of credit for a period of more than 30 calendar days, other than by loans, are considered to be contributions and are subject to the contribution limitations of this chapter.

(c) No candidate shall personally loan to his or her campaign money, goods, or services that have an aggregate value at any one point in time of more than ten thousand dollars (\$10,000) or more than twenty-five thousand dollars (\$25,000) in the case of a candidate for Governor. Nothing in this section shall prohibit or restrict a candidate from making contributions, other than loans, to his or her own campaign from the personal funds of the candidate.

SEC. 18. Family Contributions

85310. (a) For purposes of this chapter, a contribution made by a married person shall not also be considered a contribution by that person's spouse.

(b) Contributions by children under the age of 18 years shall be treated as contributions by their parents or guardians.

SEC. 19. Violation of Contribution Limitations

85311. Any candidate or committee that accepts a contribution made in violation of Sections 85301, 85302, 85303, or 85304 shall, not later than 30 days after knowing or having reason to know of that violation, deposit an amount equivalent to the value of that contribution into the Anti-Corruption Act of 1996 Enforcement Fund established by the commission to enforce the provisions of this chapter. If a candidate or committee fails to make this payment within the 30-day period, the candidate or committee shall have violated this section. The remedies set forth in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section

91000) shall apply to violations of this section, except that when the commission or a court of law assesses a monetary penalty in an administrative or civil action for a violation of this section the amount of the monetary penalty shall be three times the value of the contribution the candidate or committee failed to pay to the commission as required by this section. The statute of limitations shall not apply to this provision. The monetary penalty shall be distributed in accordance with section 91009. Notwithstanding Section 13340 of the Government Code, the moneys deposited into the Anti-Corruption Act of 1996 Enforcement Fund are hereby appropriated to the commission for the purpose of enforcing the provisions of this title.

SEC. 20. Contributions from Lobbyists

85312. No candidate shall solicit or accept a contribution from, or arranged or transmitted by, a lobbyist or lobbying firm and no lobbyist or lobbying firm shall make, arrange, or transmit in any way a contribution to a candidate if that lobbyist or lobbying firm is required to register as a lobbyist or lobbying firm either pursuant to Chapter 6 (commencing with Section 86100) or under any other provision of state or local law for the governmental agency or body in which that candidate holds office or to which that candidate is seeking election.

SEC. 21. Surplus Campaign Funds

85313. (a) Within 90 days after a candidate withdraws from, is defeated in an election for, or is elected to, an office for which the candidate has filed a statement of intention to be a candidate for elective office pursuant to Section 85200, the candidate shall distribute the balance of campaign funds raised for that election that is in excess of the expenses for the election on a pro rata basis to the candidate's contributors or turn over the excess to the Anti-Corruption Act of 1996 Enforcement Fund for the purposes of enforcing this title.

(b) Any excess campaign funds may be used to pay reasonable attorney's fees and other costs in connection with enforcement proceedings against the candidate or legal challenge to election results. All funds so expended shall be publicly disclosed pursuant to the requirements of Chapter 4 (commencing with Section 84100) and shall be exempt from the attorney-client or any other privilege for nondisclosure.

(c) No contributions may be solicited for the purpose of paying attorney's fees as provided in subdivision (a), except to the extent that the contributions have been raised within the limitations and restrictions of this chapter.

SEC. 22. Contributions from Business Entities, Labor Organizations, Banks and Non-Profit Corporations

85314. (a) It shall be unlawful for:

(1) any business entity, labor organization, state or national bank or nonprofit corporation organized by authority of any law of Congress or any state to make a contribution for the purpose of influencing an election to any elective office or for the purpose of influencing any primary election or political convention or caucus held to select candidates for any elective office;

(2) any candidate or person knowingly to accept or receive any contribution prohibited by this section;

(3) any officer or any director of any business entity, labor organization, state or national bank or nonprofit corporation organized by authority of any law of Congress or any state to consent to any contribution by any business entity, labor organization, state or national bank, or nonprofit corporation prohibited by this section.

(b) The remedies set forth in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000) shall apply to any business entity, labor organization, state or national bank or nonprofit corporation that violates this section, except that, when the commission or a court of law assesses a monetary penalty in an administrative or civil action for a violation of this section, the amount of the monetary penalty shall be three times the amount contributed or expended in violation of this section or ten thousand dollars (\$10,000), whichever is greater.

(c) In addition to any other administrative or civil remedy applicable under this title, any officer, director, attorney, accountant, or other agent of the business entity, labor organization, state or national bank, or nonprofit corporation violating any provision of this section or authorizing the violation of this section, or any person who violates or in any way knowingly aids or abets the violation thereof, is guilty of a misdemeanor and, in addition to any other criminal penalties provided by law, a fine of not more than ten thousand dollars (\$10,000) may be imposed upon conviction for each violation.

(d) Nothing in this section shall prohibit the employees, shareholders, or members of any business entity, labor organization, state or national bank, or nonprofit corporation organized under the authority of the Congress or the laws of any state from establishing a committee that operates free of any support from any business entity, labor organization, state or national bank, or nonprofit corporation organized under the authority of the Congress or the laws of any state, subject to the limitations otherwise provided in this chapter.

(e) Nothing in this section shall prohibit a business entity, labor organization, state or national bank, or nonprofit corporation, organized under the authority of Congress or the laws of any state, from providing indirect support to any Citizen Contribution Committee which receives contributions totaling \$5,000 or less per calendar year.

(f) Nothing in this section shall prohibit a business entity, labor organization, state or national bank, or nonprofit corporation, organized under the authority of Congress or the laws of any state, from providing indirect support to any committee, except a political party or candidate, for administration and compliance. Such support shall not include fundraising or related activity, except as provided in section (g).

(g) Nothing in this section shall prohibit a business entity, labor organization, state or national bank, or nonprofit organization, organized under the authority of Congress or the laws of any state, from providing indirect support to any committee, except a political party or candidate, for fundraising or related activity to the extent that such support is in the aggregate 20 percent or less of the contributions received by that committee per calendar year.

(h) Nothing in this section shall prohibit a business entity, labor organization, state or national bank, or nonprofit corporation, organized under the authority of Congress or the laws of this state, which sponsors a committee, from making an expenditure that qualifies as a contribution under this act so long as the business entity, labor organization, state or national bank

or nonprofit corporation is reimbursed by its sponsored committee within 30 days of making the payment.

(i) This section shall not apply to elections to federal office under the jurisdiction of the Federal Election Campaign Act of 1971, as amended.

SEC. 23. Internal Communications

85315. Nothing in this Act shall prohibit a labor organization, state or national bank, business entity, nonprofit corporation, or committee from paying the costs of internal communications with its members, employees or shareholders for the purpose of supporting or opposing a candidate or candidates for elective office or a ballot measure. Such expenditures shall not be considered a contribution or independent expenditure under the provisions of this act, provided such payments are not for the costs of campaign materials used in connection with broadcasting, newspaper, billboard or similar type of general public communication.

SEC. 24. Bundling of Contributions

85316. Contributions made directly or indirectly to or on behalf of a particular candidate through an intermediary or conduit shall be treated as contributions from the contributor and the intermediary or conduit to the candidate for the purposes of this limitation unless the intermediary or conduit is one of the following:

(a) The candidate or representative of the candidate receiving contributions on behalf of the candidate; provided, however, that the representative shall not include the following persons:

(1) A committee other than the candidate's campaign committee;

(2) An officer, employee or agent of a committee other than the candidate's campaign committee;

(3) A person registered as a lobbyist with the governmental agency for which the candidate is running or is an officeholder;

(4) An officer, employee or agent of a labor organization, business entity, or other organization acting on behalf of the labor organization, business entity, or other organization.

(b) A volunteer, who otherwise does not fall under subsection (a) (1)-(4) of this provision, hosting a fundraising event outside and away from the volunteer's place of business.

(c) A professional fundraiser.

SEC. 25. Contributions from Governmental Appointees

85317. No person appointed to a public board or commission or as trustee of the California State University or Regent of the University of California during tenure in office shall donate to, or solicit or accept any campaign contribution for, any committee controlled by the person who made the appointment to that office or any other entity with the intent that the recipient of the donation is the committee controlled by the person who made the appointment.

EXPENDITURE LIMITATIONS

SEC. 26. Mandatory Spending Limits

85401. (a) A candidate for State Assembly shall not make expenditures for the primary or special primary election which exceed an amount equal to \$75,000 and for the general, special, or special runoff election which exceed \$150,000.

(b) A candidate for State Senate and Board of Equalization shall not make expenditures for the primary or special primary election which exceed an amount equal to \$115,000 and for the general, special, or special runoff election which exceed \$235,000.

(c) A candidate for statewide office, other than Governor, shall not make expenditures for the primary or special primary election which exceed an amount equal to \$1,250,000 and for the general, special or special run-off election which exceed \$1,750,000.

(d) A candidate for Governor, shall not make expenditures for the primary or special primary election which exceed an amount equal to \$2,000,000 and for the general, special, or special runoff election which exceed \$5,000,000.

(e) Any local jurisdiction, municipality, or county shall establish expenditure limitations for candidates and controlled committees of such candidates for elective office not to exceed forty cents (\$.40) per election per individual of the voting age population of the local jurisdiction, municipality, or county.

(f) A candidate who exceeds the limitations in subdivision (a) through (d), above, by 10 percent or less of the expenditure limit shall be in violation of this section and required to repay the excess amount to contributors on a pro rata basis or pay the excess amount to the Anti-Corruptions Act of 1996 Enforcement Fund. In addition, the remedies set forth in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000) shall apply to violations of this section covered by this subdivision, except that, when the commission or a court of law assesses a monetary penalty in an administrative or civil action for such a violation, the amount of the monetary penalty shall be three times the amount by which the candidate exceeded the expenditure limit. The monetary penalty shall be distributed in accordance with section 91009. Notwithstanding Section 13340 of the Government Code, the moneys deposited into the Anti-Corruption Act of 1996 Enforcement Fund are hereby appropriated to the commission for the purpose of enforcing the provisions of this title.

(g) A candidate who exceeds the limitations in subdivision (a) through (d), above, by greater than 10 percent of the expenditure limit shall be in violation of this section and required to repay the excess amount to contributors on a pro rata basis or pay the excess amount to the Anti-Corruption Act of 1996 Enforcement Fund. In addition, the remedies set forth in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000) shall apply to violations of this section covered by this subdivision, except that, when the commission or a court of law assesses a monetary penalty in an administrative or civil action for such a violation, the amount of the monetary penalty shall be three times the amount by which the candidate exceeds the expenditure limit or twenty thousand dollars (\$20,000), whichever is greater. The monetary penalty shall be distributed in accordance with section 91009.

Notwithstanding Section 13340 of the Government Code, the moneys deposited into the Anti-Corruption Act of 1996 Enforcement Fund are hereby appropriated to the commission for the purpose of enforcing the provisions of this title.

(h) In the event that the expenditure limitations set forth in this section are not in effect, Sections 85402 through 85404, inclusive, shall apply.

SEC. 27. Candidate Declaration to Abide by Voluntary Spending Limits

85402 (a) Each candidate-for elective office shall file, with the Secretary of State and the commission or the local elections authority designated by the commission for local elections, a statement as to whether or not the candidate will abide by the voluntary expenditure limitations set forth in Section 85403 before accepting any contributions or loans for his or her campaign.

(b) The declaration of intent to abide by or reject the voluntary expenditure limitations filed pursuant to this section shall be under penalty of perjury and certify that, with respect to the election for the office sought by the candidate, the candidate will or will not incur expenditures in excess of the applicable expenditure limitation.

(c) The Secretary of State shall prescribe the form for filing the information required by this section, which shall include but not be limited to all of the following:

(1) The name of the candidate by which he or she is commonly known and by which he or she transacts private or official business.

(2) The mailing address of the residence of the candidate.

(3) A signed declaration by the candidate, under penalty of perjury, stating whether or not he or she will abide by the voluntary expenditure limitations set forth in Section 85402.

(4) The applicable voluntary expenditure limitation for that office.

(5) Other information as may be determined by the commission.

(d) A candidate for elective office who files the statement of acceptance of the voluntary expenditure limitations prescribed in Section 85403 and who, subsequent to filing the statement of acceptance, exceeds the prescribed limits shall be subject to the following:

(1) If the amount by which the candidate exceeds the prescribed limits is less than 5 percent of the expenditure limit, the candidate or his or her controlled committee shall be required to repay the excess amounts to contributors on a pro rata basis or pay the excess amount to the Anti-Corruption Act of 1996 Enforcement Fund not later than 10 days after the election. No further administrative, civil, or criminal penalty shall be imposed against a candidate who complies with this paragraph. Otherwise, the remedies set forth in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000) shall apply to violations of this paragraph.

(2) If the amount by which the candidate exceeds the prescribed limits is 5 percent to less than 10 percent of the expenditure limit, the candidate shall be in violation of this section and required to repay the excess amounts to contributors on a pro rata basis or deposit the amount to the Anti-Corruption Act of 1996 Enforcement Fund not later than 10 days after the election. In addition, the remedies set forth in Chapter 3 (commencing with Section 83100) and

Chapter 11 (commencing with Section 91000) shall apply to violations of this section covered by this paragraph, except that, when the commission or a court of law assesses a monetary penalty in an administrative or civil action for such a violation, the amount of the monetary penalty shall be equal to two times the amount by which the candidate exceeds the expenditure limit. The monetary penalty shall be distributed in accordance with section 91009. Notwithstanding Section 13340 of the Government Code, the moneys deposited into the Anti-Corruption Act of 1996 Enforcement Fund are hereby appropriated to the commission for the purpose of enforcing the provisions of this title.

(3) If the amount by which the candidate exceeds the prescribed limits is 10 percent or more of the expenditure limit, the candidate shall be in violation of this section and required to repay the excess amount to contributors on a pro rata basis or pay the excess amount to the Anti-Corruption Act of 1996 Enforcement Fund not later than 10 days after the election. In addition, the remedies set forth in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000) shall apply to violations of this section covered by this paragraph, except that, when the commission or a court of law assesses a monetary penalty in an administrative or civil action for such a violation, the amount of the monetary penalty shall be equal to three times the amount by which the candidate exceeds the expenditure limit. The monetary penalty shall be distributed in accordance with section 91009. Notwithstanding Section 13340 of the Government Code, the moneys deposited into the Anti-Corruption Act of 1996 Enforcement Fund are hereby appropriated to the commission for the purpose of enforcing the provisions of this title. In addition, the candidate, in the manner prescribed by the commission but at no cost to the public, shall notify all eligible voters for that election that he or she exceeded the expenditure limits.

(e) The provisions of this section shall apply only in the event that Section 85401 is not in effect.

SEC. 28. Voluntary Spending Limits

85403. A candidate for elective office may file a voluntary declaration with the Secretary of State and the commission stating that he or she agrees to abide by voluntary spending limits as follows:

(a) a candidate for State Assembly agrees not to make expenditures for the primary or special primary election which exceed an amount equal to \$75,000 and for the general, special, or special runoff election which exceed \$150,000.

(b) a candidate for State Senate and Board of Equalization agrees not to make expenditures for the primary or special election which exceed an amount equal to \$115,000 and for the general, special, or special runoff election which exceed \$235,000.

(c) a candidate for statewide office, other than Governor, agrees not to make expenditures for the primary election which exceed an amount equal to \$1,250,000 and for the general election which exceed \$1,750,000.

(d) a candidate for Governor, agrees not to make expenditures for the primary election which exceed an amount equal to \$2,000,000 and for the general, special, or special runoff election which exceed \$5,000,000.

(e) any local jurisdiction, municipality, or county may establish voluntary expenditure limitations for candidates and controlled committees of such candidates for elective office not to exceed forty cents (\$.40) per election per individual of the voting age population of the local jurisdiction, municipality, or county.

(f) The provisions of this section shall apply only in the event that Section 85401 is not in effect.

SEC. 29. Ballot Pamphlet Access

85404. (a) For each candidate for statewide elective office who, pursuant to section 85402, has agreed to abide by the voluntary expenditure limitations in section 85403, the Secretary of State shall publish, at no charge to the candidate, the information set forth in subdivision (e). Publication shall be made in the state ballot pamphlet.

(b) For each candidate for state legislative office or Board of Equalization who, pursuant to section 85402, has agreed to abide by the voluntary expenditure limitations in section 85403, the Secretary of State shall publish, at no charge to the candidate, the information set forth in subdivision (e). In conjunction with the applicable local elections official, publication shall be made in the local ballot pamphlet, unless, but for this subdivision, no local ballot pamphlet will be issued in conjunction with that election, in which case this subdivision shall not apply. The Secretary of State shall bear the pro rata cost of printing, handling, translating, and mailing the local ballot pamphlet for state legislative office or Board of Equalization.

(c) For each candidate for local office who, pursuant to section 85402, has agreed to abide by the voluntary expenditure limitations in section 85403, the local elections official shall publish, at no charge to the candidate, the information set forth in subdivision (e). Publication shall be made in the local ballot pamphlet, unless, but for this subdivision, no local ballot pamphlet will be issued in conjunction with that election, in which case this subdivision shall not apply.

(d) For each candidate who does not agree to comply with the voluntary expenditure limitations in Section 85403, the Secretary of State or local elections official, as applicable, shall only publish the information set forth in subdivision (e) on behalf of that candidate if the candidate pays, in a timely manner prescribed by the Secretary of State or local elections official, an amount equal to the pro rata or incremental costs of printing, handling, translating, mailing, and related costs in providing the information in the applicable ballot pamphlet. However, if pursuant to subdivision (b) or (c) no ballot pamphlet otherwise will be mailed in conjunction with that election, this subdivision shall not apply.

(e) The information to be published pursuant to subdivisions (a), (b), (c), and (d) shall be as follows:

(1) The candidate's name, address, and the elective office sought by the candidate.

(2) A statement of not more than 200 words submitted by the candidate, setting forth the candidate's background, qualifications, and priorities. The statement may also include a photograph of the candidate.

(3) A list submitted by the candidate of not more than a total of five individuals,

candidates, or organizations who have endorsed the candidate. The candidate shall provide to the Secretary of State or local elections official, as applicable, a statement of endorsement on the letterhead or with the authorized signature of each endorser to be listed.

(4) A statement, in boldfaced type equal in size to that used for the candidate's name, as follows: "Candidate accepted voluntary spending limits approved by the voters in 1996;" or in the case of a candidate who does not accept the voluntary spending limits as follows: "Candidate did not accept voluntary spending limits approved by the voters in 1996."

(f) The local elections official shall, in consultation with and in a manner prescribed by the Secretary of State, designate on the ballot those candidates who, pursuant to section 85402, have agreed to comply with the voluntary expenditure limitations in section 85403. These candidates shall be identified by placing an asterisk (*) next to their names on the ballot, and each page of the ballot shall contain the following statement: "**Candidate accepted voluntary spending limits approved by the voters in 1996." Alternatively, candidates who do not accept the voluntary spending limits shall be identified by placing a double asterisk (***) next to their names on the ballot and each page of the ballot shall contain the following statement: "***Candidate did not accept voluntary spending limits approved by the voters in 1996."

(g) The provisions of this section shall apply only in the event that section 85401 is not in effect.

SEC. 30. Adjustments for Inflation

85405. The commission shall adjust the expenditure limitations set forth in section 85401, or section 85403 if section 85401 is not in effect, to reflect changes in the Consumer Price Index for California rounded to the nearest one dollar (\$1.00) in January of every odd-numbered year after this chapter becomes operative.

SEC. 31. Candidate Use of Personal Funds

85406. A candidate who uses his or her personal funds to seek election shall report expenditures of personal funds to the commission at the first instance that the aggregate expenditure or obligation for expenditures of personal funds is 10 percent or more of the expenditure limitations set forth in section 85401 or 85403, whichever is in effect. Thereafter, the aggregate expenditures or obligations for expenditures of personal funds of a candidate shall be reported to the commission on the candidate's campaign statement at each subsequent reporting period. A candidate who makes expenditures of personal funds of 10 percent or more of the expenditure limitations set forth in sections 85401 or 85403, whichever is in effect, during the 10-day period before the day of the election shall notify, by personal delivery, facsimile or other electronic means, to the commission and all candidates for election to the office sought by the candidate making expenditures or obligations for expenditures of personal funds. Such notification shall be made at each expenditure of 10 percent of the expenditure limitation set forth in section 85401 or 85403, whichever is in effect. The notification shall occur within 12 hours of expenditures or obligations for expenditures under this subdivision.

SEC. 32. Independent Expenditures

85407. (a) For purposes of this chapter, the term "independent expenditure" means an expenditure for an advertisement or other communication that: (1) contains express advocacy; and (2) is not made at the behest of a candidate or a candidate's agent or arranged, coordinated or directed by the candidate or the candidate's agent.

(b) For purposes of this chapter, the following expenditures are not independent expenditures and unless an exception is otherwise set forth in this title, shall be considered contributions to a candidate if they result in communications that expressly advocate that candidate's election or the defeat of that candidate's opponent:

(1) An expenditure made by a political party.

(2) An expenditure in which there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate's agent and the person making the expenditure.

(3) An expenditure in which, in the calendar year in which the election is to be held, the person making the expenditure is or has been: (A) authorized to raise or expend funds on behalf of the candidate or the candidate's controlled committee; or (B) serving as a member, employee, or agent of the candidate's controlled committee in an executive or policy making position.

(4) An expenditure in which the person making the expenditure retains the professional services of any individual or other person who is also providing professional services in the same election to the candidate in connection with the candidate's pursuit of nomination for election, or election, to office, including any services relating to the candidate's decision to seek office. The term "professional services" shall include any services in support of any candidate's pursuit of nomination for election, or election, to office.

(c) For purposes of this section, the person making the expenditure shall include any officer, director, employee, or individual involved in making the expenditure for purposes of this subdivision.

(d) For purposes of this chapter, the term "express advocacy" means, a communication, which when taken as a whole and with limited reference to external events is an expression of support for, or opposition to, the election of a clearly identified candidate, a specific group of candidates, or candidates of a particular political party.

(e) Any independent expenditure is not considered a contribution to or an expenditure by or on behalf of the candidate with whom it is identified for the purposes of the limitations specified in this chapter.

(f) Any person who violates this section shall be strictly liable under Chapter 11, beginning with 91000.

SEC. 33. Disclosure of Independent Expenditures

85408. (a) Any person who makes independent expenditures in support of or in opposition to a clearly identified candidate in the aggregate amount of one thousand dollars (\$1,000) or more per election shall notify the filing officer and all candidates running for the same office within 24 hours by facsimile transmission or other electronic medium prescribed by the

commission or local elections authority designated by the commission, and by overnight delivery for each subsequent independent expenditure that is five thousand dollars (\$5,000) or more.

(b) No person, except a Citizen Contribution Committee, shall contribute more than \$200 to any committee which makes independent expenditures greater than \$1,000 per election in support of or in opposition to a clearly identified candidate. A Citizen Contribution Committee shall be limited to contributing to any committee which makes independent expenditures greater than \$1,000 per election in support of or in opposition to a clearly identified candidate no more than the maximum amount that can be contributed by 100 individuals to such committee.

SEC. 34. Registration Fee for Committees

85409. Upon filing a statement of organization under section 84101 of the Government Code, a committee shall be charged a registration fee of \$100 per calendar year. This registration fee shall be paid to the Secretary of State for the purpose of administering this chapter.

LOBBYIST PROVISIONS

SEC. 35. Lobbyist Definition

Section 82039 of the Government Code is repealed.

~~82039. "Lobbyist" means any individual who is employed or contracts for economic consideration, other than reimbursement for reasonable travel expenses, to communicate directly or through his or her agents with any elective state official, agency official or legislative official for the purpose of influencing legislative or administrative action, if a substantial or regular portion of the activities for which he or she receives consideration is for the purpose of influencing legislative or administrative action. No individual is a lobbyist by reason of activities described in Section 86300.~~

(Amended by Stats. 1984, Ch. 161, Sec. 1.)

82039. Section 82039 is added to the Government Code, to read:
"Lobbyist" means any individual who either receives five hundred dollars (\$500) or more in any calendar month per calendar year in economic consideration from another person, or who, regardless of any economic consideration, is an employee, professional, or agent, and whose principal and substantial duties in that capacity are, to communicate directly with any elective state official, agency official, or designated employee as defined in Section 82019 for the purpose of influencing legislative or administrative action. No individual is a lobbyist by reason of activities described in Section 86300. For purposes of this section, reimbursement solely for reasonable travel expenses is not economic consideration. For purposes of this section, neither the rule preventing disclosure of an attorney's work product nor any privilege against disclosure based on the attorney-client relationship shall apply to any required report or disclosure under this title, unless expressly required by the United States Constitution or the California Constitution.

SEC. 36. Lobbyist Registration Fee

Section 86102 of the Government Code is amended to read:

86102. Each lobbying firm and lobbyist employer required to file a registration statement under this chapter ~~may shall be charged not more than twenty-five dollars (\$25)~~ one hundred dollars (\$100) per year for each lobbyist required to be listed on its registration statement.

(Repealed and added by Stats. 1985, Ch. 1183, Sec. 7. Effective September 29, 1985.)

SEC. 37. Repeal of Tax Deduction for Lobbying

Section 17221 is added to the Revenue and Taxation Code, to read:

17221. (a) Notwithstanding Section 17201, no deduction shall be allowed for any expenses paid or incurred during the taxable year as described in paragraph (1) of subdivision (e) of Section 162 of the Internal Revenue Code, relating to appearances before, submission of statements to, or sending communications to, any employee or officer of the legislative branch or the executive branch of the state, or any political subdivision thereof, with respect to any rule making or any quasi-legislative function of the executive branch of the state or any political subdivision thereof.

(b) For purposes of this section, the expenses described by paragraph (1) of subdivision (e) of Section 162 of the Internal Revenue Code shall include "lobbying expenditures" as defined in paragraph (1) of subdivision (c) of Section 4911 of the Internal Revenue Code, and shall also include as a "lobbying expenditure" any expenditure incurred in attempting to influence any action of the legislative branch or executive branch of any government by communication with any employee, officer, member, or agency of the executive branch of federal, state, or local government, or any other similar governing body.

Section 24335 is added to the Revenue and Taxation Code, to read:

24335. (a) No deduction shall be allowed for any expenses paid or incurred in the taxable year as described in paragraph (1) of subdivision (e) of Section 162 of the Internal Revenue Code, relating to appearances before, submission of statements to, or sending communications to, any employee or officer of the legislative branch or the executive branch of the state, or any political subdivision thereof, with respect to any rulemaking or any quasi-legislative function of the executive branch of the state or any political subdivision thereof.

(b) For purposes of this section, the expenses described by paragraph (1) of subdivision (e) of Section 162 of the Internal Revenue Code shall include "lobbying expenditures" as defined in paragraph (1) of subdivision (c) of Section 4911 of the Internal Revenue Code, and shall also include as a "lobbying expenditure" any expenditure incurred in attempting to influence any action of the legislative branch or executive branch of any government by communication with any employee, officer, member, or agency of the executive branch of the federal, state, or local government, or any other similar governing body.

SEC. 38. Lobbyist Gift Ban

Section 86203 of the Government Code is amended to read:

86203. It shall be unlawful for a lobbyist, or lobbying firm, to make ~~gifts to one person aggregating more than ten dollars (\$10) in a calendar month, or to act as an agent or intermediary in the making of any gift, or to arrange for the making of any gift by any other person~~ a gift, to act as an agent or intermediary in the making of a gift, or to arrange for the making of a gift by any other person.

(Amended by Stats. 1985, Ch. 1183, Sec. 9. Effective September 29, 1985.)

DISCLOSURE IN CAMPAIGN ADVERTISEMENTS

Article 5 (commencing with Section 84501) of Chapter 4 of Title 9 is added to the Government Code to read:

SEC. 39. Definitions

84501. (a) "Advertisement" means any general or public advertisement which is authorized and paid for by a person or committee for the purpose of supporting or opposing one or more ballot measures or an independent expenditure supporting or opposing one or more candidates for office.

(b) "Advertisement" does not include a communication from an organization to its members, electronic broadcasts of less than 15 seconds, or other small advertisements as determined by regulations of the commission.

(c) "Advertisement" includes phone banks where the caller is paid; but not where the caller is a volunteer, even if the phone charges are paid by the committee.

(d) "Cumulative contributions" means the cumulative contributions to a committee beginning the first day the statement of organization is filed under Section 84101 and ending within seven days of the time the advertisement is sent to the printer, broadcast station, or other person doing the advertising.

SEC. 40. Disclosure Statement

84502. (a) Any advertisement as defined in Section 84501 shall include a disclosure statement identifying any person whose cumulative contributions are \$50,000 or more in a statewide campaign, or \$25,000 or more in non-statewide campaigns to the committee placing the advertisement.

(b) The disclosure for individuals shall read "major funding by: (name and occupation)." The disclosure for non-individuals shall read "major funding by: (name and business interest)." The commission shall issue regulations defining "occupation" and "business interest," including regulations regarding the omission of the business interest disclosure when the name of a non-individual fully describes the business interest.

(c) If there are more than three donors of \$25,000 or more, the committee is only required to disclose the highest, second highest and third highest in that order. If more than three donors contribute \$25,000 or more in equal amounts, the committee is required to disclose those contributors in chronological order.

(d) If the committee has received at least one quarter of its cumulative contributions from outside the jurisdiction where the election is being held, the disclosure shall state "major funding from out-of-state (city, county, or district, etc.) contributors."

SEC. 41. Ballot Measure Disclosure

84503. (a) Any committee which supports or opposes one or more ballot measures shall name and identify itself using a name or phrase that clearly identifies the economic or other special interest of its major donors of \$25,000 or more in any reference to the committee required by law, including but not limited to its statement of organization pursuant to Section 84101.

(b) If the major donors of \$25,000 or more share a common employer, the identity of the employer shall also be disclosed.

(c) Any committee which supports or opposes a ballot measure, shall print or broadcast its name as provided in this section as part of any advertisement.

(d) If candidates or their controlled committees, as a group or individually, meet the contribution thresholds for a person, they shall be identified by the candidate's name.

SEC. 42. Manner of Disclosure

84504. Any disclosure statement required by this article shall be printed clearly and legibly and in a conspicuous manner as defined by the commission, prominently on the front page of any written advertisement (including outdoor advertisements) or, if the communication is broadcast or spoken, the information shall be spoken so as to be clearly audible and understood by the intended public. The commission shall issue regulations to ensure that all disclosures required by this article shall stand alone, that is, they shall not have any other words or materials mixed in with them.

CONFLICT OF INTEREST

SEC. 43. Applicability to Elected State Officers

Section 87102 of the Government Code is amended to read:

87102. The requirements of Section 87100 are in addition to the requirements of Articles 2 (commencing with Section 87200) and 3 (commencing with Section 87300) and any Conflict of Interest Code adopted thereunder. ~~Except as provided in Section 87102.5, the~~ The remedies provided in Chapters 3 (commencing with Section 83100) and 11 (commencing with Section 91000) shall ~~not~~ be applicable to elected state officers for violations or threatened violations of ~~this article.~~ Section 87100 only under the conditions set forth in Sections 87102.5, 87102.6, and 87102.8, as applicable.

(Amended by Stats. 1990, Ch. 84, Sec. 6.)

SEC. 44. Applicability to Persons

Section 83116.5 of the Government Code is amended to read:

~~83116.5. Any person who violates any provision of this title, who purposely or negligently causes any other person to violate any provision of this title, or who aids and abets any other person in the violation of any provision of this title, shall be liable under the provisions of this chapter title. Provided, however, that~~ However, unless specified otherwise in this title, this section shall apply only to persons who have filing or reporting obligations under this title, or who are compensated for services involving the planning, organizing, or directing of any activity regulated or required by this title, and that a violation of this section shall not constitute an additional violation under Chapter 11.

(Added by Stats. 1984, Ch. 670, Sec. 2.)

SEC. 45. Definitions

Section 84308 of the Government Code is amended to read:

84308. (a) The definitions set forth in this subdivision shall govern the interpretation of this section.

(1) "Party" means any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use.

(2) "Participant" means any person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use and who has a financial interest in the decision, as described in Article 1 (commencing with Section 87100) of Chapter 7. A person actively supports or opposes a particular decision in a proceeding if he or she lobbies in person the officers or employees of the agency, testifies in person before the agency, or otherwise acts to influence officers of the agency.

(3) "Agency" means an agency as defined in Section 82003 except that it does not include the courts or any agency in the judicial branch of government, local governmental agencies whose members are directly elected by the voters, the Legislature, the Board of Equalization, or elected constitutional officers. However, this section applies to any person who is a member of an exempted agency but is acting as a voting member of another agency.

(4) "Officer" means any elected or appointed officer of an agency, any alternate to an elected or appointed officer of an agency, and any candidate for elective office in an agency.

(5) "License, permit, or other entitlement for use" means all business, professional, trade and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor, or personal employment contracts), and all franchises and includes any proceedings affecting a rate, price or premium that a licensee, permittee, or person may charge.

(6) "Contribution" includes contributions to candidates and committees in federal, state, or local elections.

(b) No officer of an agency shall accept, solicit, or direct a contribution ~~of more than two hundred fifty dollars (\$250)~~ from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for three months following the date a final decision is rendered in the proceeding if the officer knows or has reason to know that the participant has a financial

interest, as that term is used in Article 1 (commencing with Section 37100) of Chapter 7. This prohibition shall apply regardless of whether the officer accepts, solicits, or directs the contribution for himself or herself, or on behalf of any other officer, or on behalf of any candidate for office or on behalf of any committee.

(c) Prior to rendering any decision in a proceeding involving a license, permit or other entitlement for use pending before an agency, each officer of the agency who received a contribution within the preceding 12 months in an amount of more than ~~two hundred fifty dollars (\$250)~~ one hundred dollars (\$100) from a party or from any participant shall disclose that fact on the record of the proceeding. No officer of an agency shall make, participate in making, or in any way attempt to use his or her official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use pending before the agency if the officer has willfully or knowingly received a contribution in an amount of more than ~~two hundred fifty dollars (\$250)~~ two hundred dollars (\$200) within the preceding 12 months from a party or his or her agent, or from any participant, or his or her agent if the officer knows or has reason to know that the participant has a financial interest in the decision, as that term is described with respect to public officials in Article 1 (commencing with Section 87100) of Chapter 7.

If an officer receives a contribution which would otherwise require disqualification under this section, returns the contribution within 30 days from the time he or she knows, or should have known, about the contribution and the proceeding involving a license, permit, or other entitlement for use, he or she shall be permitted to participate in the proceeding.

(d) A party to a proceeding before an agency involving a license, permit, or other entitlement for use shall disclose on the record of the proceeding any contribution in an amount of more than ~~two hundred fifty dollars (\$250)~~ one hundred dollars (\$100) made within the preceding 12 months by the party, or his or her agent, to any officer of the agency. No party, or his or her agent, to a proceeding involving a license, permit, or other entitlement for use pending before any agency and no participant, or his or her agent, in the proceeding shall make a contribution of ~~more than two hundred fifty dollars (\$250)~~ to any officer of that agency during the proceeding and for three months following the date a final decision is rendered by the agency in the proceeding. When a closed corporation is a party to, or a participant in, a proceeding involving a license, permit, or other entitlement for use pending before an agency, the majority shareholder is subject to the disclosure and prohibition requirements specified in subdivisions (b), (c), and this subdivision.

(e) Nothing in this section shall be construed to imply that any contribution subject to being reported under this title shall not be so reported. In addition, nothing in this section shall be construed to authorize the making or acceptance of any contribution in excess of any contribution limitation set forth in this title. Any violation of the disclosure provisions of either subdivision (c) or (d) of this section creates a rebuttable presumption that the action shall be void in an action brought pursuant to Chapter 11 commencing with Section 91000 of the title.

(Amended by Stats. 1989, Ch. 764, Sec. 2.)

SEC. 46. Article 1 (commencing with Section 89500) of Chapter 9.5 of Title 9 of the

Government Code is repealed.

SEC. 47. Article 2 (commencing with Section 89504) of Chapter 9.5 of Title 9 of the Government Code is repealed.

SEC. 48. Article 3 (commencing with Section 89506) of Chapter 9.5 of Title 9 of the Government Code is repealed.

DISPOSITION OF CAMPAIGN FUNDS

SEC. 49. The heading of Article 4 (commencing with Section 89510) of Chapter 9.5 of Title 9 of the Government Code is amended to read:

Article 4 2. Campaign Funds
(Article 4 added by Stats. 1990, Ch. 84, Sec. 13.)

SEC. 50. Section 89519 of the Government Code is repealed.

~~89519. Upon leaving any elected office, or at the end of the postelection reporting period following the defeat of a candidate for elective office, whichever occurs last, campaign funds raised after January 1, 1989, under the control of the former candidate or elected officer shall be considered surplus campaign funds and shall be disclosed pursuant to Chapter 4 (commencing with Section 84100) and shall be used only for the following purposes:~~

~~(a) (1) The payment of outstanding campaign debts or elected officer's expenses.~~
~~(2) For purposes of this subdivision, the payment for, or the reimbursement to the state of, the costs of installing and monitoring an electronic security system in the home or office, or both, of a candidate or elected officer who has received threats to his or her physical safety shall be deemed an outstanding campaign debt or elected officer's expense, provided that the threats arise from his or her activities, duties, or status as a candidate or elected officer and that the threats have been reported to and verified by an appropriate law enforcement agency. Verification shall be determined solely by the law enforcement agency to which the threat was reported. The candidate or elected officer shall report any expenditure of campaign funds made pursuant to this section to the commission. The report to the commission shall include the date that the candidate or elected officer informed the law enforcement agency of the threat, the name and phone number of the law enforcement agency, and a brief description of the threat. No more than five thousand dollars (\$5,000) in surplus campaign funds may be used, cumulatively, by a candidate or elected officer pursuant to this subdivision. Payments made pursuant to this subdivision shall be made during the two years immediately following the date upon which the campaign funds became surplus campaign funds. The candidate or elected officer shall reimburse the surplus campaign fund account for the fair market value of the security system no later than two years immediately following the date upon which the campaign funds become surplus campaign funds, upon sale of the property on which the system is installed, or prior to the closing of the surplus campaign fund account, whichever comes first. The electronic security system shall~~

~~be the property of the campaign committee of the candidate or elected officer.~~

~~(b) The pro rata repayment of contributions.~~

~~(c) Donations to any bona fide charitable, educational, civic, religious, or similar tax exempt, nonprofit organization, where no substantial part of the proceeds will have a material financial effect on the former candidate or elected officer, any member of his or her immediate family, or his or her campaign treasurer.~~

~~(d) Contributions to a political party or committee so long as the funds are not used to make contributions in support of or opposition to a candidate for elective office.~~

~~(e) Contributions to support or oppose any candidate for federal office, any candidate for elective office in a state other than California, or any ballot measure.~~

~~(f) The payment for professional services reasonably required by the committee to assist in the performance of its administrative functions, including payment for attorney's fees for litigation which arises directly out of a candidate's or elected officer's activities, duties, or status as a candidate or elected officer, including, but not limited to, an action to enjoin defamation, defense of an action brought of a violation of state or local campaign, disclosure, or election laws, and an action arising from an election contest or recount.~~

(Amended by Stats. 1993, Ch. 1143, Sec. 3. Effective January 1, 1994.)

SEC. 51. Disposition of Campaign Funds

Section 89519 is added to the Government Code, to read:

89519. After a candidate withdraws from or is defeated in an election for, or is elected to, an office for which he or she has filed a statement of intention to be a candidate for elective office pursuant to Section 85200, Section 85313 shall govern the disposition of his or her campaign funds raised for that election.

ENFORCEMENT

SEC. 52. Removal from Office

Section 91002 of the Government Code is amended to read:

91002. (a) No person convicted of a misdemeanor under this title shall be a candidate for any elective office or act as a lobbyist for a period of four years following the date of the conviction unless the court at the time of sentencing specifically determines that this provision shall not be applicable. A plea of nolo contendere shall be deemed a conviction for purposes of this section. Any person violating this section is guilty of a felony.

(b) Any person, having previously been convicted of a misdemeanor under this title and subject to Section 91002 may, in the discretion of the criminal prosecutor, be charged for any subsequent violation with a misdemeanor or a felony.

(c) Any person who has previously been fined twice under any provision or provisions of this title shall immediately upon entry of a final judgment or issuance of an order imposing a fine in the third such action, be removed from any public office held in the state pursuant to section 1770, have their name stricken from the registration list maintained under Article 1 of Chapter 6, and thereafter may not be a candidate for any elective office or act as a

lobbyist, lobbying firm or lobbyist employer

(Added June 4, 1974, by initiative Proposition 9)

SEC. 53. Citizen Enforcement

Section 91003 of the Government Code is amended to read:

91003. ~~(a) Any person residing in the jurisdiction may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this title.~~ The court may in its discretion require any plaintiff other than the commission to file a complaint with the commission prior to seeking injunctive relief. The court may award to a plaintiff or defendant who prevails his costs of litigation, including reasonable attorney's fees. (a) Any resident registered to vote in the jurisdiction may sue for injunctive relief or a temporary restraining order to enjoin violations or to compel compliance with the provisions of this title. The matter shall be given priority on the court's calendar and shall be heard at the earliest possible time with the purpose that any action, conduct, misconduct, or failure to act, report, disclose, or take any other action required by this title be remedied so as not to in any way prejudice the voters or the election. The court may in its discretion require any plaintiff other than the commission to file a complaint with the commission but that decision shall in no way divest the court of jurisdiction to hear the matter or delay the issuance of any appropriate relief. In any action to enforce this title, the court shall award to a plaintiff who prevails his or her costs of litigation, including reasonable attorney's fees. The court may award to a defendant who prevails his or her costs of litigation, including reasonable attorney's fees, only if the court finds, on the record, that the matter was frivolous, or brought in bad faith or for some other improper purpose. The provisions of Section 425.16 of the Code of Civil Procedure shall not apply to any action filed pursuant to this section.

(b) Upon a preliminary showing in an action brought ~~by a person residing in the jurisdiction pursuant to this section~~ that a violation of Article I (commencing with Section 87100), Article 4 (commencing with Section 87400), or Article 4.5 (commencing with Section 87450) of Chapter 7 of this title or of a disqualification provision of a Conflict of Interest Code has occurred, the court may restrain the execution of any official action in relation to which such a violation occurred, pending final adjudication. If it is ultimately determined that a violation has occurred and that the official action might not otherwise have been taken or approved, the court may set the official action aside as void. The official actions covered by this subsection include, but are not limited to orders, permits, resolutions and contracts, but do not include the enactment of any state legislation. In considering the granting of preliminary or permanent relief under this subsection, the court shall accord due weight to any injury that may be suffered by innocent persons relying on the official action.

(Amended by Stats. 1987, Ch. 628, Sec. 1.)

SEC. 54. Civil Enforcement by Registered Voters

Section 91004 of the Government Code is amended to read:

91004. ~~Any~~ Unless specifically provided otherwise in this title, any person who intentionally or negligently violates any of the reporting requirements of this act title shall be liable in a civil action brought by the civil prosecutor or by a person residing registered voter within the

jurisdiction for an amount not more than three times the amount or value not properly reported.
(Added June 4, 1974, by initiative Proposition 9.)

SEC. 55. Disclosure Enforcement

Section 91005 of the Government Code is amended to read:

91005. (a) ~~Any~~ Unless specifically provided otherwise in this title, any person who makes, or receives, ~~or fails to properly disclose or report~~ a contribution, gift or expenditure in violation of ~~Section 84300, 84304, 86202, 86203, or 86204~~ this title is liable in a civil action brought by the civil prosecutor or by ~~a person residing~~ registered voter within the jurisdiction for an amount up to five hundred dollars (\$500) or three times the amount of the unlawful contribution, gift ~~or~~, expenditure, ~~or failure to disclose or report~~, whichever is greater.

(b) Any designated employee or public official specified in Section 87200, ~~other than an elected state officer~~, who realizes an economic benefit as a result of a violation of Section 87100 or of a disqualification provision of a Conflict of Interest Code is liable in a civil action brought by the civil prosecutor or by ~~a person residing~~ registered voter within the jurisdiction for an amount up to three times the value of the benefit.

(Amended [as amended by Stats. 1989, Ch. 1452] by Stats. 1990, Ch. 84, Sec. 14. Note: Prior amendment by Stats. 1989, Ch. 1452, affected the version from Stats. 1982, Ch. 727, and did not incorporate the nonoperative amendment by Prop. 68.)

SEC. 56. General Enforcement

Section 91005.5 of the Government Code is amended to read:

91005.5. Any person who violates any provision of this title, ~~except Sections 84305, 84307, and 89004~~, for which no specific civil penalty is provided, shall be liable in a civil action brought by the ~~commission or the~~ district attorney, or a registered voter pursuant to subdivision (b) of Section 91001, or the elected city attorney pursuant to Section 91001.5, for an amount up to two thousand dollars (\$2,000), to be distributed pursuant to section 91009.

No civil action alleging a violation of this title may be filed against a person pursuant to this section if the criminal prosecutor is maintaining a criminal action against that person pursuant to Section 91000.

The provisions of this section shall be applicable only as to violations occurring after the effective date of this section.

(Added by Stats. 1982, Ch. 727, Sec. 2.)

SEC. 57. Joint and Several Liability

Section 91006 of the Government Code is amended to read:

91006. Any person who aids and abets any person who violates any of the requirements of this title shall also be liable under sections 91004, 91005, and 91005.5. If two or more persons are responsible for any violation, they shall be jointly and severally liable. In addition, for any violation of any campaign reporting, contribution, or expenditure requirement, the candidate shall also be liable for the violation unless someone other than the candidate was

responsible for the violation and acted without the candidate's, treasurer's and campaign manager's knowledge or consent, and acted wholly outside the scope of the person's duties and authorization.

(Added June 4, 1974, by initiative Proposition 9.)

SEC. 58. Civil Prosecutor Request for Enforcement

Section 91007 of the Government Code is amended to read:

91007. (a) Any person, before filing a civil action pursuant to ~~Sections~~ Section 91004 and 91005, must first or 91005.5, may also file with the civil prosecutor a written request for the civil prosecutor to commence the action. The request shall include a statement of the grounds for believing a cause of action exists. The civil prosecutor shall respond within ~~forty~~ 40 days after receipt of the request, indicating whether he intends to file a civil action. If the civil prosecutor indicates in the affirmative, and files suit within ~~forty~~ 40 days thereafter, the action shall be consolidated with an action brought by the registered voter and no other action may be brought unless the action brought by the civil prosecutor is actions are dismissed without prejudice as provided ~~for~~ in Section 91008.

(b) Any person filing a complaint, cross-complaint or other initial pleading in a civil action pursuant to Sections 91003, 91004, 91005, or 91005.5 shall, within 10 days of filing the complaint, cross-complaint, or initial pleading, serve on the Fair Political Practices Commission a copy of the complaint, cross-complaint, or initial pleading or a notice containing all of the following:

- (1) The full title and number of the case.
 - (2) The court in which the case is pending.
 - (3) The name and address of the attorney for the person filing the complaint, cross-complaint, or other initial pleading.
 - (4) A statement that the case raises issues under the Political Reform Act.
- (c) No complaint, cross-complaint, or other initial pleading shall be dismissed for failure to comply with subdivision (b).

(d) No civil action, once filed under Section 91004, 91005, or 91005.5 may be dismissed without leave of court upon a showing of either of the following:

(1) The plaintiff has determined, in good faith, that the matter is without substantial merit or it is otherwise not in the public interest to continue the action, and that the plaintiff has neither received nor agreed to any payment, inducement, consideration, or any act or forbearance by any defendant or his or her agent, other than payment of costs of litigation and reasonable attorney's fees.

(2) The parties have determined to compromise and enter into a settlement of some or all of the disputed claims and the court, after hearing, determines that the settlement is in the public interest. Any settlement or compromise approved by the court shall be deemed to be a finding of violation for purposes of subdivision (c) of Section 91002 and Section 91009.

(Amended by Stats. 1985, Ch. 1200, Sec. 2.)

SEC. 59. Attorney's Fees

Section 91012 of the Government Code is amended to read:

91012. The court ~~may shall~~ award to a plaintiff ~~or defendant other than an agency,~~ who prevails in any action authorized by this title his costs of litigation, including reasonable attorney's fees. ~~On motion of any party, a court shall require a private plaintiff to post a bond in a reasonable amount at any stage of the litigation to guarantee payment of costs. The court may award to a defendant other than an agency who prevails in any action authorized by this title his or her costs of litigation, including reasonable attorney's fees, only if the court finds, on the record, that the matter was frivolous, or brought in bad faith or for some other improper purpose. The provisions of Section 425.16 of the Code of Civil Procedure shall not apply to any action filed pursuant to Section 91004, 91005, or 91005.5.~~

(Added June 4, 1974, by initiative Proposition 9.)

SEC. 60. Section 91015 of the Government Code is repealed.

~~91015. The provisions of this chapter shall not apply to violations of Section 83116.5.~~

(Added by Stats. 1984, Ch. 670, Sec. 6.)

MISCELLANEOUS PROVISIONS

SEC. 61. Appropriation From the General Fund

There is hereby appropriated annually from the General Fund the sum of three cents (\$0.03) per individual of the voting age population in the state, to be adjusted to reflect changes in the Cost of Living Index in January of each even-numbered year after the operative date of this act, for expenditures to support the operations of the Fair Political Practices Commission in administering and enforcing this title. The Franchise Tax Board shall, as soon as possible after the end of the first calendar year in which sections 17221 and 24335 of the Revenue and Tax Code have been in effect, calculate the amount of the increased tax revenues to the state as a result of these sections. From the amount so calculated, the Controller shall, for each fiscal year, transfer to the commission, from the general fund, the amount necessary to meet the appropriation to the commission set forth above. In any event, regardless of whether the increased revenue from sections 17221 and 24335 of the Revenue and Tax Code is sufficient, the legislature shall provide the appropriation to the commission set forth above. To the extent the legislature provides budgetary support for local agencies for administration and enforcement of this title, the amount of increased tax revenues to the state as a result of section 86102 shall also be provided for this purpose. If any provision of this title is challenged successfully in court, any attorney's fees and costs awarded shall be paid from the General Fund and shall not be assessed or otherwise offset against the Fair Political Practices Commission budget. Any savings or revenues derived from this title shall be applied to the Anti-Corruption Act of 1996 Enforcement Fund to pay costs related to the administration and enforcement of the title, with the remainder to be placed in the General Fund for general purposes.

SEC. 62. Severability

If any provision of this law, or the application of that provision to any person or circumstances, shall be held invalid, the remainder of this law to the extent that it can be given effect, or the application of that provision to persons or circumstances other than those as to which it was held invalid, shall not be affected thereby, and to this extent the provisions of this law are severable. In addition, if the expenditure limitations of Section 85401 of this act shall not be in effect, the contribution limits of Sections 85301, 85302, 85303, and 85304 shall remain in effect.

SEC. 63. Effective Date

This law shall become effective November 6, 1996. In the event that this measure and another measure or measures relating to campaign finance reform in this state shall appear on the state wide general election ballot on November 5, 1996, the provisions of these other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure or measures shall be null and void in their entirety. In the event that the other measure or measures shall receive a greater number of affirmative votes, the provisions of this measure shall take effect to the extent permitted by law.

SEC. 64. Sense of the People

It is the sense of the people of California that candidates for the United States House of Representatives and the United States Senate seeking to represent the people in the Congress of the United States should comply with the contribution limits and expenditure limits, prescribed herein for candidates for the state Senate and Governor, respectively. The people recognize that the limitations prescribed in this law may not be mandated by the people for candidates for federal office. However, it is the sense of the people that these limitations are necessary to prevent corruption and the appearance thereof and to preserve the fairness and integrity of the electoral process in California. The people, therefore, suggest that candidates for federal office seeking to represent the people in the Congress of the United States comply voluntarily with the limitations prescribed herein until such time as comparable limitations are adopted by the Congress of the United States or through a constitutional amendment.

It is also the sense of the people of California that the broadcast licensees, as public trustees, have a special obligation to present voter information broadcasts. For the privilege of using scarce radio and television frequencies, the broadcasters are public trustees with an obligation to provide at no cost and no profit time for candidates to appear and use the station, whether radio or television, for the presentation of candidates' views for some brief period during prime viewing or listening time in the 30-day period prior to an election. The people of California recognize that the federal government has jurisdiction for such a mandate, and strongly urge the Congress of the United States to require the Federal Communications Commission to enforce these requirements upon broadcasters as a condition of holding a public broadcast license and fulfilling the broadcaster's public service obligation.



State of California
Fair Political Practices Commission

Ravi Mehta, chairman

**Analysis
Of
Propositions
208 & 212**

August 1996



**California
Fair Political Practices Commission**

Ravi Mehta	<i>Chairman</i>
James Porter	<i>Commissioner</i>
James Rushford	<i>Commissioner</i>
Carol Scott	<i>Commissioner</i>
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CAMPAIGN FINANCE: CURRENT CALIFORNIA LAW VERSUS PROPOSED REFORMS

Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions
<p>Limits on Contributions to Candidates</p>	<p>No state contribution limits in regular primary or general elections.</p> <p>(For special elections only, the following limits apply: \$1,000 for persons; \$2,500 for political committees; and \$5,000 for broad-based political committees.)</p>	<p>\$500 for statewide races (increases to \$1,000 if candidate agrees to spending limits).</p> <p>\$250 for Legislative races and local races in jurisdictions with 100,000 or more residents (increases to \$500 if candidate agrees to spending limits).</p> <p>\$100 for local races in jurisdictions with fewer than 100,000 residents (increases to \$250 if candidate agrees to spending limits).</p> <p>These limits apply separately to each election, i.e., a contributor to a statewide race may give a candidate \$500 for the primary election and \$500 for the general election.</p>	<p>\$200 for statewide races and candidates for the Board of Equalization.</p> <p>\$100 for Legislative and local races.</p> <p>These limits apply separately to each election, i.e., a contributor to a statewide race may give a candidate \$200 for the primary election and \$200 for the general election.</p>	<p>In <u>Buckley v. Valeo</u> (1976) 424 U.S. 1, the U.S. Supreme Court upheld federal limits on contributions to candidates in order to prevent the appearance or reality of corruption. In <u>SEIU v. FPPC</u>, (1992) 955 F.2d 1312, cert. denied 505 U.S. 1230, the Ninth Circuit Court of Appeals declared the contribution limits of Proposition 73, a measure passed by the California voters in 1988, to be unconstitutional because they were based on a fiscal year cycle. The court found that such limits advantaged incumbents over challengers. In <u>Kopp v. FPPC</u> (1995) 11 Cal.4th 607, the California Supreme Court declined to reform the contribution limits of Proposition 73. Therefore, there are no state contribution limits in force in California (other than for special elections). However, over 65 cities and counties in California have contribution limits in effect for local races. These limits generally range from \$100 to \$1,000 per election for individuals.</p> <p>With respect to the <i>level</i> of contribution limits, in <u>Carver v. Nixon</u> (1995) 72 F.3d 633, cert. denied __ S.Ct. __, 1996 WL 63840, the Eighth Circuit Court of Appeals held that a Missouri statute with campaign contribution limits of \$100 - \$300 for the primary and general election combined, violated contributors' first amendment rights to freedom of speech. In <u>National Black Police Assn. v. District of Columbia Bd. of Elections and Ethics</u> (D.D.C. 1996) 924 F.Supp. 270, a federal district court held that a District of Columbia initiative which limited campaign contributions to \$100 for the primary and general election combined violated candidates' first amendment rights.</p> <p>With respect to increasing the contribution limits for candidates who agree to spending limits, the First Circuit Court of Appeals in <u>Vote Choice, Inc. v. DiStefano</u> (1993) 4 F.3d 26, ruled that a "cap gap," or contribution cap for candidates agreeing to spending limits, of two times that provided to candidates who privately-financed their campaigns, was not unfairly coercive or unconstitutional. But in <u>Wilkinson v. Jones</u> (W.D.Ky. 1995) 876 F.Supp. 916, a federal district court found a provision unconstitutional because it allowed complying, publicly-financed candidates a contribution limit 5 to 15 times higher than the limit for privately-financed candidates.</p>

Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions
Who may Contribute?	Individuals, political committees, political party committees, business entities, labor organizations, and other entities.	No change.	Prohibits contributions to candidates from business entities, labor organizations, banks, and nonprofit corporations. (Does not prevent the employees, shareholders, or members of these entities from establishing a committee to make contributions subject to the measure's limits.)	A ban on contributions to federal candidates by corporations, labor unions, banks, and similar entities has been upheld by the Supreme Court. (See <u>FEC v. National Right to Work Committee</u> (1982) 459 U.S. 197.)
Limits on Contributions to PACs	No limit.	\$500 per calendar year per committee.	\$200 per calendar year per committee.	In <u>California Medical Association v. FEC</u> (1981) 453 U.S. 182, the U.S. Supreme Court upheld the federal limit of \$5,000 per year on contributions from individuals to multicandidate political committees. In <u>Day v. Holahan</u> (8th Cir. 1994) 34 F.3d 1356, cert. denied 115 S.Ct. 936, a federal appeals court held that a \$100 per year limit on contributions to and from political committees was so low as to infringe on citizens' first amendment rights.
Special Provisions for PACs that Collect Small Contributions	None.	A "small contributor committee" is a committee made up of 100 or more individuals who contribute \$50 or less per calendar year. A small contributor committee may make contributions of twice the applicable limit for persons set forth on page 1.	A "Citizen Contribution Committee" is a committee made up of 25 or more individuals who contribute \$25 or less per calendar year. A Citizen Contribution Committee may make contributions to candidates of 100 times the individual limit (\$20,000 to statewide races and the Board of Equalization; \$10,000 for Legislative and local races).	
Limits on Contributions to Political Parties	No limit.	\$5,000 per calendar year. (Prohibits earmarking of contributions made to political parties for a specific candidate.)	\$600 per calendar year. \$60,000 per calendar year from Citizen Contribution Committees. \$5,000 per calendar year to Voter Registration Funds.	

Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions
Aggregate Contribution Limits	No limit.	No individual or entity may contribute more than \$25,000 in a two-year period to state candidates and political party committees.	No individual may contribute more than \$2,000 per calendar year to all state and local candidates, committees, and political parties. Of this \$2,000, no more than \$1,000 per calendar year shall be to committees other than political party committees. No entity may contribute more than \$10,000 per calendar year to all state and local candidates, committees, and political parties. This \$10,000 limit does not apply to Citizen Contribution Committees.	U.S. Supreme Court upheld provision of Federal Election Campaign Act prohibiting any individual from contributing more than \$25,000 to candidates for federal office in a calendar year. The Court found that the provision serves to prevent evasion of the \$1,000 limitation on contributions to individual candidates and does not violate the First Amendment. <u>Buckley v. Valeo</u> , 424 U.S. at p. 38.
Limit on Out-of-District Contributions	No limit.	No limit.	The total amount a candidate may receive from individuals residing outside the district is 25% of the total dollar value of his or her contributions.	<u>Vanatta v. Keisling</u> (D.Or. 1995) 899 F.Supp. 488 (federal district court held that a measure which limited the amount of campaign contributions from out-of-district donors to 10% of candidate's total campaign funding violated out-of-district donors' first amendment rights).
Limit on Total Contributions from Entities other than Individuals	No limit.	The total aggregate amount a candidate may receive from entities other than individuals, from small contributor committees, and from political party committees is 25% of the applicable spending limit.	The total amount a candidate may receive from entities other than individuals is 25% of the total dollar value of his or her contributions. (The total aggregate contributions from out-of-district individuals and from entities other than individuals may not exceed 25%.) Citizen Contribution Committees located within the district are considered individuals.	<u>See generally, Colorado Republican Federal Campaign Committee v. FEC</u> _ U.S. _ , 1996 WL 345766 (U.S. Supreme Court discusses but does not decide the constitutionality of limits on the amount political parties may contribute to candidates). <u>Gard v. Wisconsin State Elections Board</u> (1990) 456 N.W.2d 809, <i>cert. denied</i> 498 U.S. 982 (Supreme Court of Wisconsin upheld as constitutional a statute which established an aggregate limit on the amount of funding a candidate may receive from all committees, including PACs, political party committees, and legislative committees).
Candidate Contributions to Own Campaign	No limit.	No limit.	No limit.	The U.S. Supreme Court in <u>Buckley v. Valeo</u> , <i>supra</i> , prohibited limits on the amount a candidate may personally contribute to his or her own campaign.
Candidate Loans to Own Campaign	No limit.	A candidate may not have outstanding loans to his or her own campaign of more than \$20,000 (\$50,000 for Governor) at any one time.	A candidate may not have outstanding loans to his or her own campaign of more than \$10,000 (\$25,000 for Governor) at any one time.	<u>Wilkinson v. Jones</u> , <i>supra</i> (federal district court found that a \$50,000 limit on candidate loans to his or her campaign committee was probably constitutional).

Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions
Restrictions on Off-Year Fundraising	None.	<p>For statewide office and districts of one million or more residents, candidates may accept contributions starting 12 months before the primary election.</p> <p>For districts of fewer than one million residents, candidates may accept contributions starting six months before the primary election.</p> <p>Candidates may accept contributions up to 90 days after the general election to pay outstanding debts.</p>	Candidates may solicit or accept contributions starting nine months before the primary election and ending 30 days after the general election.	A federal district court and the Florida Supreme Court have held that a contribution ban during the legislative session violated candidates' first amendment rights. <u>Shrink Missouri Government PAC v. Maupin</u> (E.D.Mo. 1996) 922 F.Supp. 1413; <u>State v. Dodd</u> (1990) 561 So.2d 263. However, eight states prohibit candidates and elected officials from accepting contributions during legislative sessions. See Campaign Finance Law '94, National Clearinghouse on Election Administration 1994, Chart 2-B (Alabama, Arkansas, Iowa, Nevada, New Mexico, Oregon, Texas, and Washington). In addition, Illinois, Indiana, and Michigan restrict the time periods when judicial candidates may solicit contributions. But in <u>Zeller v. Florida Bar</u> (N.D.Fla. 1995) 909 F.Supp. 1518, the court held that a Florida statute which prohibited judicial candidates from raising campaign funds until one year prior to the general election violated candidates' first amendment rights.
Bundling of Contributions	No restrictions.	Contributions made to a candidate through an intermediary are treated as contributions from the contributor and the intermediary for purposes of the contribution limit, unless the intermediary is: the candidate or candidate's representative, or a volunteer hosting a fundraiser away from his or her place of business.	Contributions made to a candidate through an intermediary are treated as contributions from the contributor and the intermediary for purposes of the contribution limit, unless the intermediary is: the candidate or candidate's representative, a volunteer hosting a fundraiser away from his or her place of business, or a professional fundraiser.	
Surplus Campaign Funds	<p>Campaign funds are considered "surplus" for an incumbent, upon leaving elected office, and for a defeated candidate, at the end of the first post-election report period following his or her defeat.</p> <p>Surplus funds may be used for: payment of outstanding campaign debts; pro rata repayment of contributors; donations to nonprofit tax-exempt organizations; contributions to a political party or committee (funds cannot be used for contributions supporting or opposing candidates); contributions to candidates in federal and out-of-state elections; and the payment of certain professional services for the committee.</p>	<p>Within 90 days after a candidate withdraws, is defeated, or is elected to office, the candidate must dispose of surplus campaign funds.</p> <p>The candidate may deposit up to \$10,000 of surplus funds into his or her officeholder expense account. Remaining surplus funds may be distributed to a political party, returned to contributors on a pro rata basis, or returned to the General Fund.</p>	<p>Within 90 days after a candidate withdraws, is defeated, or is elected to office, the candidate must dispose of surplus campaign funds.</p> <p>The candidate may return surplus funds to contributors on a pro rata basis, or turn them over to the Enforcement Fund.</p>	

Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions																														
<p>Transfers</p>	<p>No restrictions on transfers of funds from one candidate's committee to another candidate's committee, except in special elections or in local elections where contribution limits apply.</p> <p>No restrictions on transfers of funds between a candidate's own committees.</p>	<p>Transfers from one candidate's committee to another candidate's committee are prohibited.</p>	<p>Transfers from one candidate's committee to another candidate's committee are prohibited.</p> <p>A candidate may transfer contributions among his or her own controlled committees. Attribution of contributions applies to prevent violation of the contribution limits.</p>	<p>In <i>SEIU v. FPPC</i>, <i>supra</i>, the Ninth Circuit Court of Appeals determined that Proposition 73's ban on the transfer of funds between one candidate's committee and another candidate's committee was not valid where contribution limits were not in effect, because the purpose of the ban was to prevent contributors from circumventing contribution limits. The court also held that a provision of Proposition 73 banning a candidate's transfer of funds between his or her own committees was invalid.</p>																														
<p>Spending Limits</p>	<p>No limits.</p>	<p>Voluntary spending limits.</p> <table border="1" data-bbox="697 619 1074 759"> <thead> <tr> <th></th> <th>Primary</th> <th>General</th> </tr> </thead> <tbody> <tr> <td>Governor</td> <td>\$ 8,000,000</td> <td>\$ 8,000,000</td> </tr> <tr> <td>Statewide</td> <td>1,500,000</td> <td>2,000,000</td> </tr> <tr> <td>Senate/Bd of Eq.</td> <td>300,000</td> <td>400,000</td> </tr> <tr> <td>Assembly</td> <td>150,000</td> <td>200,000</td> </tr> </tbody> </table> <p>Local jurisdictions may establish voluntary spending limits not to exceed \$1 per district resident per election.</p> <p>Protection: When a non-complying candidate raises or spends 75% of the spending limit, then the voluntary spending limit doubles for statewide races and triples for non-statewide races, and the candidate may receive unlimited contributions from a political party. The same protections apply if independent expenditures exceeding 25% of the spending limit for statewide races, and 50% of the spending limit for non-statewide races, are made opposing the candidate who agreed to the limits or supporting his or her opponent.</p>		Primary	General	Governor	\$ 8,000,000	\$ 8,000,000	Statewide	1,500,000	2,000,000	Senate/Bd of Eq.	300,000	400,000	Assembly	150,000	200,000	<p>Mandatory spending limits, with an alternative voluntary system if the mandatory limits are invalidated by a court.</p> <table border="1" data-bbox="1098 619 1474 759"> <thead> <tr> <th></th> <th>Primary</th> <th>General</th> </tr> </thead> <tbody> <tr> <td>Governor</td> <td>\$ 2,000,000</td> <td>\$ 5,000,000</td> </tr> <tr> <td>Statewide</td> <td>1,250,000</td> <td>1,750,000</td> </tr> <tr> <td>Senate/Bd of Eq.</td> <td>115,000</td> <td>235,000</td> </tr> <tr> <td>Assembly</td> <td>75,000</td> <td>150,000</td> </tr> </tbody> </table> <p>Local jurisdictions may establish spending limits not to exceed 40 cents per voting age district resident per election.</p>		Primary	General	Governor	\$ 2,000,000	\$ 5,000,000	Statewide	1,250,000	1,750,000	Senate/Bd of Eq.	115,000	235,000	Assembly	75,000	150,000	<p>The Supreme Court in <i>Buckley</i>, <i>supra</i>, struck down mandatory spending limits as an unconstitutional restriction on political speech. The Court upheld the voluntary spending limits of the publicly-funded presidential campaign system. See also <i>Republican National Committee v. FEC</i> (S.D.N.Y. 1980) 487 F.Supp. 280. Accordingly, certain states and localities have adopted systems with voluntary spending limits. These systems generally provide incentives to encourage candidates to agree to the spending limits.</p> <p>The California Political Reform Act would enact a system of voluntary spending limits. The Anti-Corruption Act directly challenges the <i>Buckley</i> decision, and would enact mandatory spending limits. The measure includes a back-up system of voluntary spending limits in case its mandatory limits are struck down.</p> <p>With respect to protection for a candidate who agrees to spending limits facing an opponent who does not, see <i>Wilkinson v. Jones</i>, <i>supra</i>. In that case, a federal district court found that a provision that lifted the \$1.8 million spending limit off a complying candidate if his or her opponent who did not agree to the limit, raised or spent that amount, was probably constitutional.</p>
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Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions
Incentives to Abide by Spending Limits	Not applicable.	<p>Candidates complying with voluntary spending limits would be allowed to accept double the contribution limits (see p. 1).</p> <p>Complying candidates would also be provided a free statement in the ballot pamphlet sent to voters, and a designation on the ballot indicating the candidate agreed to spending limits.</p>	<p>Candidates complying with voluntary spending limits would be provided a free statement in the ballot pamphlet sent to voters, and a designation on the ballot indicating the candidate agreed to spending limits.</p>	
Independent Expenditures	No restrictions.	<p>Committees which make independent expenditures of \$1,000 or more supporting or opposing a candidate cannot accept any contributions over \$250 per election.</p> <p>The following expenditures in support of a candidate are not considered independent and will be counted as contributions to a candidate: expenditures made by a political party; expenditures made by a person who has contributed \$100 or more per election to the candidate; and expenditures made by a candidate or officeholder supporting another candidate or officeholder of the same political party running for the same legislative body.</p>	<p>Committees which make independent expenditures of more than \$1,000 per election supporting or opposing a candidate cannot accept any contributions over \$200 from any person (except independent expenditure committees may accept contributions of \$20,000 from Citizen Contribution Committees).</p> <p>The following expenditures in support of a candidate are not considered independent and will be counted as contributions to a candidate: expenditures made by a political party; expenditures made by a person who is authorized to raise or spend funds for, or is in a policymaking position on, the candidate's committee; expenditures made by a person who retains a consultant or other individual providing professional services to the candidate.</p>	<p>The Supreme Court has held that limits on independent expenditures are unconstitutional. <u>Buckley v. Valeo, supra</u>; and <u>FEC v. National Conservative Political Action Committee (1985) 470 U.S. 480</u>. In <u>Colorado Republican Federal Campaign Committee v. FEC, supra</u>, the Supreme Court struck down federal limits on how much a political party may spend to help its candidates so long as the party's expenditures are independent, and not "coordinated" with the candidates. The Court rejected the Federal Election Commission's interpretation that expenditures made by a political party on behalf of a candidate are conclusively presumed to be coordinated with the candidate.</p>
Disclosure of Independent Expenditures	Late reporting required within 24 hours of independent expenditures of \$1,000 or more.	Independent expenditures of more than \$1,000 require 24-hour notification to all candidates running for the same office and filing officer.	Independent expenditures of \$1,000 or more require 24-hour notification to all candidates running for the same office and filing officer.	The U.S. Supreme Court upheld required disclosure of independent expenditures in <u>Buckley v. Valeo, supra</u> .

Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions
Disclosure in Campaign Advertisements	Sender identification rules only apply to "mass mailings." Candidates and committees must include their name and address on unsolicited mailings of more than 200 pieces. A sponsored committee must identify its sponsor(s).	Advertisements for or against a ballot measure must identify the top two of any donors that have given \$50,000 or more. The name of any committee that supports or opposes a ballot measure must identify the economic or special interest of its major donors of \$50,000 or more. Independent expenditure advertisements must identify the top two donors. Current sender identification rules continue to apply.	Advertisements for or against a ballot measure and independent expenditure advertisements must identify the top three of any donors of \$50,000 or more in a statewide campaign, and \$25,000 or more in a non-statewide campaign. The name of any committee that supports or opposes a ballot measure must identify the economic or special interest of its major donors of \$25,000 or more. If out-of-state contributions make up 25% of the committee's total, the advertisement must identify that major funding comes from out-of-state. Current sender identification rules continue to apply.	(The disclosure of major funding sources in ballot measure advertisements and independent expenditure advertisements required by both propositions are similar to the "truth in initiative advertising" provisions of Proposition 105, a measure passed by the California voters in 1988. The entire initiative was invalidated by the California Court of Appeal in <u>Chemical Specialties Manufacturers Ass'n v. Deukmejian</u> (1991) 227 Cal.App. 3d 663, because it violated the State Constitutional rule that initiatives must address a single subject. The court did not examine the merits of the initiative's provisions.) In <u>McIntyre v. Ohio Elections Com'n</u> (1995) 115 S.Ct. 1511, the Supreme Court held that an Ohio statute which prohibited the distribution of any anonymous campaign literature was overbroad and violated the writer's first amendment rights. The California Supreme Court upheld the sender identification requirements of current law as applied to candidates in <u>Griset v. FPPC</u> (1994) 8 Cal.4th 851, <i>cert. denied</i> 115 S.Ct. 1794.
Definition of "Lobbyist"	Any individual who is employed for economic consideration on a substantial or regular basis to communicate directly or through agents with any state official for the purpose of influencing legislative or administrative action. FPPC Regulations define lobbyists to include persons who receive \$2,000 in compensation per calendar month, or receive any compensation and have 25 contacts with officials in any two consecutive months, for the purpose of influencing legislative or administrative action.	Any individual who receives \$2,000 or more in economic consideration in a calendar month or whose principal duties as an employee are to communicate directly or through his or her agents with any state official for the purpose of influencing legislative or administrative action.	Any individual who either receives \$500 or more in a calendar month in economic consideration, or who, regardless of economic consideration, is an employee, professional, or agent whose principal and substantial duties are, to communicate directly with any state official for the purpose of influencing legislative or administrative action.	
Limit on Gifts from Lobbyists	Lobbyists may not give gifts of \$10 or more per month.	No change.	Prohibits gifts from lobbyists.	

Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions
Limit on Contributions from Lobbyists	No limits.	Prohibits contributions from lobbyists.	Prohibits contributions from lobbyists.	<p><i>FPPC v. Superior Ct.</i> (1979) 25 Cal.3d 33, cert. denied 444 U.S. 1049 (California Supreme Court held that a total prohibition on contributions by lobbyists was unconstitutional, but upheld limits on lobbyist gifts, registration of lobbyists and their employers, and reporting of lobbyist activities).</p> <p><i>Institute of Governmental Advocates v. Younger</i> (1977) 70 Cal.App.3d 878 (California Court of Appeal held that a Commission ruling which precluded lobbyists from advising their employers to make political contributions was unconstitutional).</p>
Limits on Gifts and Honoraria for Public Officials	<p>State and local officials, candidates, and designated employees may not accept honoraria.</p> <p>State and local officials, candidates, and designated employees may not receive gifts from a single source in excess of \$280 in a calendar year. Certain exceptions to the gift limit apply for, among other things, gifts from personal friends and family members, informational materials, and certain payments for travel.</p>	No change	<p>Repeals honoraria ban.</p> <p>Repeals gift limits.</p>	Article 5, Sec. 14 and Article 4, Sec. 5 of the California Constitution require the Legislature to enact laws that ban the receipt of honoraria and limit gifts to State Legislators and state officers. This requirement was added to the California Constitution by Proposition 112 approved by the voters in 1990.
Enforcement — General	<p>Among other penalties, any person who violates any provision of the Political Reform Act may be liable in an administrative proceeding for an amount up to \$2,000 per violation</p> <p>in the alternative, various civil penalties may be imposed including the amount not properly reported for disclosure violations or three times the amount of an unlawful use of campaign funds.</p> <p>A knowing or willful violation of the Political Reform Act is a misdemeanor. No person convicted of a misdemeanor under the Political Reform Act may be a candidate for elective office or act as a lobbyist for four years following the conviction, unless the sentencing court determines otherwise.</p>	<p>The California Political Reform Act would increase administrative fines for a violation of the Act from the current \$2,000 per violation to \$5,000 per violation.</p> <p>The California Political Reform Act would allow the FPPC to bring misdemeanor criminal charges against violators of campaign finance laws.</p>	<p>The Anti-Corruption Act would enact varying penalties for violations of the contribution and spending limits depending on the amount by which the contribution or spending exceeds the limits.</p> <p>The measure increases civil penalties for disclosure violations to three times the amount not properly reported.</p> <p>Candidates or officeholders who have been fined for any three violations of the Act would be removed from office. They would be permanently banned from holding any elective office, or working as a registered lobbyist.</p>	

Provision	Current State Law	California Political Reform Act (Prop. 208/Common Cause)	Anti-Corruption Act of 1996 (Prop. 212/CALPIRG)	Relevant Court Decisions
Enforcement — Causing a Violation	A person who causes a violation or who aids and abets any violator is subject to administrative prosecution only if the person is compensated or has a filing obligation.	Any person who causes a violation or aids and abets any violator is subject to criminal, civil or administrative prosecution	A person who causes a violation or aids and abets any violator is subject to criminal, civil or administrative prosecution only if the person is compensated or has a filing obligation. Any person who aids and abets a violator is subject to civil prosecution.	
Conflicting Ballot Measures	Not applicable.	If the California Political Reform Act is approved by voters, but a conflicting ballot measure receives more votes, and the conflicting measure is later held invalid, the California Political Reform Act shall be given full force and effect.	The provisions of the Anti-Corruption Act and any other measure(s) relating to campaign finance reform appearing on the November 1996 ballot are deemed to be in conflict. If the Anti-Corruption Act receives more votes, the provisions of the Anti-Corruption Act shall prevail and the provisions of the other measure(s) shall be null and void. If the other measure(s) receive more votes, the provisions of the Anti-Corruption Act shall take effect to the extent permitted by law.	Article 2, Sec. 10(b) of the California Constitution provides that when two or more measures are competing initiatives only the provisions of the measure receiving the highest number of votes will be enforced. Propositions 73 and 68, competing campaign reform initiatives, both were approved by the voters at the June 1988 primary election, but because Prop. 73 received the most affirmative votes, the California Supreme Court determined that it was the prevailing measure and that Prop. 68 was inoperative. <u>Taxpayers to Limit Campaign Spending v. FPPC</u> (1990) 51 Cal.3d 744. The Court declined to merge the two measures and instead found the two schemes to be alternative competing measures. Meanwhile, a federal district court permanently enjoined enforcement of the Prop. 73 campaign contribution limits as unconstitutional. In <u>Gerken v. FPPC</u> (1993) 6 Cal.4th 707, the California Supreme Court declined to revive Prop. 68 because Prop. 73 was not wholly invalidated, as its prohibition on publicly-funded mass mailings was still in effect.

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Miscellaneous	Not applicable.	<p>Bans contributions from governmental appointees to the officeholders who appointed them.</p> <p>Provides that candidates may not deposit contributions of \$100 or more unless all disclosure information -- the name, address, occupation, and employer of the contributor -- is on file.</p> <p>Amends state mailer requirements to designate with dollar signs those candidates and measures that paid to appear in the mailers.</p> <p>Provides that elected officeholders may establish an officeholder account for governmental expenses. Contributions to this account are limited to \$250 per contributor and \$10,000 aggregate per year.</p>	<p>Bans contributions from governmental appointees to the officeholders who appointed them.</p> <p>Repeals state tax deduction for lobbying expenses.</p> <p>Imposes or increases annual registration fee for committees, lobbyists, and lobbyist employers.</p> <p>Amends Government Code Section 84308 applicable to appointed members of boards and commissions to prohibit an appointee from receiving any contributions from a person involved in a proceeding pending before the agency, and to reduce the threshold for disclosure and disqualification.</p>	
Amendment	The Political Reform Act may be amended to further its purposes by a two-thirds vote of the Legislature, or by a ballot measure approved by the elect rate.	Prohibits legislative amendments to portions of the contribution limits, expenditure limits and disclosure thresholds. The amendment of other provisions is governed by current law.	No change from current law.	
Effective Date	Not applicable.	January 1, 1997.	November 6, 1996.	

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