California Clean Money Campaign AB 700 2015 California DISCLOSE Act



"...the single most important piece of legislation of 2015..."

Thomas Elias, award-winning columnist

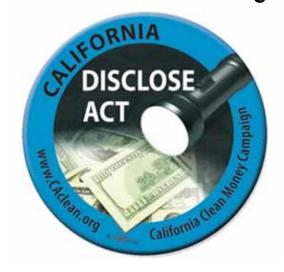
2015 California DISCLOSE Act

Authored by:

Assemblymember Jimmy Gomez (D-Northeast Los Angeles)

Assemblymember Marc Levine (D-San Rafael)

<u>Sponsored by:</u> California Clean Money Campaign







What the California DISCLOSE Act Does:

Applies to all television ads, radio ads, print ads, mass mailers, and websites for or against state and local ballot measures having funders of \$50,000 or more. It applies whether ads are paid for by corporations, unions, or millionaires.

New Top 10 "follow the money disclosure" to make sure that ads report their three largest <u>original</u> individual, corporate, or union contributors, no matter how many committees or groups their contributions pass through.







There are a thousand hacking at the branches of evil to one who is striking at the root."

- Henry David Thoreau, Walden, or Life in the Woods









35.74 +1.68% KSS

73.89 -2.26% TGT

Pop Out 🖾 More >

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Merrill Edge is not responsible for the editorial content of this program

Donald Trump's money man schmoozes with billionaire donors



May 12, 2016 12:24 PM

















Former House Speaker John Boehner and a clutch of billionaires mingled in the green room backstage at the annual SALT conference in Las Vegas, but none of them was the main attraction. Instead, the

ACTIVE TRADER PRO® HELPS YOU:

- · Protect your potential profits
- · Limit your potential losses







Dinner with Hillary Clinton and George and Amal Clooney in San Francisco

Date: Friday, April 15

Time: 7:00pm

Location: San Francisco, CA at the home of Shervin Pishevar

In support of Hillary Victory Fund

Attendee - \$33,400 per person or \$66,800 per couple, includes photo with Hillary **Co-host** - \$100,000 per couple, includes host reception with the Clooneys and Hillary and preferred dinner seating

Event Chair - contribute or raise \$353,400 per couple, includes Chair's roundtable with the Clooneys and Hillary and premium dinner seating







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Yikes!!!

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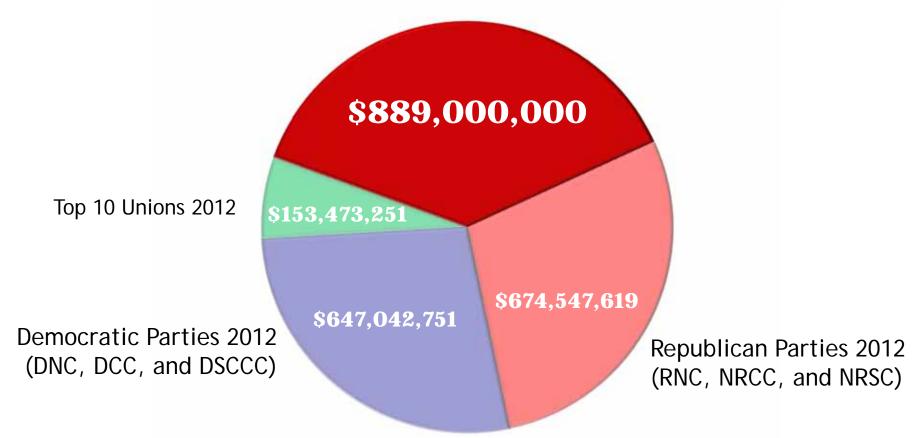
Biggest Problem Now: Dark Money





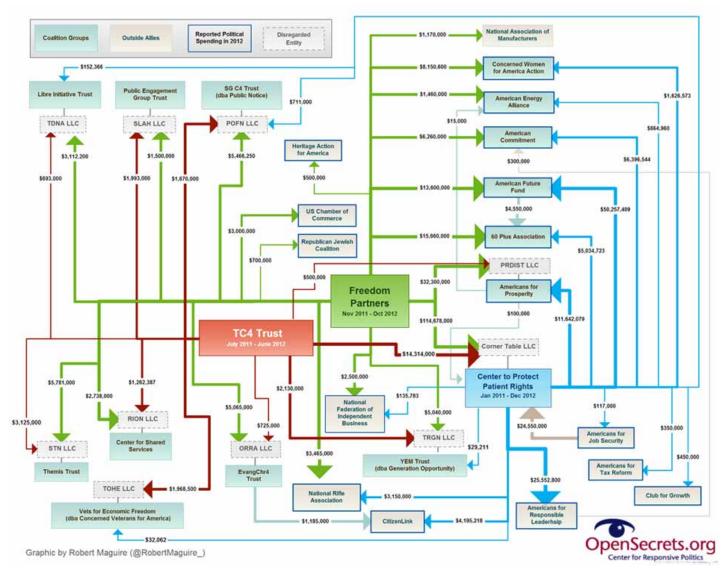


Koch Brothers' 2016 Goals (mostly Dark Money)



No matter your party, you have to be afraid when Billionaires are more powerful than parties.

Biggest Problem Now: Dark Money



(Known) Koch Network Secret Spending: \$412 million in 2012!!

Rapid Rise in Super PACs Dominated by Single Donors

Super PACS that get nearly all of their money from one donor quadrupled their share of overall fund-raising in 2014.

by Robert Faturechi, ProPublica, and Jonathan Stray, special to ProPublica, April 20, 2015, 5:15 a.m.

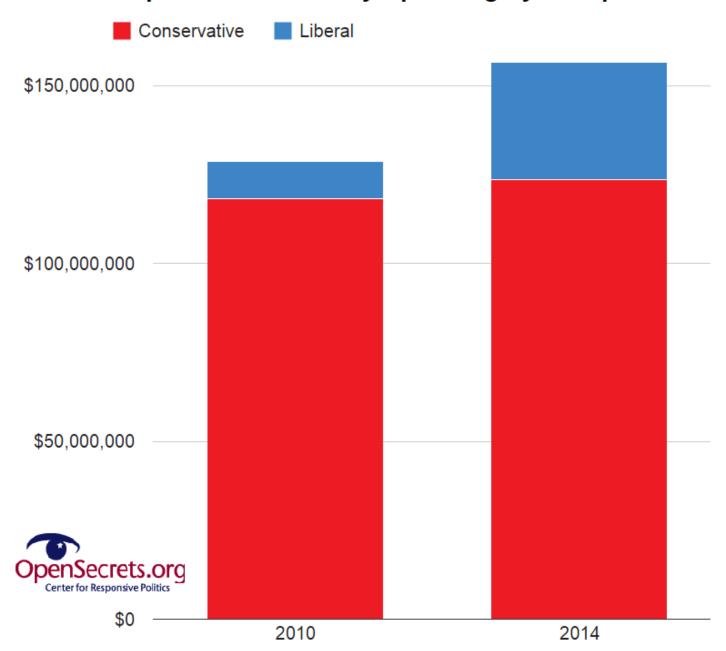


Michael Bloomberg, left, and Sheldon Adelson were both big contributors to single-donor super PACs, according to ProPublica analysis. (John Moore/Getty Images, Tomohiro Ohsumi/Bloomberg via Getty Images)





Reported Dark Money Spending by Viewpoint









Oil industry funnels more than \$300,000 into campaign against environmental champion Senator Jim Beall

May 13, 2016 • 8 Likes • 3 Comments

You wouldn't know it from reading the local newspapers, but one of the most cynical political dirty tricks this season is the effort

by Chevron, Valero, Tesoro and other big oil firms to fund a political action committee called Californians to Restore the Middle Class with \$5.5 million to target environmental champions like Sen. Jim Beall. They have recently decided to

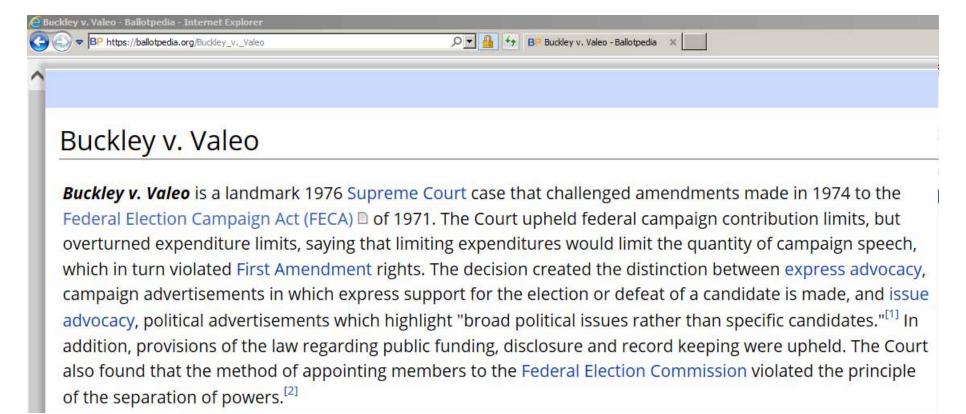








Key Supreme Court decisions to be aware of...







Key Supreme Court decisions to be aware of...



Citizens United v. Federal Election Commission

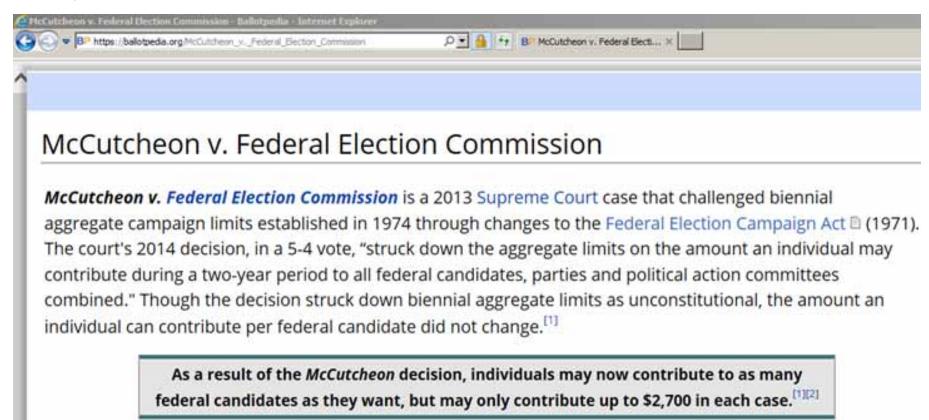
Citizens United v. Federal Election Commission is a United States Supreme Court case involving Citizens United, a 501(c)(4) nonprofit organization, and whether the group's film critical of a political candidate could be defined as an "electioneering communication" under the 2002 Bipartisan Campaign Reform Act □, also known as the McCain-Feingold Act. Decided in 2010, in a 5-to-4 decision, the Supreme Court held that corporate funding of independent political broadcasts in candidate elections cannot be limited, because doing so would violate the First Amendment. ^[1]

The Court's decision struck down a provision of the McCain-Feingold Act that banned for-profit and not-for-profit corporations and unions from broadcasting "electioneering communications" in the 30 days before a presidential primary and in the 60 days before the general elections. [1] The decision overruled *Austin v. Michigan Chamber of Commerce* (1990) and partially overruled *McConnell v. Federal Election Commission* (2003). [2] The decision upheld, however, the requirements for disclaimer and disclosure by sponsors of advertisements, and the ban on direct contributions from corporations or unions to candidates. [3]





Key Supreme Court decisions to be aware of...







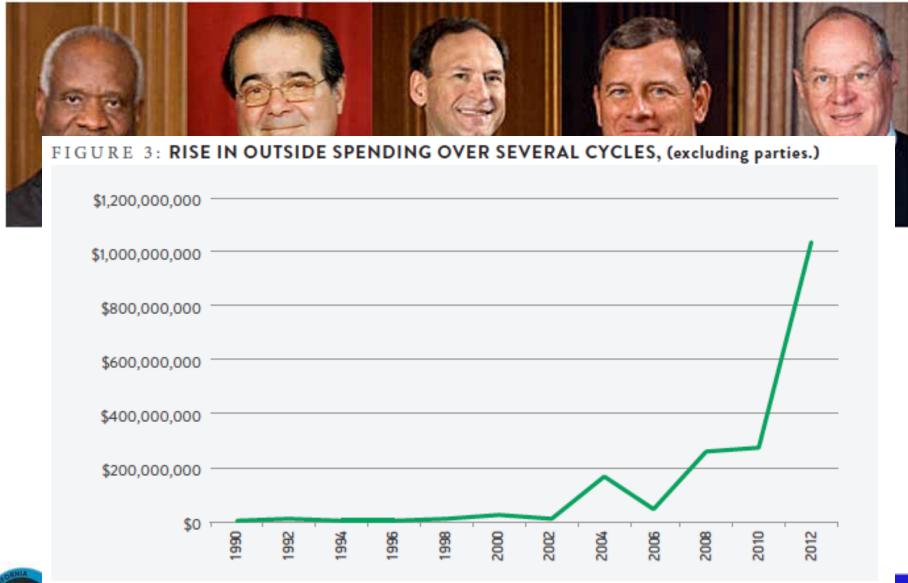
Citizens United







Citizens United







The U.S.A. is Lesterland





Only 0.05% of all Americans gave the max amount to a federal candidate.



As Lawrence Lessig Says: The U.S.A. is Lesterland

132 AMERICANS

60% OF SUPERPAC\$





REFORM

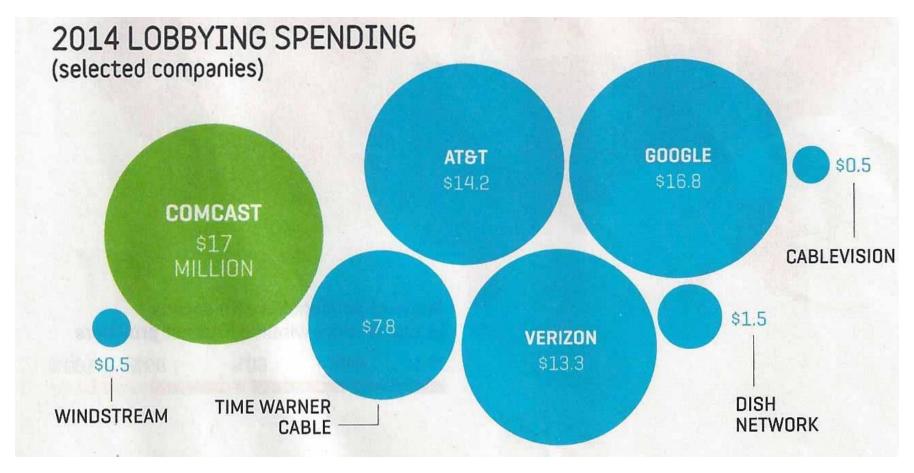
THAT ANGERS

LESTERS

(highly)

UNUKELY

Also consider...Lobbying



Source: Fortune, April 2016 p.56





The New York Times

ARTHUR OCHS SULZBERGER JR., Publisher, Chairman

Founded in 1851

ADOLPH 5. OCH5 Publisher 1896-1935 ARTHUR HAYS SULZBERGER

ORVIL E. DRYFOOS Publisher 1963-2963 ARTHUR OCHS SULZBERGER
Publisher 1963-1992

THE NEW YORK TIMES EDITORIALS/LETTERS WEDNESDAY, MAY 11, 2016

After Conventions, a Debt to Donors

This year the Republican and Democratic nominating conventions in Cleveland and Philadelphia will be bank-rolled entirely with money from corporations and wealthy individuals. Not since the Watergate era, when a \$400,000 pledge to the 1972 Republican convention from ITT Corporation was linked to a favorable outcome for the company in a federal antitrust decision, has this happened.

Industries with business before the federal government have long found opening their checkbooks for the conventions to be one of the most efficient means for influencing an incoming administration and Congress in one quick action.

Come July, some of America's best-known companies will pay to celebrate the nomination of Donald Trump, whose racist rants have in the past caused NBC, Macy's and Nascar to distance themselves from him. Progressive political groups like ColorOfChange.org and Credo Action are pressuring Coca-Cola, Walmart, Microsoft, Facebook and Google to cut off money for the Republican gathering. But the protest against Mr. Trump doesn't address the deeper problem of corporate influence over both parties.

The ITT scandal prompted legislation that provided public financing for conventions, and limited their budgets to that amount. But the parties soon found multiple ways around that, including using "host committees" that operate in the cities where the conventions are held, soliciting unlimited amounts of convention money from corporations and wealthy individuals. These committees, established to skirt federal laws banning corporations from giving to political parties directly, should be abolished.

The demise of public convention financing is a result of the 2014 Gabriella Miller Kids First Research Act, named for a Virginia girl who died of brain cancer. The law ended government funding for nominating conventions, which in 2012 amounted to about \$18 million, or one-quarter, of each political party's convention costs, and redirected \$126 million over 10 years to pediatric disease research.

The law shifted ever-escalating convention costs onto rich donors and corporations like Google, Facebook, Duke Motors and AT&T, which were all past contributors. Corporations can give unlimited cash, services and swag to Democratic and Republican host committees for conventions that basically are four-day-long parties. Shareholders in these companies pick up the tab since the

The 2012 Republican convention in Tampa, Fla., cost about \$74 million. That didn't include millions more that corporate lobbyists spent on parties and concerts with top-name entertainment that took place outside the convention hall, and off-limits to TV cameras. The 2012

Democratic convention million. Democrats trie that year, but that didn vention instead went int the nation's largest elec forgiving a \$10 million lo

This year, the two likely spenu asward of all of it paid by private

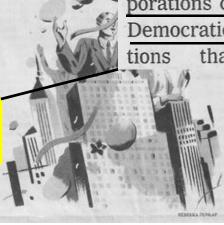
Lawyers who adv nance laws say that so fi will continue financing that they're covered re White House in Novem creates widespread opp says Fred Wertheimer, paign finance watchdog This year the Republican and Democratic nominating conventions in Cleveland and Philadelphia will be bank-rolled entirely with money from corporations and wealthy individuals. Not since the Watergate era, when a \$400,000 pledge to the 1972 Republican convention from ITT Corporation was linked to a favorable outcome for the company

in a federal antitrust decision, has this happened.

...and "Gifts"

Convention spending is part and parcer of the creeping corporate buyout of America's political system. In a year marked by voter anger at a political class out of touch with struggling Americans, one might expect both Republicans and Democrats to rein it in. But as with all political spending, the tendency is always toward more, not less. That publicly held companies seeking favors from the government will underwrite this excess is offensive, and entirely legal.

Motors and AT&T, which were all past contributors. Corporations can give unlimited cash, services and swag to Democratic and Republican host committees for conventions that basically are four-day-long parties.







"Let our Democracy GO!!"





Overturning Citizens United

16 States Passed Resolutions Urging a Constitutional Amendment Overturning Citizens United:

California!

Colorado

Connecticut.

Delaware

Hawaii

Illinois

Maine

Maryland

Massachusetts

Montana

New Jersey

New Mexico

Oregon

Rhode Island

Vermont

West Virginia







We Don't Have to Wait

for

Citizens United

to be overturned to fight







Progress: California's SB 27 of 2014

Make Dark-Money Non-Profits Reveal Their Funders

Whenever a non-profit spends \$50,000 or more on California campaigns it must:

- -- Register as a California campaign committee
- -- Report the contributors that make up that spending

Passed and Signed Into Law after more than 40,000 petition signers!





Did SB 27 Completely Solve the Dark Money Problem in California?

Big Money Takes Over Ballot Measures

The side that won: \$164 million

18 times as much as

The side that lost: <\$9 million

Most spending hidden behind misleading names buried in fine print.

2014 elections, California ballot measures.

e.g. "No on Prop 45, Californians Against Higher Health Care Costs"





Examples





Current Law: Yes on 26 TV Ad Disclosure (Actual Screenshot)







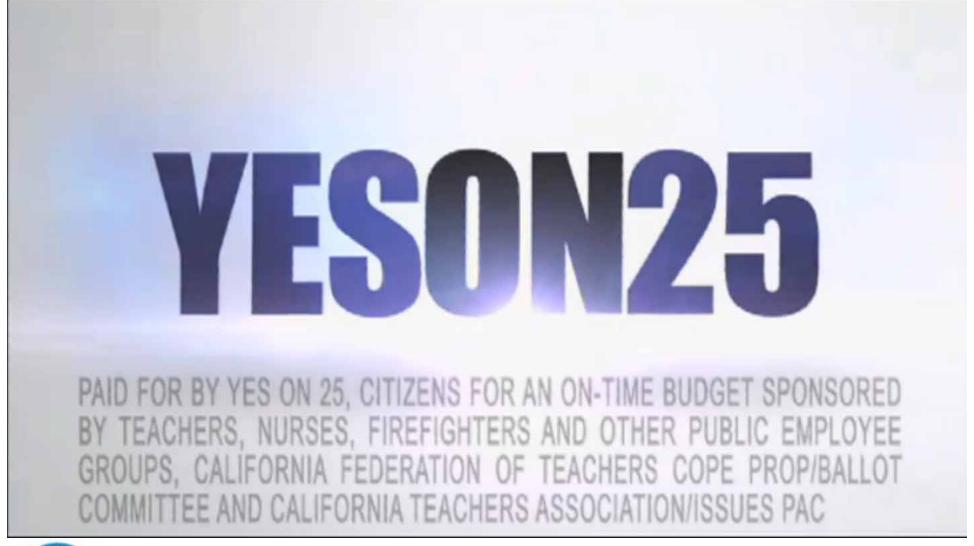
Disclosure with AB 700, the California DISCLOSE Act







Does not matter if funders are corporations, unions, or individuals...







Disclosure doesn't necessarily hurt. It just lets voters know.

YESON25

Ad Paid for by a Committee Whose Top Funders Are

California Federation of Teachers California Teachers Association AFSCME

Paid for by Yes on 25, Citizens for an On-Time Budget

Funding Details at www. EndBudgetGridlock.com





Radio Disclosure

AB 700 disclosure is shorter than current disclosure and gets rid of the speed reader!

With AB 700 Disclosure:

Yes on 26: "Top funders of this ad are Chevron and Phillip Morris. Paid for by Stop Hidden Taxes – No on 25/Yes on 26"

Yes on 25: "Top funders of this ad are the California Federation of Teachers and the California Teachers Association. Paid for by Yes on 25, Citizens for an On-Time Budget."

Current Disclosure (speed read):

Yes on 26: "Paid for by Stop Hidden Taxes – No on 25 / Yes on 26, a coalition of taxpayers and employers, with major funding from Cal Business PAC sponsored by California Chamber of Commerce and Small Business Action Committee PAC."

Yes on 25: "Paid for by Yes on 25, Citizens for an on-time budget, sponsored by teachers, nurses, firefighters, and other public employee groups, California Federation of Teachers Copy/Prop Ballot Committee and California Teachers Association PAC".





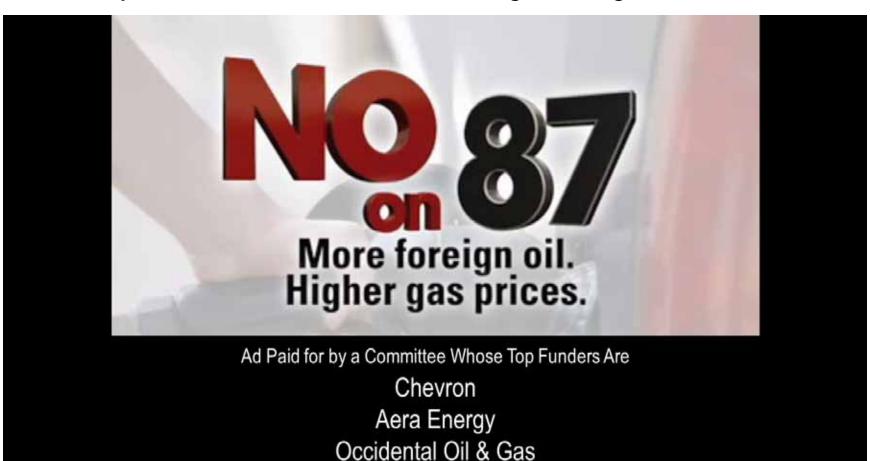
Oil extraction tax to pay for clean energy (Prop 87 in 2006)

- Led in early polls by nearly three-to-one.
- Killed by \$94 million in ads from "Californians against Higher Taxes".



Oil severance tax to pay for clean energy (Prop 87 in 2006)

- Led in early polls by nearly three-to-one.
- Killed by \$94 million from "Californians against Higher Taxes".



Paid for by Californians Against Higher Taxes - No on 87

Funding Details at www. Noon87.com

Prescription drug discounts initiative (Prop 79 in 2005)

- Led in polls by nearly 15%.
- Killed by \$123 million by "Californians Against the Wrong Prescription"



Prescription drug discounts initiative (Prop 79)

- Led in polls by nearly 15%.
- Killed by \$123 million by "Californians Against the Wrong Prescription"



Mandatory Labeling of GMO Foods (Prop 37 in 2012)

- Led in polls by nearly two-to-one.
- Lost by less than 3% after \$44 million in ads like this one.



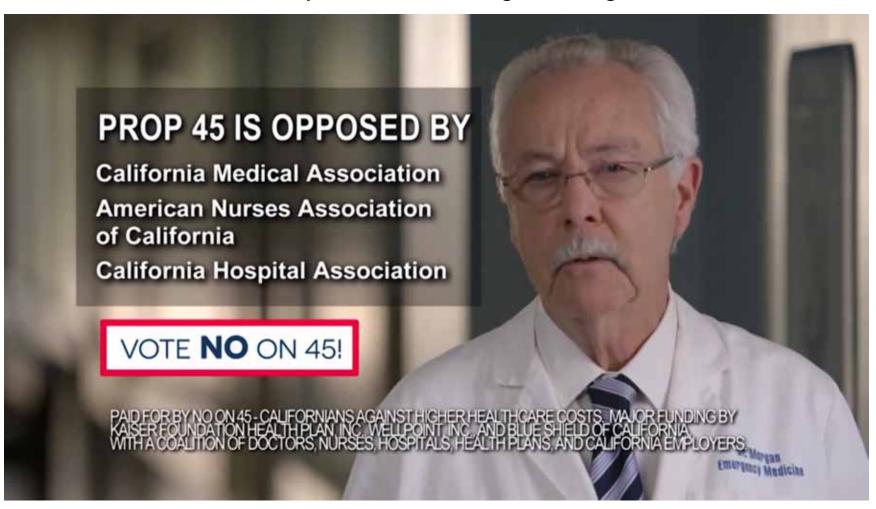
Mandatory Labeling of GMO Foods (Prop 37 in 2012)

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- Lost by less than 3% after \$44 million in ads like this one.

PROP 37: DOES IT MAKE SENSE? Ad Paid for by a Committee Whose Top Funders Are Monsanto Company E.I. Dupont De Nemours & Company **Pepsico** Funding Details at www. NoProp37.org Paid for by No on 37, Coalition Against the Deceptive Food Labeling Scheme

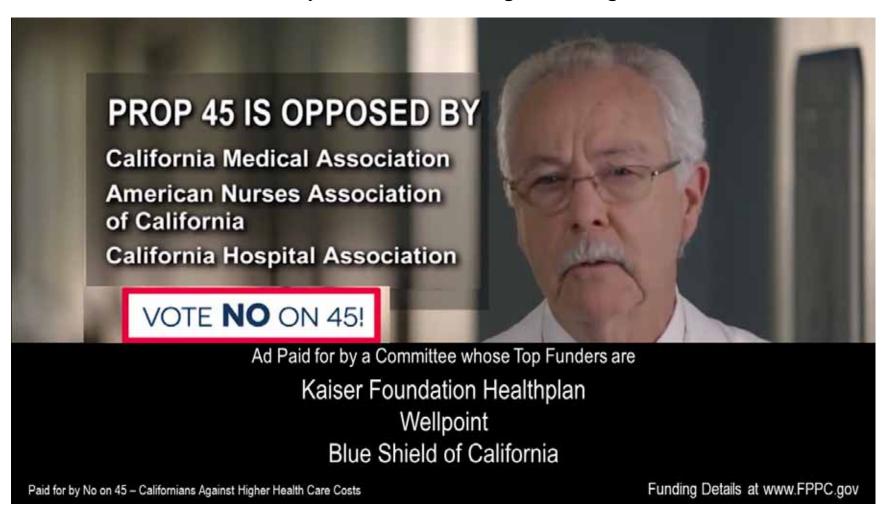
Health Insurance Rate Regulation (Prop 45)

- Led in polls by over four-to-one (69% to 16%)
- Lost after \$56 million by "Californians Against Higher Healthcare Costs".



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Local Initiatives Also Killed by Anonymous Spending

Santa Barbara Anti-Fracking Initiative (Measure P in 2014)

- Lost after \$7.6 million by "Californians for Energy Independence".
- \$112 per No vote!



Stop the Oil and Gas Shutdown

NOonMeasureP.com



PAID FOR BY NO ON P: A COALITION OF SANTA BARBARA COUNTY TAXPAYERS, CONSUMERS AND ENERGY PRODUCERS, WITH MAJOR FUNDING FROM CALIFORNIANS FOR ENERGY INDEPENDENCE COMMITTEE, INCLUDING ENERGY PRODUCERS AND PACIFIC COAST ENERGY COMPANY LP

Local Initiatives Also Killed by Anonymous Spending

Santa Barbara Anti-Fracking Initiative (Measure P in 2014)

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- \$112 per No vote!



Ad Paid for by a Committee whose Top Funders are

Aera Energy
Chevron
Occidental Petroleum

Paid for by No on P - A Coalition of Santa Barbara Taxpayers, Consumers, and Energy Producers

Funding Details at www.FPPC.gov

OUR DEMOCRACY

IS AT RISK

IF WE DON'T

DISCLOSE DARK MONEY

ON ADS THEMSELVES





EVERYTHING WE CARE ABOUT Depends on passage of the California DISCLOSE Act

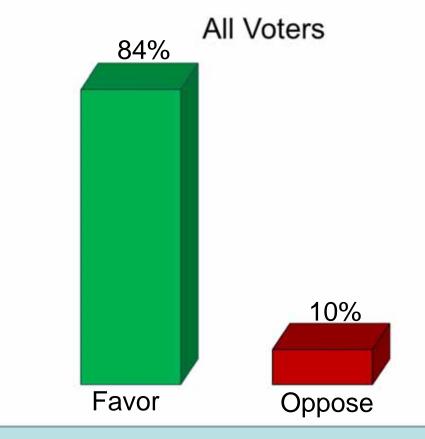
- Nobody can compete with billionaires and multinational corporations financially in the era of Citizens United.
- Everything the legislature passes is subject to referendum, like the plastic bag bill.
- If voters know who's trying to buy their vote, they have a chance. If not, they don't.





Californians Are Ready for the California DISCLOSE Act

"The state legislature is considering a number of proposals to make changes to the initiative process...Do you favor or oppose this change: Increase the public disclosure requirements of initiative sponsors to more clearly identify who are its major funders."



Favor Proposal		
Democrats	86%	
Republicans	78%	
Independents	88%	
Union Households	84%	
Tea Party Members	83%	
Northern California	86%	
Southern California	82%	
Coastal Areas	84%	
Inland Areas	84%	

Results released October 13, 2011 by the *Field Poll*. Survey of 1,001 registered California Voters, +/- 3.1%. Summary: http://field.com/fieldpollonline/subscribers/COI-11-Oct-California-Ballot-Propositions.pdf Detailed tabulations: http://media.sacbee.com/smedia/2011/10/12/19/54/NpxYL.So.4.pdf (p. 59-62)

Endorsers of the *CA DISCLOSE Act*

- Over 80,000 Californians signed petitions
- Over 400 organizations and leaders























































Why is California Important?



\$1.8 Trillion in GDP makes **California** the 8th largest economy in the world



- 1. United States (14.2)
- 2. Japan (4.9)
- 3. China (3.8)
- 4. Germany (3.6)
- 5. France (2.8)
- 6. United Kingdom (2.6)
- 7. Italy (2.3)
- 8. California (1.8)
- 9. Brazil (1.6)
- 10. Russia (1.6)





Summary + Status (5/16) of CCMC Supported Bills:

AB 700 (Gomez-Levine), California DISCLOSE Act

-- Passed Assembly 60-15 with every Democrat voting Yes and a record 9 Republican votes. Scheduled for Senate Elections Committee hearing Tues, June 21st.

SB 254 (Allen/Leno), Overturn Citizens United Act, puts Prop 49, the Overturn Citizens United Act, back on the November 2016 ballot!

-- Passed Assembly 51-26 with one Republican vote (Assemblymember Scott Wilk of Santa Clarita). Being voted on in Senate Elections on Wed, 5/18 and Senate floor possibly day after

SB 1107 (Allen/Hancock) to amend the ban on public financing of campaigns

-- Passed Senate Elections Committee 4-1 and now in Senate Appropriations Committee

SB 1349 (Hertzberg) greatly increases transparency with a new California campaign disclosure website.

-- Passed Senate Elections Committee 5-0 and now in Senate Appropriations Committee





Summary + Status (5/16) of CCMC Supported Bills:

SB 1828 (Dodd) closes conflict of interest loopholes on the powerful Board of Equalization.

-- Passed Assembly Elections Committee 4-3 and now in Assembly Appropriations Committee

AB 2523 (Mullin) requires city and counties to have contribution limits in their races

-- Passed Assembly Elections Committee 5-2 and now in Assembly Appropriations Committee

SB 976 (Vidak) stops legislators quitting their term from quickly taking a job lobbying.

-- Passed Senate Elections Committee 4-1 and now in Senate Appropriations Committee

AB 1200 (Gordon) would have required persons trying to influence state procurement contracts to register as lobbyists.

-- Vetoed by Governor Brown after passing the Assembly 72-0 and Senate 38-1. Governor's veto statement said "Given that the laws regulating state procurement are voluminous and already contain ample opportunity for public scrutiny, I don't believe this bill is necessary."





Yow to

- Petitions
- Phone calls to representatives
- Grassroots lobbying pressure in Sacramento
- Get media coverage
- Keep pressure on through legislature and Governor Brown





Fill in AB 700 Volunteer Forms

Mark down ways you'd like to volunteer!

- Can you come with us to a hearing in Sacramento?
- Want to become a speaker? Write that down!
- Have a group we should speak to? Write that down!
- Know an elected official well? Write that down!
- Turn them in today!

Get five people to sign the petition at home and mail it in!





Volunteer form for AB 700, the California DISCLOSE Act

Support Statement: I believe that voters deserve to know who is paying for political ads. I therefore endorse and publicly support AB 700, the California DISCLOSE Act (Gomez-Levine).

Name		— Mail Me Petitions!
Title (if any)		Please provide email and phone so we can confirm before mailing!
Affiliation¹		[] Mail me 1 petition I'll get up to 5 signatures!
Address		
Zipcode	Phone	[] Mail me 3 petitions I'll get up to 15 signatures!
Email ²		[] Mail me 10 petitions I'll get up to 50 signatures!
Signature		_
[]I'm a unio	on member [] I'm a business owner []	I'm an elected official
[] I make po	olitical donations. Please add me to the list of Dono	ors for Accountable Politics.
	ay be listed on California Clean Money Campaign website. A occasional updates on the campaign and how you can help.	
I am intere	sted in helping by:	
[] Gathering	g signatures or tabling	
[] Molding n		













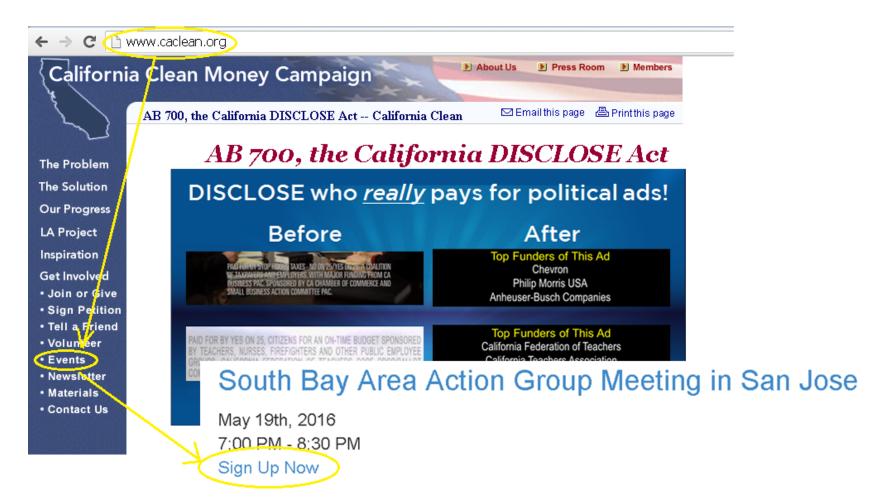












Peninsula Action Group Meeting in Palo Alto

May 26th, 2016 7:00 PM - 8:30 PM Sign Up Now





Even the Supreme Court Agrees

 8 out of 9 justices in the Supreme Court's Citizens United decision affirmed analogous disclosure requirements.

"Requiring people to stand up in public for their political acts fosters civic courage, without which democracy is doomed."

- Justice Antonin Scalia, writing in Doe v. Reed, 2010 (concerning the disclosure of names on ballot petitions)





Help Us Change Politics From This:







To a Happy Ending for Voters!







Questions?

California Clean Money Campaign

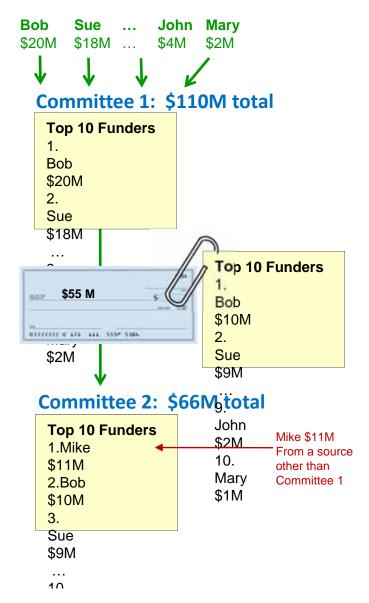
3916 Sepulveda Blvd, Suite 208 ◆ Culver City, CA 90230 Phone (800) 566-3780 ◆ www.YesFairElections.org ◆ E-mail info@CAclean.org

Jason L. Spitzer
South Bay Area Chapter - CMCC
(408) 883-4640
jlspitzer@gmail.com





Proposal by California Clean Money Campaign: Top 10 Follow The Money



- A 10 or more individuals give to Committee 1. For illustration purposes we just show 4 here.
- B Committees Already Keep a list of all contributions of \$100+: who and how much.

Committee 1: Assume for illustration that no committees contribute to Committee 1; just wealthy individuals. Under AB 700, Committee 1 would be required simply to identify and keep a list of its top 10 funders of \$50,000 or more

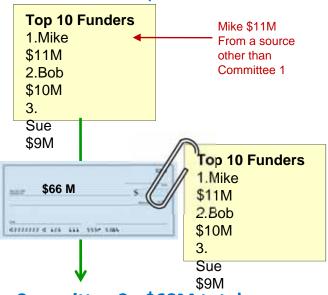
- When Committee 1 contributes to Committee 2: Under AB 700, Committee 1 attaches with its check a list of its top 10 funders over \$50,000 along with amounts for each. To calculate the amount for each, it:
 - (1) determines the percentage the check is of the total contributions to the committee. In this example, the percentage is 50% because the check is for \$55M out of the total the committee raised of \$110M.
 - (2) For each top 10 funder, the list will include their contributions multiplied by the percentage the check is of the total contributions to the committee, or 50% in this example.





Proposal by California Clean Money Campaign: Top 10 Follow The Money (cont'd)

Committee 2: \$66M total



When Committee 2 contributes to Committee 3: Committee 2 simply identifies its top 10 funders using the numbers in the list from Committee 1 plus any other contributions it received.

In this example: Committee 2 also got an \$11M check from Mike, who was not in the top 10 list from Committee 1. Committee 2's top 10 list therefore includes Mike. Here Committee 2 contributes all its money to Committee 3, which pays for the ad.

When Committee 3 pays for a ballot measure ad: It just identifies its top 10 \$50,000+ funders as in (D). The top 3 funders shown on the ads come from this list.

In this example: Bob contributed \$2M directly to Committee 3, so combined with the \$10M from Committee 2's top 10 list, he's the new top funder.

The ad will show Bob, Mike, and Sue as the campaign's top funders.

Committee 3: \$68M total

10. **Top 10 Funders** John 1.Bob \$2M Bob \$12M Mike 2.Mike Bob \$2M Sue From a source \$11M other than 3. Committee 2 Sue \$9M



10. John

\$2M



