

AB 249, the California DISCLOSE Act

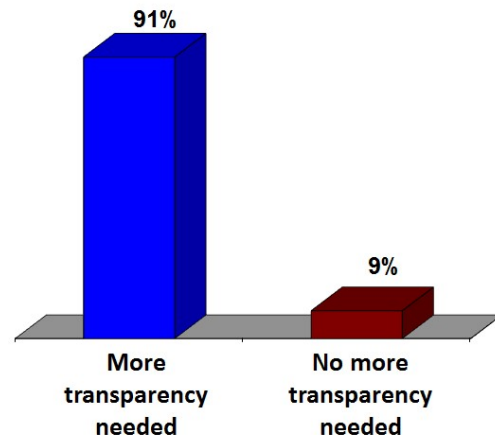
Transparency and Disclosure are Good for Business

AB 249 stops political ads from misleading voters about who paid for them by dramatically improving readability of their disclosures and requiring first-in-the-nation earmarking rules to stop ballot measure ads from intentionally misleading voters about who pays for them. It replaces AB 14 using language from 2016's AB 700 with three key loophole-closing amendments. Authored by Assemblymembers Jimmy Gomez and Marc Levine and sponsored by California Clean Money Campaign.

Why Businesses Need AB 249

- **"Influential American business leaders are uneasy about secrecy in corporate political activity. They overwhelmingly favor transparency and accountability for that spending."**
— **Bruce F Reed, President of the Center for Political Accountability**, after an October 2010 Zogby International poll sponsored by the Committee for Economic Development that showed two-thirds of business leaders believe secret political spending poses a threat to companies.
- **"Small businesses form the backbone of California, but we are often shut out of the political process because we can't afford to spend millions on political ads like giant multinational corporations and unions do. The Redwood Empire Business Association supports AB 249 so voters know who really pays for political ads, because they'll trust the voices of small businesses."**
— **Terry Hilton, Redwood Empire Business Association**

91% of business leaders said there needs to be more transparency in the way election campaigns are financed.



(Committee for Economic Development poll of 302 business executives, June 2013)

What the California DISCLOSE Act Will Do

- **Requires the three largest funders of \$50,000 or more of ballot measure ads and ads about candidates by outside groups to be shown clearly and unambiguously** so viewers see who's actually paying for them.
- **On television and video ads** the disclosures must be shown on a solid black background on the bottom 1/3 of the screen for a full five seconds. Each funder must be listed in large clear type on a separate line, without trying to make them harder to read by putting everything in all capital letters. No more fine print.
- **Applies to television ads, radio ads, print ads, mass mailers, and robocalls.** Radio ads and robocalls must say the single largest funder. Applies whether ads are paid for by corporations, unions, or millionaires.
- **Uses new earmarking rules** to identify original donors so ads have to display the true funders instead of misleading names even if funders try to hide behind multiple layers of organizations.

90% of Business Leaders Support Full Disclosure

A Committee for Economic Development poll in 6/13 found 90% of business leaders support "Disclosing all individual, corporate, labor contributions to political committees or other organizations that spend money in election campaigns."

Example of Disclosure Required by AB 249

Ad Paid for by a Committee whose Top Funders are

California Federation of Teachers
California Teachers Association

American Federation of State, County, and Municipal Employees, AFL-CIO

Disclosures Apply Equally to All Types of Funders

Ad Paid for by a Committee whose Top Funders are

Chevron
Philip Morris USA
Anheuser-Busch Companies

For more information:

Printed in-house
(Updated 6/24/17)

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