

SB 52, the *California DISCLOSE Act*

Disclose ballot measure funders where it counts most — On their ads

SB 52, the California DISCLOSE Act, would fight back against unlimited hidden spending on campaigns by letting voters know who REALLY is paying for ballot measure ads — on the ads themselves. SB 52 is authored by Senators Mark Leno and Jerry Hill and sponsored by the California Clean Money Campaign. It requires a 2/3 vote to pass without going to the ballot since it amends the Political Reform Act of 1974.

Why California Needs the *California DISCLOSE Act*

- **The Supreme Court's 5-4 *Citizens United* decision opened the floodgates of anonymous spending** on campaigns by ruling there could be *no* limits on outside spending by corporations, unions, or individuals.
- **Over \$475 million was spent on CA ballot measures in 2012 alone**, almost all of it by veiled actors hiding behind misleading names like "*Stop Special Interest Money Now*" or the "*2012 Auto Insurance Discounts Act*".
- **Government-changing measures are passed by hidden special interests** spending millions on deceptive ads.

What the *California DISCLOSE Act* Will Do

- **Require the three largest funders of ballot measure ads (two largest on radio ads) to be clearly and prominently identified** — on the ads themselves -- so viewers see right then who's actually paying for them.
- **Apply to television ads, radio ads, print ads, mass mailers, and robocalls** for or against state and local ballot measures. It applies whether ads are paid for by corporations, unions, or millionaires.
- **Follow-the-Money rules** require ads to report the actual *original corporate, union, or individual contributors* — not misleading committee and non-profit names. No matter many times the money is moved.

How the *California DISCLOSE Act* Would Stop Hidden Special Interests

- **BEFORE:** In 2010, despite near-universal opposition from editorial boards and trailing badly in the polls, Proposition 26 passed -- after \$18 million in ads by "*Stop Hidden Taxes*". Since then, Prop 26 has had huge effects by preventing state and local governments from raising fees --even on polluters-- without a 2/3 vote.
- **AFTER:** With SB 52, voters would have clearly seen that the three largest funders of Prop 26 were Chevron, Philip Morris, and Anheuser-Busch.

Prop 26 passed with 52.5% of the vote. Might 3% have voted differently if they knew who really paid?

SB 52's Clear Disclosure – Bottom 1/3 of screen for 5 seconds – Applied to Prop 26.

Top Funders of This Ad
Chevron
Philip Morris USA
Anheuser-Busch Companies

Paid for by Stop Hidden Taxes – No on 25/Yes on 26

Funding Details at www.No25Yes26.com

Examples of Popular Initiatives Killed by Anonymous Spending

- **An oil severance tax to pay for alternative energy was supported by nearly three-to-one in early polls for Prop 87 in 2006.** It lost after \$94 million in ads by unknown “*Californians against Higher Taxes*”. Most voters never knew its largest funders were Chevron, Aera Energy, and Occidental Oil and Gas.
- **George Soros spent \$1 million on Proposition 19 in 2010**, the initiative to legalize marijuana in California. All voters saw was fine print: “*Paid for by the Drug Policy Action Committee to Tax and Regulate Marijuana...*”
- **Increased cigarette taxes led in the polls by two-to-one for Prop 29 in 2012.** It was defeated by \$66 million in ads with largest funders Philip Morris and RJ Reynolds Tobacco. But voters only saw the vacuous fine print “*Paid for by Californians Against Out of Control Taxes and Spending*”.
- **Prescription drug discounts supported by consumer advocacy and senior groups** led by 15% for Prop 79 in 2005. It lost after the airwaves were flooded with \$123 million in ads from “*Californians Against the Wrong Prescription*”. Its largest funders actually were GlaxoSmithKline, Merck, and Pfizer.

The California DISCLOSE Act is Constitutional and Reasonable

- **8 out of 9 justices in the Supreme Court's Citizens United decision** noted the problems when groups run ads “*while hiding behind dubious and misleading names*”. It said we need transparent disclosure for voters “*to make informed decisions and give proper weight to different speakers and messages.*”
- **The new TV ad disclosures use the same time and space** as current law — yet are much more effective. The new radio ad disclosures are actually significantly shorter than now — but get rid of the speed readers.
- The Brennan Center for Justice concluded: “***The California DISCLOSE Act, SB 52, stands on a firm constitutional bedrock and is worthy of support.***”

The California DISCLOSE Act has Overwhelming Support

- **84% of California voters** said they favored legislation to “*increase the public disclosure requirements of initiative sponsors to more clearly identify who are its major funders*” in the October 13, 2011 Field Poll. Support was across the board, including 88% of Independents, 86% of Democrats, and 78% of Republicans.
- **Over 100,000 Californians have signed** petitions urging the legislature to pass the *California DISCLOSE Act*.
- **SB 52 is endorsed by more than 400 organizations and leaders**, including: *League of Women Voters of California*, the *California Alliance for Retired Americans*, *California Broadcasters Association*, *California Church IMPACT*, *California Clean Money Campaign*, *CA Common Cause*, *California Forward Action Fund*, *CA National Organization for Women*, *CALPIRG*, *Consumer Federation of CA*, *Greenlining Institute*, *Lutheran Office of Public Policy - CA*, *Maplight*, *Progressives United*, *Public Citizen*, *Redwood Empire Business Association*, *Sierra Club CA*, *Southwest Voter Education Project*, *U.S. Green Building Council of CA*.
- **17 newspapers have editorialized in favor of SB 52**, including the *Sacramento Bee*, *San Francisco Chronicle*, *Fresno Bee*, *Long Beach Press-Telegram*, *Los Angeles Daily News*, *Oakland Tribune*, *Pasadena Star-News*, *San Jose Mercury News*, *San Gabriel Valley Tribune*, and the *San Bernardino Sun*.

“The overwhelming power of money to mislead voters is a profound moral issue.”

— Reverend Dr. Rick Schlosser, *California Church IMPACT*, representing 1.5 million people of faith in California.

Ask your legislators to support the *California DISCLOSE Act*

What do opponents have to hide?