

SB 752 (Allen), the *Disclosure Clarity Act*

End Abuses of the California DISCLOSE Act and Petition DISCLOSE Act

The legislature passed AB 249 (Mullin-Levine) the California DISCLOSE Act in 2017 to show voters the top funders of political ads and SB 47 (Allen) the Petition DISCLOSE Act in 2019 to show voters the top funders circulating initiative, referendum, and recall petitions. SB 752 will clarify their disclosure requirements to end abuses that make it hard for voters to see top funders.

1. Long Committee Names on TV Ads Make it Hard to See Top Funders

AB 249: Requires ballot measure and independent expenditure TV and video ads to have a disclosure area on a solid black background on the bottom 1/3 of the screen for five seconds. The top of the disclosure area must show the committee's name and the bottom of the disclosure area must show the top 3 funders, each on separate lines.

Problem: Some committees have names that are so long that they take up 3 or 4 lines on the screen, making the disclosure one big blob of text that makes it difficult for people to read the top 3 funders at the bottom of the screen.

SB 752 Solution: Require the top 3 funders to appear in yellow (as opposed to white for the committee's name) and be separated from the committee's name by half a line so they stand out better. (See example on p. 2).

2. Online Ad Disclosures Never Show Top Funders and are not "Easily Readable"

AB 249: Requires graphic online ads to say "Who funded this ad?" in a "contrasting color and a font size that is easily readable by the average viewer" and link to a website listing the full disclosure information.

Problem: (1) Every other major type of ballot measure and IE ad in California (including TV, radio, print, social media, and text messages) are required to disclose at least one top funder on the ad itself so voters don't have to take additional steps to see them. (2) Lack of a requirement for a solid background for the disclosure area on the bottom of the ad, unlike TV and print ads, makes it hard for voters to even see the "Who funded this ad?" link.

SB 752 Solution: (1) Require ballot measure and IE online ads that are large enough to list the top funder and either the name of the committee (that is allowed to be shortened) or its FPPC #. (2) Require online ad disclosures to be on a solid white or black background on the bottom of the ad, like television and print ads. (See example on p.2.)

3. \$50,000 Threshold for Top Funders is Too High for Local Races

AB 249: Only funders who contributed \$50,000 or more are eligible to be disclosed as a top funder on ads.

Problem: Though \$50,000 isn't much for a statewide ballot measure or race, it's a lot in local and legislative races. A number of IE committees in local and legislative races have had a significant number of \$49,000 contributors, clearly a non-coincidental abuse of the threshold to give amounts that can affect the outcome while hiding on ads.

SB 752 Solution: Lower the threshold for a funder to be considered to be one of the top three contributors who must be displayed on ads to \$10,000 for local, legislative, and State Board of Equalization races.

4. Many Initiative, Referendum, and Recall Circulators Aren't Showing Top Funders

SB 47: Required initiative circulators to show voters an "Official Top Funders" sheet showing the top three contributors of \$50,000+ to the committee paying for the circulation of the initiative, referendum, or recall petition.

Problem: Many initiative and recall circulators don't show voters the top funder sheets when they ask them to sign.

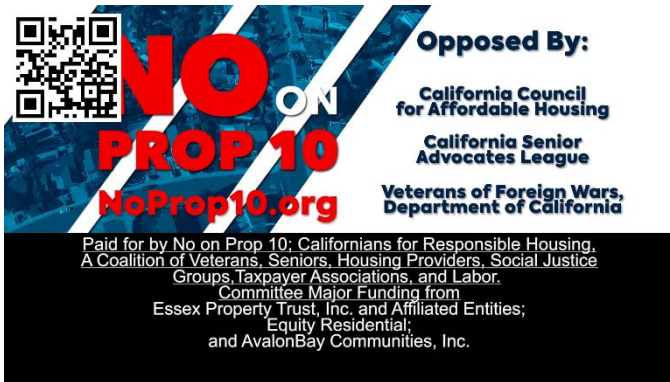
Solution: Require that initiative, referendum, and recall petitions that do not list the top 3 contributors on the petition to say "DO NOT SIGN UNLESS you have seen Official Top Funders sheet and its month is still valid" in the signature box for each voter.

5. Miscellaneous Cleanups so Disclosures Take Less Space

- Saves space on initiative petitions by e.g. striking the requirement to include "THE PROPONENTS OF THIS PROPOSED INITIATIVE MEASURE HAVE THE RIGHT TO WITHDRAW THIS PETITION AT ANY TIME BEFORE THE MEASURE QUALIFIES FOR THE BALLOT", since including it shouldn't impact a voter's willingness to sign.
- Allows committee names on online video and graphic ads to be shortened or replaced with their FPPC committee # as long as they are identifiable to save space and better enable voters to focus on the top funder.

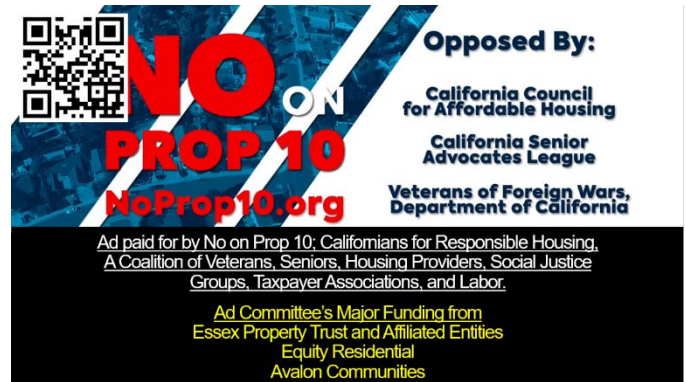
Example of Amendments for Long Committee Names on TV Ads

BEFORE SB 752: Disclosure on Actual No on Proposition 10 TV Ad in November 2018



Extra long committee name makes all the text appear as one “blob” that makes it extra hard for voters to notice and read the top funders in five seconds.

AFTER SB 752: SB 752’s Requirement for the Same No on Proposition 10 Ad



Requires top funders to be in yellow and separated by half a line from the committee’s name, making them stand out far better.

Example of Amendments for Disclosures on Online Graphic Ads

Before SB 752



Before: Yes on 22 (2020) online ad clearly abusing AB 249’s requirements that the disclosure be in a “contrasting color and a font size that is easily readable by the average viewer”.

After SB 752



After SB 752: (1) Disclosure area required to be on a solid white (or black) background on the bottom of the screen. (2) Online ads that are large enough, like this one, will be required to list at least one top funder, in a different color than the committee’s name, as shown. Committee names may be shortened or use their FPPC # instead.