Proposition 25: Text of Proposed Law

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution. This initiative measure amends, repeals, and adds sections to the Elections Code and the Government Code; therefore, existing provisions proposed to be deleted are printed in \textit{strikethrough} type and new provisions proposed to be added are printed in \textit{italic} type to indicate that they are new.

PROPOSED LAW

SECTION 1. Title
This measure shall be known as the California Voters Bill of Rights Act.

SECTION 2. Findings and Declarations
The people of California find and declare as follows:
(a) The people of California should be governed by a political system that is fair to all persons, open to public scrutiny, and dedicated to the principle that government derives its powers from the consent of the governed.
(b) The existing political system has failed to provide fairness in representation and is disproportionately dominated by individuals and groups whose extraordinary financial or political advantages enable a disregard of the consent of the governed.
(c) The recent history in California of financing campaigns and providing disproportionate advantages to protect incumbent officeholders have undermined public confidence in government.
(d) This unfair current political system is recognized by many residents of California, leading to worrisome levels of voter apathy and disenchantment with politics.
(e) Our democracy cannot continue to flourish if elections are often unfair, and voters perceive them to be unfair.

SECTION 3. Purposes of This Act
The people enact this law to accomplish the following related purposes:
(a) To ensure that all individuals and interest groups in our society have a fair and equitable opportunity to participate in the elective and governmental processes.
(b) To minimize the potentially corrupting influence and appearance of corruption caused by excessive contributions and expenditures in campaigns.
(c) To lessen the potentially corrupting pressures on candidates and officeholders and the appearance of corruption by establishing sensible time periods for soliciting and accepting campaign contributions.
(d) To provide voters with ample and fair election information from which to make informed campaign decisions.
(e) To encourage fair representation of the governed.
(f) To nurture voter trust in the outcome of elections and confidence in the fairness of state government and the commitment of officeholders.

SECTION 4. Section 3513.5 is added to the Elections Code, to read:
3513.5. The proponent shall place at the top of each petition, in a clearly visible font at least twice the size of any font on the petition, the following statement if the circulator is being paid to gather signatures:
"THIS PETITION IS BEING CIRCULATED BY A PAID CIRCULATOR."

SECTION 5. Section 18521 of the Elections Code is amended to read:
18521. A person shall not directly or through any other person receive, agree, or contract for, before, during or after an election, any money, gift, loan, or other valuable consideration, office, place, or employment for himself or any other person because he or any other person:
(a) Voted, agreed to vote, refrained from voting, or agreed to refrain from voting for any particular person or measure.
(b) Remained away from the polls.
(c) Refrained or agreed to refrain from voting.
(d) Voted or agreed to vote.
(e) Induced any other person to:
   (1) Remain away from the polls.
   (2) Refrain from voting.
   (3) Vote or refrain from voting for any particular person or measure.
   (4) Vote or agree to vote.
Any person violating this section is punishable by imprisonment in the state prison for 16 months or two or three years.

SECTION 6. Section 20300 of the Elections Code is repealed.
20300. Upon leaving any elective office or at the end of the postelection reporting period following the defeat of a candidate for elective office, whichever occurs last, surplus campaign funds raised prior to January 1, 2000, under the control of the former candidate or officeholder or his or her controlled committee shall be used or held only for the following purposes:
(a) (1) The repayment of personal or committee loans or other obligations if there is a reasonable relationship to a political, legislative, or governmental activity.
(b) For purposes of this subdivision, the payment for or the reimbursement to the state, or 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 to have a reasonable relationship to a political, legislative, or governmental activity, 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 expenditures 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 officeholder 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 at its fair market value, 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 payment of outstanding campaign expenses.

c) Contributions to any candidate, committee, or political party, except where otherwise prohibited by law.

d) The pro rata repayment of contributors.

(e) Donations to religious, scientific, educational, social welfare, civic, or fraternal organization not part of the net earnings of which inures to the benefit of any private shareholder or individual or to any charitable or nonprofit organization which is exempt from taxation under Internal Revenue Code Sections 501(a) or 501(c)(3).

SECTION 7. Section 82002.5 is added to the Government Code, to read:

82002.5. (a) “Advertisement” means any general or public communication that is authorized and paid for by a person or committee for the purpose of supporting or opposing a candidate or candidates for elective office. Expenditure report required by this article shall file an additional party that makes cumulative expenditures of two hundred thousand dollars ($250,000) or more in a calendar year, shall report each contribution of one thousand dollars ($1,000) or more to the Secretary of State. The recipient of the contribution shall report the recipient’s full name, street address, city, and ZIP Code, the committee identification number assigned by the Secretary of State, the date and amount of the contribution, and the office sought if the recipient is a candidate, or the ballot measure number or letter or, if none has yet been assigned, a brief description of the subject matter of the measure, if the recipient is a committee formed primarily to support or oppose a state ballot measure. The recipient shall also report the full name of the contributor, the contributor’s street address, city, ZIP Code, occupation, and employer. A candidate or state measure proponent shall file an original campaign statement with the Secretary of State, other than a committee of a political party, that makes cumulative expenditures of fifty thousand dollars ($50,000) or more, or a committee of a political party that makes cumulative expenditures of two hundred thousand dollars ($200,000) or more, since the filing of the last campaign expenditure report required by this article shall file an additional expenditure report with the Secretary of State, within 14 days of the expenditure continuing in that amount.

(1) The name, street address, city, ZIP Code, and telephone number of the candidate or committee making the expenditure and of the committee’s treasurer, and the committee identification number assigned by the Secretary of State.

(2) If the report is related to a candidate, the full name of the candidate and the office and district for which the candidate seeks election. If the report is related to a ballot measure, the number or letter of the measure, or, if none has yet been assigned, a brief description of the subject matter of the measure.

(3) The total amount of expenditures during the period covered.

(4) The amount of expenditures for each person to whom an expenditure was made during the period covered by the report, including the recipient’s full name and street address, the amount assigned to the recipient committee if any, and a brief description of the consideration for which each such expenditure was made.

(d) A candidate or committee subject to reporting pursuant to subdivisions (a) and (b) shall not be subject to the reporting requirements of Section 8403.

Within 30 days of the campaign statement required to be filed pursuant to Section 84200, the Secretary of State shall determine who has contributed an aggregate total of ten thousand dollars ($10,000) or more in a calendar year to all state candidates and to committees that are required to file original campaign statements with the Secretary of State. The Secretary of State shall send a form listing the compiled contributions of each such contributor and request that the contributor verify the compilation as to that contributor. The contributor, under penalty of perjury, shall verify the compilation within 30 days, verifying, denying, or amending the compilation provided by the Secretary of State. A contributor that fails to respond in a timely manner shall be liable to the Secretary of State for the costs of collection. If the Secretary of State determines that a contributor, under penalty of perjury, shall verify the compilation within 30 days, verifying, denying, or amending the compilation provided by the Secretary of State. A contributor that fails to respond in a timely manner shall be liable to the Secretary of State for the costs of collection. If the Secretary of State determines that a contributor failed to verify the compilation, the Secretary of State may file a form listing the compiled contributions of each such contributor and request that the contributor verify the compilation as to that contributor. The contributor, under penalty of perjury, shall verify the compilation within 30 days, verifying, denying, or amending the compilation provided by the Secretary of State. A contributor that fails to respond in a timely manner shall be liable to the Secretary of State for the costs of collection. If the Secretary of State determines that a contributor failed to verify the compilation, the Secretary of State may file a form listing the compiled contributions of each such contributor and request that the contributor verify the compilation as to that contributor. The contributor, under penalty of perjury, shall verify the compilation within 30 days, verifying, denying, or amending the compilation provided by the Secretary of State. A contributor that fails to respond in a timely manner shall be liable to the Secretary of State for the costs of collection.

SECTION 10. Section 82025 of the Government Code is amended to read:

82025. “Expenditure” means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment of a loan by a third party that meets the definition of a contribution. It includes a payment of costs, fees, or dues of a third party or a use of his or her own facilities for the purpose of supporting or opposing a candidate or state measure proponent in connection with the making of expenditures. A candidate or state measure proponent or opponent controls a committee if he, his agent or any other committee member has a significant influence on the actions or decisions of the committee.

SECTION 11. Section 83124 is added to the Government Code, to read:

83124. The commission shall adjust the contribution and spending limitations provisions in Chapter 5 (commencing with Section 85100) in October of every odd-numbered year to reflect any increase or decrease in the California Consumer Price Index. The adjustments shall be rounded to the nearest one thousand dollars ($1,000) for the limitations on contributions and one hundred thousand dollars ($100,000) for the limitations on expenditures.

SECTION 12. Section 84207 is added to the Government Code, to read:

84207. (a) Each state candidate or committee which is required to file an original campaign statement with the Secretary of State, that makes contributions totaling ten thousand dollars ($10,000) or more in a calendar year to all state candidates and to committees that are required to file original campaign statements with the Secretary of State, shall be an in-kind contribution to the candidate or committee.

(b) Such contributions of one thousand dollars ($1,000) or more shall be reported by electronic means pursuant to Chapter 4.6 (commencing with Section 84600) within 24 hours of receipt of the contribution.

(c) The report shall include the name, street address, city, ZIP Code, and telephone number of the candidate or committee making the contribution, the amount contributed, and the office sought if the recipient is a candidate, or the ballot measure number or letter or, if none has yet been assigned, a brief description of the subject matter of the measure.

(d) A candidate or committee subject to reporting pursuant to subdivisions (a) and (b) shall not be subject to the reporting requirements of Section 8403.

Within 30 days of the campaign statement required to be filed pursuant to Section 84200, the Secretary of State shall determine who has contributed an aggregate total of ten thousand dollars ($10,000) or more in a calendar year to all state candidates and to committees that are required to file original campaign statements with the Secretary of State. The Secretary of State shall send a form listing the compiled contributions of each such contributor and request that the contributor verify the compilation as to that contributor. The contributor, under penalty of perjury, shall verify the compilation within 30 days, verifying, denying, or amending the compilation provided by the Secretary of State. A contributor that fails to respond in a timely manner shall be liable to the Secretary of State for the costs of collection. If the Secretary of State determines that a contributor failed to verify the compilation, the Secretary of State may file a form listing the compiled contributions of each such contributor and request that the contributor verify the compilation as to that contributor. The contributor, under penalty of perjury, shall verify the compilation within 30 days, verifying, denying, or amending the compilation provided by the Secretary of State. A contributor that fails to respond in a timely manner shall be liable to the Secretary of State for the costs of collection.
The notice shall consist of the following printed in 8-point size font. There shall be no use of any other font on the page, and the remainder of the notice shall be printed in 8-point size font. The statement "THIS IS A PAID POLITICAL ADVERTISEMENT" shall be printed in a font at least one point larger than any other font on the page, and the remainder of the notice shall be printed in 8-point size font. The notice shall consist of the following statement:

NOTICE TO VOTERS

THIS IS A PAID POLITICAL ADVERTISEMENT

This document was prepared by (name of slate mailer organization or committee primarily formed to support or oppose one or more ballot measures), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. All candidates and ballot measures designated by $$$ have paid for their listing in this mailer. A listing in this mailer does not necessarily imply endorsement of others appearing in this mailer, nor does it imply endorsement of, or opposition to, any issues set forth in this mailer.

(3) Any reference to a ballot measure that has paid to be included on the slate mailer shall also comply with the provisions of Sections 84503 et seq.

(4) Each candidate and each ballot measure that has paid to appear in the slate mailer is designated by $$$ in the notice "PAID" next to and clearly associated with the candidate or ballot measure. Any candidate or ballot measure that has not paid to appear in the slate mailer is not designated by $$$ in the notice. The $$$

The notice required by this subdivision shall be of the same type size, type style, color or contrast, printed in boldface and at least the same size and legibility as are used for the name of the candidate or the ballot measure name or number and position advocated to which the $$$ designation notice applies except that in no case shall the $$$ be required to be larger than 10-point boldface type. The designation notice shall immediately follow the name of the candidate, or the name or number and position advocated on the ballot measure where the designation appears in the slate of candidates and measures. If there is no slate listing, the designation shall appear at least once in at least 8-point boldface type, immediately following the name of the candidate, or the name or number and position advocated on the ballot measure in boldface and at least the same font size as any other font relating to that candidate or ballot measure.

(5) The name of any candidate appearing in the slate mailer who is a member of a political party and who is affiliated with a political party is not required to be accompanied, immediately below the name, by the party designation of the candidate, in no less than 9-point roman type font which shall be in a color or print that contrasts with the background so as to be easily legible. The designation shall not be required in the case of candidates for nonpartisan office.

(6) Any candidate endorsement appearing in the slate mailer that differs from the official endorsement of the political party which the mailer appears by representation or indica to represent is accompanied, immediately below the endorsement, in no less than 9-point boldface font which shall be in a color or print that contrasts with the background so as to be easily legible. The POSITIONS OF THE (political party which the mailer appears by representation or indica to represent) PARTY.

(b) For purposes of the designations notice required by paragraph (4) of subdivision (a), the payment of any sum made reportable by subdivision (c) of Section 84219 by or at the behest of a candidate or committee, whose name or position appears in the mailer, to the slate mailer organization or committee primarily formed to support or oppose one or more ballot measures, shall constitute a payment to appear, requiring the $$$ designation notice. The payment shall also be deemed to constitute authorization to appear in the mailer.

(c) A slate mailer that complies with this section shall be deemed to satisfy the requirements of Sections 20003 and 20004 of the Elections Code.

SECTION 14. Article 5 commencing with Section 84501 is added to Chapter 4 of Title 9 of the Government Code, to read:

Article 5. Disclosure in Advertisements

84501. For purposes of Sections 84503 and 84505, "cumulative contributions" means the cumulative contributions to a committee placing an advertisement in which a disclosure pursuant to Section 84503 is required, beginning one year prior to and ending seven days prior to the time the advertisement is sent to the vendor.

84502. (a) In addition to the information required in the ballot pamphlet in Section 88001, and in the sample ballot in Section 13307 of the Election Code, the following information shall be included in the notice of the slate mailer that has paid to appear in the mailer:

(b) Following the list of the top five contributors shall be the statement: "This list reflects only the top five financial contributors as of [insert the date of public review for the ballot pamphlet]."

84503. (a) Any advertisement for or against any state or local ballot measure shall include a disclosure statement identifying any person, other than an individual, whose cumulative contributions to the slate mailer appear in the advertisement are fifty thousand dollars ($50,000) or more, or any individual whose cumulative contributions are two hundred fifty thousand dollars ($250,000) or more.

(b) If there are more than two donors whose disclosure is required under subdivision (a), the list shall include only the highest and second highest in that order. In the event that more than two donors meet this disclosure threshold at identical contribution levels, the highest and second highest shall be selected according to the chronological order of the donors.

(c) If candidates or their controlled committees, as a group or individually, meet the contribution thresholds for a person, they shall be identified by the controlling candidates name but are not treated as an individual under subdivision (a).

84504. In addition to the requirements of Sections 84503 and 84505, the committee placing the advertisement or persons acting in concert with that committee shall be prohibited from creating or using a non-candidate controlled committee or a nongovernmental organization to avoid, or that results in the avoidance of, the disclosure of any business entity, controlled committee, or sponsored committee as a major funding source.

84505. If the expenditure for a mailing advertisement that expressly endorses the election or defeat of any state candidate is an independent expenditure, the committee shall disclose in the advertisement the names of the two persons, other than individuals, making the largest contributions in excess of twenty-five thousand dollars ($25,000) to the committee making the independent expenditure. If an acronym is used to identify any committee names in this section, the names of any non-candidate organization of the committee shall be prominently displayed on televised or printed advertisements or spoken in radio broadcast or phone message advertisements. For the purposes of determining the two contributors to be disclosed, the contributions of each person to the committee making the independent expenditure during the one year period prior to the election as to which the advertisement was paid for shall be used.

84506. (a) Any disclosure statement required by this article shall be printed clearly and legibly in no less than 10-point roman font and in a conspicuous manner as defined by the commission for televised or printed broadcasts, radio broadcast or phone message advertisements, as a phone call, or any other advertisement as determined by the commission. This list reflects only the top five financial contributors as of [insert the date of public review for the ballot pamphlet].

(b) Phone calls that are advertisements shall disclose, during the course of the call, the name of the committee making the independent expenditure, the name of the call and the name of the donor if any, other than an individual, that has made the greatest contribution in dollar value greater than ten thousand dollars ($10,000) to the independent expenditure committee.

84507. Notwithstanding the requirements of Sections 84503 and 84505, the committee shall not be required to disclose, in addition to the committee name, its major contributors in any advertisement that is:

(a) A radio broadcast of 15 seconds or less, or

(b) A newspaper, magazine, or other public print media advertisement which is 20 square inches or less.

84508. When a committee makes an amended campaign statement pursuant to Section 81004.5, the committee shall change its advertisements to reflect the changed disclosure information.
material, or spoken in a clearly audible format if the advertisement is a radio broadcast or phone message. 84510. (a) In addition to the remedies provided for in Chapter 4.7 (commencing with Section 84700), any person who violates this article is liable in a civil or administrative action brought by the commission, or any person pursuant to the procedures set forth in Section 84707, for a fine of up to the cost of the advertisement, including placement costs, contributions, or expenditures.

(b) The remedies provided in subdivision (a) shall also apply to any person who purposely causes or aids and abets any other person in a violation.

(c) If a judgment is entered against the defendant or defendants in an action brought under this section, the plaintiff shall receive 50 percent of the amount recovered. The remaining 50 percent shall be deposited in the General Fund of the State.

SECTION 15. Chapter 4.7 (commencing with Section 84700) is added to Title 9 of the Government Code, to read:

CHAPTER 4.7. ACCESS TO CAMPAIGN MATERIALS

84700. This chapter shall be known and may be cited as the Access to Campaign Materials Act of 2000.

84701. (a) The Secretary of State, notwithstanding any other provision of law, shall establish and maintain a campaign web site on the largest nonprofit, nonprofit cooperative public network of computer networks which includes a grid for each state candidate and state ballot measure from the time the candidate files the statement of intention pursuant to Section 85200 or the proponents of a ballot measure apply for title and summary pursuant to a qualification drive. The Secretary of State shall establish and maintain similar campaign web sites for all local candidates covered under Section 84511.

SECTION 18. Section 85202 of the Government Code is amended to read:

85202. Unless specifically superseded by this act, the definitions and provisions of this title the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)) shall govern the interpretation of this law.

SECTION 19. Section 85300 of the Government Code is repealed.

85300. No public officer shall expend and no candidate shall accept any public moneys for the purpose of seeking elective office.

SECTION 20. Section 85300 is added to the Government Code, to read:

85300. (a) No person, other than political party committees, shall make to any candidate or candidate's controlled committee, and no such candidate or candidate's controlled committee shall accept, a contribution or contribution totaling more than five thousand dollars ($5,000) for statewide office, for each election in which the candidate is a write-in candidate or candidate

SECTION 21. Section 85400 of the Government Code is amended to read:

85400. The provisions of this chapter shall be known as the California Political Reform Act of 1996.

85301. (a) Except as provided in subdivision (a) of Section 85402 and Section 85706, no person, other than small contributor committees and political party committees, shall make to any candidate or the candidate's controlled committee, any contribution, the aggregate of which shall not exceed one hundred dollars ($100) for each election in which the candidate is attempting to be on the ballot or is a write-in candidate.

(b) Except as provided in subdivision (b) of Section 85402 and Section 85706, no person, other than small contributor committees and political party committees, shall make to any candidate or the candidate's controlled committee, any contribution, the aggregate of which shall not exceed one hundred dollars ($100) for each election in which the candidate is attempting to be on the ballot or is a write-in candidate.

(c) The provisions of this section shall not apply to a candidate's contribution of his or her personal funds to his or her own campaign committee or to political party committees, or any expenditure on advertising through electronic media, except that a candidate may distribute a portion of any surplus, residual or unexpended campaign funds to a political party committee.

SECTION 22. Section 85301 is added to the Government Code, to read:

85301. No person shall give in the aggregate to political party committees of the same political party, and no such party committees combined shall accept from any person, a contribution or contributions totaling more than five hundred dollars ($500) per calendar year to be used for the purpose of promoting the support or defeat of any specific candidate, transfers to candidates or their controlled committees, or any expenditure on advertising through electronic media, except that a candidate may distribute a portion of any surplus, residual or unexpended campaign funds to a political party committee.

85302. No person shall give in the aggregate to political party committees of the same political party, and no such party committees combined shall accept from any person, a contribution or contributions totaling more than twenty-five thousand dollars ($25,000) per calendar year to be used for the purpose of promoting the support or defeat of any specific candidate, transfers to candidates or their controlled committees, or any expenditure on advertising through electronic media, except that a candidate may distribute a portion of any surplus, residual or unexpended campaign funds to a political party committee.

85303. (a) No candidate or the candidate's controlled committee for statewide office shall accept contributions prior to 12 months preceding any primary or special primary election or, in the event there is no primary or special primary election, any regular election or special election in which the candidate is attempting to be on the ballot or is a write-in candidate.

(b) No candidate or the candidate's controlled committee for state office, other than statewide office, shall accept contributions prior to six months preceding any primary or special primary election or, in the event there is no primary or special primary election, any regular election or special election in which the candidate is attempting to be on the ballot or is a write-in candidate.
SECTION 3. Section 85307 is added to the Government Code, to read:

85307. (a) A loan shall be considered a contribution from the maker and the guarantor of the loan and shall be subject to all contribution limitations.

(b) No candidate shall personally make outstanding loans to his or her campaign or campaign committee that total at any one point in time more than two hundred thousand dollars ($200,000) in the case of any candidate, except for candidates for Governor, or one hundred thousand dollars ($100,000) in the case of candidates for Governor. Nothing in this act shall prohibit a candidate from making unlimited contributions to his or her own campaign.

SECTION 33. Section 85307 of the Government Code is repealed.

SECTION 34. Section 85307 is added to the Government Code, to read:

85307. (a) A loan shall be considered a contribution from the maker and the guarantor of the loan and shall be subject to all contribution limitations.

(b) Extensions of credit for a period of more than thirty days, other than loans from financial institutions given in the normal course of business, are subject to all contribution limitations.

(c) No candidate shall personally make outstanding loans to his or her campaign or campaign committee that total at any one point in time more than twenty thousand dollars ($20,000) in the case of any candidate, except for candidates for Governor, or fifty thousand dollars ($50,000) in the case of candidates for Governor. Nothing in this chapter shall prohibit a candidate from making unlimited contributions to his or her own campaign.

SECTION 35. Section 85308 is added to the Government Code, to read:

85308. No person shall contribute in the aggregate more than fifty thousand dollars ($50,000) to all state candidates and the state candidates’ controlled committees per election. Contributions from political parties shall be exempt from this provision.

SECTION 36. Section 85309 is added to the Government Code, to read:

85309. All payments made by a person established, financed, maintained, or controlled by any business entity, labor organization, association, political party, or any other person or group of such persons shall be considered to be made by a single person.

SECTION 37. Section 85310 is added to the Government Code, to read:

85310. A for-profit corporation or joint stock company shall not make direct contributions from general treasury funds to candidates or to committees primarily formed to support or oppose a candidate or candidates.

SECTION 38. Section 85311 is added to the Government Code, to read:

85311. Notwithstanding Section 85309, the costs of internal communications to members, employees, or shareholders of an organization or the costs of any expenditure for the purpose of supporting or opposing a candidate or candidates for elective office or a ballot measure or measures shall not be considered a contribution or independent expenditure under this act, provided such payments are not for the costs of campaign materials or activities used in connection with broadcasting, newspaper, billboard, or similar type of general public communication. This section does not apply to communications by political parties, whose contributions to candidates are governed by Section 85302.

SECTION 39. Section 85312 is added to the Government Code, to read:

85312. Any committee that accepts a contribution which is not from that person established, financed, maintained, or controlled by any business entity, labor organization, association, political party, or any other person or group of such persons shall be considered contributions raised for the election in which the debts, fines, assessments, recourses, contests, audits, or tax liabilities were incurred and shall be subject to the contribution limitations of that election.

SECTION 30. Section 85305 is added to the Government Code, to read:

85305. Any campaign contribution to a candidate or candidates controlled committee received after the election at which the measure adding this section is approved, and prior to the permissible fundraising period for each elective office set forth in Section 85303, shall not be used to support or oppose the election of any candidate for such elective office held after the election.

SECTION 31. Section 85306 of the Government Code is repealed.

SECTION 32. Section 85306 is added to the Government Code, to read:

85306. No candidate and no committee controlled by a candidate or officeholder, other than a political party committee, shall make any contribution to any other candidate running for office or his or her controlled committee. This section shall not prohibit a candidate from making a contribution from his or her own personal funds to his or her own candidacy or to the candidacy of any other candidate for elective office.

SECTION 33. Section 85307 is added to the Government Code, to read:

85307. (a) Contributions by a husband and wife shall not be aggregated.

(b) Contributions by children under 18 shall be treated as contributions attributed equally to each parent or guardian.

SECTION 34. Section 85308 is added to the Government Code, to read:

85308. No person shall contribute in the aggregate more than fifty thousand dollars ($50,000) to all state candidates and the state candidates’ controlled committees per election. Contributions from political parties shall be exempt from this provision.

SECTION 35. Section 85309 is added to the Government Code, to read:

85309. All payments made by a person established, financed, maintained, or controlled by any business entity, labor organization, association, political party, or any other person or group of such persons shall be considered to be made by a single person.

SECTION 36. Section 85310 is added to the Government Code, to read:

85310. A for-profit corporation or joint stock company shall not make direct contributions from general treasury funds to candidates or to committees primarily formed to support or oppose a candidate or candidates.

SECTION 37. Section 85311 is added to the Government Code, to read:

85311. Notwithstanding Section 85309, the costs of internal communications to members, employees, or shareholders of an organization or the costs of any expenditure for the purpose of supporting or opposing a candidate or candidates for elective office or a ballot measure or measures shall not be considered a contribution or independent expenditure under this act, provided such payments are not for the costs of campaign materials or activities used in connection with broadcasting, newspaper, billboard, or similar type of general public communication. This section does not apply to communications by political parties, whose contributions to candidates are governed by Section 85302.

SECTION 38. Section 85312 is added to the Government Code, to read:

85312. Any committee that accepts a contribution which is not from that person established, financed, maintained, or controlled by any business entity, labor organization, association, political party, or any other person or group of such persons shall be considered contributions raised for the election in which the debts, fines, assessments, recourses, contests, audits, or tax liabilities were incurred and shall be subject to the contribution limitations of that election.

SECTION 30. Section 85305 is added to the Government Code, to read:

85305. Any campaign contribution to a candidate or candidates controlled committee received after the election at which the measure adding this section is approved, and prior to the permissible fundraising period for each elective office set forth in Section 85303, shall not be used to support or oppose the election of any candidate for such elective office held after the election.

SECTION 31. Section 85306 of the Government Code is repealed.

SECTION 32. Section 85306 is added to the Government Code, to read:

85306. No candidate and no committee controlled by a candidate or officeholder, other than a political party committee, shall make any contribution to any other candidate running for office or his or her controlled committee. This section shall not prohibit a candidate from making a contribution from his or her own personal funds to his or her own candidacy or to the candidacy of any other candidate for elective office.

SECTION 33. Section 85307 is added to the Government Code, to read:

85307. (a) A loan shall be considered a contribution from the maker and the guarantor of the loan and shall be subject to all contribution limitations.

(b) Extensions of credit for a period of more than thirty days, other than loans from financial institutions given in the normal course of business, are subject to all contribution limitations.

(c) No candidate shall personally make outstanding loans to his or her campaign or campaign committee that total at any one point in time more than twenty thousand dollars ($20,000) in the case of any candidate, except for candidates for Governor, or fifty thousand dollars ($50,000) in the case of candidates for Governor. Nothing in this act shall prohibit a candidate from making unlimited contributions to his or her own campaign.

SECTION 34. Section 85307 is added to the Government Code, to read:

85307. (a) A loan shall be considered a contribution from the maker and the guarantor of the loan and shall be subject to all contribution limitations.

(b) Extensions of credit for a period of more than thirty days, other than loans from financial institutions given in the normal course of business, are subject to all contribution limitations.

(c) No candidate shall personally make outstanding loans to his or her campaign or campaign committee that total at any one point in time more than twenty thousand dollars ($20,000) in the case of any candidate, except for candidates for Governor, or fifty thousand dollars ($50,000) in the case of candidates for Governor. Nothing in this act shall prohibit a candidate from making unlimited contributions to his or her own campaign.

SECTION 35. Section 85308 is added to the Government Code, to read:

85308. No person shall contribute in the aggregate more than fifty thousand dollars ($50,000) to all state candidates and the state candidates’ controlled committees per election. Contributions from political parties shall be exempt from this provision.

SECTION 36. Section 85309 is added to the Government Code, to read:

85309. All payments made by a person established, financed, maintained, or controlled by any business entity, labor organization, association, political party, or any other person or group of such persons shall be considered to be made by a single person.

SECTION 37. Section 85310 is added to the Government Code, to read:

85310. A for-profit corporation or joint stock company shall not make direct contributions from general treasury funds to candidates or to committees primarily formed to support or oppose a candidate or candidates.

SECTION 38. Section 85311 is added to the Government Code, to read:

85311. Notwithstanding Section 85309, the costs of internal communications to members, employees, or shareholders of an organization or the costs of any expenditure for the purpose of supporting or opposing a candidate or candidates for elective office or a ballot measure or measures shall not be considered a contribution or independent expenditure under this act, provided such payments are not for the costs of campaign materials or activities used in connection with broadcasting, newspaper, billboard, or similar type of general public communication. This section does not apply to communications by political parties, whose contributions to candidates are governed by Section 85302.

SECTION 39. Section 85312 is added to the Government Code, to read:

85312. Any committee that accepts a contribution which is not from that person established, financed, maintained, or controlled by any business entity, labor organization, association, political party, or any other person or group of such persons shall be considered contributions raised for the election in which the debts, fines, assessments, recourses, contests, audits, or tax liabilities were incurred and shall be subject to the contribution limitations of that election.

SECTION 30. Section 85305 is added to the Government Code, to read:

85305. Any campaign contribution to a candidate or candidates controlled committee received after the election at which the measure adding this section is approved, and prior to the permissible fundraising period for each elective office set forth in Section 85303, shall not be used to support or oppose the election of any candidate for such elective office held after the election.
(c) Any candidate or committee who declines to accept the voluntary spending limits upon the filing deadline shall not be eligible to receive the benefits accompanying such an agreement specified in this act.

85402. For purposes of the spending limits for candidates, campaign expenditure limits up to the limit specified in this section for a candidate running for a primary, special primary, or special election shall be considered expenditures for that election, and campaign expenditures made after the date of such election shall be considered expenditures for the general or runoff election. However, in the event that payments are made but the goods or services are not used during the period purchased, the payments shall be considered campaign expenditures for the time period in which the goods or services are used. Payments for goods and services used in both periods shall be prorated.

85403. (a) If a candidate declines to accept voluntary spending limits and receives contributions, has cash on hand, or makes qualified expenditures equal to 75 percent or more of the voluntary spending limit for that office, the voluntary spending limit shall be two and one-half times the limit specified in this act for any candidate running for the same elective office.
(b) If a candidate declines to accept voluntary spending limits, has retained the option of contributing to his or her own campaign over one-half the voluntary spending limit, and has subsequently contributed to his or her own campaign 25 percent or more of the voluntary spending limit, the voluntary spending limit shall be two and one-half times the limit specified in this act for any candidate running for the same elective office.
(c) If the committee or committees either in support or in opposition to a state ballot measure have in aggregate raised or spent over 100 percent of the voluntary spending limit, the voluntary spending limit shall be two and one-half times the limit specified in this act.
(d) If an independent expenditure committee or committees in the aggregate spend in support or opposition to a state candidate or ballot measure exceed 75 percent of the voluntary spending limit, the voluntary spending limit shall be two and one-half times the limit specified in this act for any candidate running for the same elective office or any committee campaigning for or against the same ballot measure.
(e) The commission shall require, by regulation, candidates, committees supporting or opposing ballot measures, and independent expenditure committees subject to this section to provide sufficient notice to the public of all candidates for the same elective office or the appropriate committees that they are approaching and exceeding the thresholds set forth in this section.
85404. (a) The Secretary of State and local elections officers shall prominently designate in the ballot pamphlet, the sample ballot, and the voter information packet those candidates and proponents and opponents of state initiative measures who have voluntarily agreed to the spending limits of this act. The commission shall prescribe by regulation the method or methods of that designation.
(b) In addition to the disclosure requirements for campaign advertisements specified in Section 84503, candidates and ballot initiative committees shall disclose in each electronic media advertisement by ballot initiative position, and in at least one broadcast advertisement by each independent expenditure committee, a reasonable estimate of the dollar amount of total campaign expenditures made by the campaign committee at the time the advertisement airs. The expenditure estimates shall be rounded to a unit of either one dollar ($1), one thousand dollars ($1,000), or one voluntary spending limit. The expenditure estimates shall be calculated for that office or campaign, whichever is greater. In the event that the estimate of expenditures would round to zero, the campaign may at its discretion either disclose that it has spent less than the disclosure amount or may waive the disclosure requirement. In no event shall a campaign be required to change the disclosure in an advertisement more frequently than once every three days.

SECTION 42. Section 89519 of the Government Code is repealed.

89519. Any campaign funds in excess of expenses incurred for the campaign or for expenses specified in subdivision (d) of Section 85303, received by or on behalf of an individual who seeks nomination for election, or election to office, shall be deemed to be surplus campaign funds and shall be distributed within 90 days after withdrawal, defeat, or election to office either to any political party, or to the General Fund of the State, or shall be returned to contributors on a pro rata basis.

SECTION 44. Article 5 (commencing with Section 85500) is added to Chapter 5 of Title 9 of the Government Code, to read:

Article 5. Campaign Advertising Media Credit Program

85500. Candidates for statewide office, the committee or committees so designated by official proponents, and candidates of state initiative measures and their controlled committees who have agreed to the voluntary spending limits prescribed in this act, and who have met the requirements specified in this section and Section 85501, shall be eligible to receive public media credits to be used to purchase broadcast time for campaign advertisements.
85501. (a) Campaign broadcasting media credits awarded to qualified candidates and their controlled committees or opponents of state initiative measures shall be in the following amounts:
(1) For office of Governor or a state initiative measure, up to a limit of one million dollars ($1,000,000) per election.
(2) For other statewide elective offices, up to a limit of three hundred thousand dollars ($300,000) per election.
(b) A candidate or committee who is eligible to receive campaign broadcasting media credits shall receive media credits on the basis of the following formula:
(1) For any dollar amount of a contribution or contributions amounting to the first one hundred dollars ($100) or less from a contributor received after a declaration of accepting spending limits is filed, a matching ratio of ten dollars ($10) in media credits for each dollar received.
(2) For any dollar amount of a contribution or contributions amounting in excess of one hundred dollars ($100) up to the first one thousand dollars ($1,000), or less from a contributor received after a declaration of accepting spending limits is filed, a matching ratio of two dollars ($2) in media credits for each dollar received.
(c) The total payments from the campaign advertising media credits by the designated candidate or proponent or opponent and their controlled committees, when added to the total campaign expenditures by such candidate or proponent or opponent and their controlled committees, shall not exceed the amount that may be expended by those persons pursuant to this act.
(d) Only the campaign committee so designated by the official proponents of an initiative campaign shall be eligible for media credits.
(e) The commission shall require, by regulation, that any campaign advertising media credit program specified in this act shall be run in a highly conspicuous manner to be determined by the commission.
85502. Campaign broadcasting media credits shall be used exclusively to finance the purchase of advertising time on television, radio, and in print media, and may be used for political advertising or for the promotion or defeat of the initiative measure represented by the proponent or opponent and their controlled committees.
85503. (a) The campaign advertising media credit program shall be funded by the General Fund of the State.
(b) The commission shall promulgate regulations for the administration of the campaign advertising media credit program by the Controller to eligible persons. These regulations shall include the promulgation and distribution of forms on which such expenditures are to be reported, the verification required, and the procedures for repayment by the candidate or proponent or opponent and their controlled committees in those cases where a subsequent audit discloses that the expenditures either had not been incurred or did not fulfill the requirements of this act.
85504. (a) No more than ten thousand dollars ($10,000) may be deposited in the candidate's or proponent's candidate or party committee's political party committee's officer account, or the General Fund by a candidate or proponent. The deposits may be made in the following manner:
(1) For any dollar amount of a contribution or contributions amounting in excess of one hundred dollars ($100) up to the first one thousand dollars ($1,000), or less from a contributor received after a declaration of accepting spending limits is filed, a matching ratio of two dollars ($2) in media credits for each dollar received.
(b) Any remaining surplus funds shall be distributed to any political party, returned to contributors on a pro rata basis, or transferred to the General Fund.

SECTION 43. Section 89519 is added to the Government Code, to read:

89519. Any campaign funds in excess of expenses incurred for the campaign or for expenses specified in subdivision (d) of Section 85303, received by or on behalf of an individual who seeks nomination for election, or election to office, shall be deemed to be surplus campaign funds and shall be distributed within 90 days after withdrawal, defeat, or election to office either to any political party, or to the General Fund of the State, or shall be returned to contributors on a pro rata basis.

SECTION 44. Article 5 (commencing with Section 85500) is added to Chapter 5 of Title 9 of the Government Code, to read:

Article 5. Campaign Advertising Media Credit Program

85500. Candidates for statewide office, the committee or committees so designated by official proponents, and candidates of state initiative measures and their controlled committees who have agreed to the voluntary spending limits prescribed in this act, and who have met the requirements specified in this section and Section 85501, shall be eligible to receive public media credits to be used to purchase broadcast time for campaign advertisements.
85501. (a) Campaign broadcasting media credits awarded to qualified candidates and their controlled committees or opponents of state initiative measures shall be in the following amounts:
(1) For office of Governor or a state initiative measure, up to a limit of one million dollars ($1,000,000) per election.
(2) For other statewide elective offices, up to a limit of three hundred thousand dollars ($300,000) per election.
(b) A candidate or committee who is eligible to receive campaign broadcasting media credits shall receive media credits on the basis of the following formula:
(1) For any dollar amount of a contribution or contributions amounting to the first one hundred dollars ($100) or less from a contributor received after a declaration of accepting spending limits is filed, a matching ratio of ten dollars ($10) in media credits for each dollar received.
(2) For any dollar amount of a contribution or contributions amounting in excess of one hundred dollars ($100) up to the first one thousand dollars ($1,000), or less from a contributor received after a declaration of accepting spending limits is filed, a matching ratio of two dollars ($2) in media credits for each dollar received.
(c) The total payments from the campaign advertising media credits by the designated candidate or proponent or opponent and their controlled committees, when added to the total campaign expenditures by such candidate or proponent or opponent and their controlled committees, shall not exceed the amount that may be expended by those persons pursuant to this act.
(d) Only the campaign committee so designated by the official proponents of an initiative campaign shall be eligible for media credits.
(e) The commission shall require, by regulation, that any campaign advertising media credit program specified in this act shall be run in a highly conspicuous manner to be determined by the commission.
85502. Campaign broadcasting media credits shall be used exclusively to finance the purchase of advertising time on television, radio, and in print media, and may be used for political advertising or for the promotion or defeat of the initiative measure represented by the proponent or opponent and their controlled committees.
85503. (a) The campaign advertising media credit program shall be funded by the General Fund of the State.
(b) The commission shall promulgate regulations for the administration of the campaign advertising media credit program by the Controller to eligible persons. These regulations shall include the promulgation and distribution of forms on which such expenditures are to be reported, the verification required, and the procedures for repayment by the candidate or proponent or opponent and their controlled committees in those cases where a subsequent audit discloses that the expenditures either had not been incurred or did not fulfill the requirements of this act.
85504. (a) No more than ten thousand dollars ($10,000) may be deposited in the candidate's or proponent's candidate or party committee's officer account, or the General Fund by a candidate or proponent. The deposits may be made in the following manner:
(1) For any dollar amount of a contribution or contributions amounting in excess of one hundred dollars ($100) up to the first one thousand dollars ($1,000), or less from a contributor received after a declaration of accepting spending limits is filed, a matching ratio of two dollars ($2) in media credits for each dollar received.
(b) Any remaining surplus funds shall be distributed to any political party, returned to contributors on a pro rata basis, or transferred to the General Fund.
Section 88100. There shall be a "voter information packet" which shall be prepared and distributed by the Secretary of State to all households containing registered voters four times per election. One voter information packet shall be mailed to each household at least 12 days before the election, provided this opportunity shall be the opponent or its designee selected by the Secretary of State to provide the opposition statement for the official ballot pamphlet.

88101. (a) Each candidate and each official proponent and opponent of a state initiative measure and their controlled committees otherwise not eligible for public funding, may also submit an insert for inclusion in the voter information packet by the deadline determined by the Secretary of State. (c) The Secretary of State shall prepare and distribute the voter information packet which includes each insert complied in the order that the races are to appear on the ballot.

88102. (a) The voter information packet shall be prepared according to the following format and procedures: (c) A candidate is eligible for the total public funding benefits of the voter information packet program specified in Section 88100.

88100. There shall be a "voter information packet" which shall be prepared and distributed by the Secretary of State to all households containing registered voters four times per election. One voter information packet shall be mailed to each household at least 12 days before the election, provided this opportunity shall be the opponent or its designee selected by the Secretary of State to provide the opposition statement for the official ballot pamphlet.

88101. (a) Each candidate and each official proponent and opponent of a state initiative measure and their controlled committees otherwise not eligible for public funding, may also submit an insert for inclusion in the voter information packet by the deadline determined by the Secretary of State. (c) The Secretary of State shall prepare and distribute the voter information packet which includes each insert complied in the order that the races are to appear on the ballot.

88102. (a) The voter information packet shall be prepared according to the following format and procedures: (c) A candidate is eligible for the total public funding benefits of the voter information packet program specified in Section 88100.

88100. There shall be a "voter information packet" which shall be prepared and distributed by the Secretary of State to all households containing registered voters four times per election. One voter information packet shall be mailed to each household at least 12 days before the election, provided this opportunity shall be the opponent or its designee selected by the Secretary of State to provide the opposition statement for the official ballot pamphlet.

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88102. (a) The voter information packet shall be prepared according to the following format and procedures: (c) A candidate is eligible for the total public funding benefits of the voter information packet program specified in Section 88100.
passage in each house the bill has been delivered to the Secretary of State and the commission for distribution to the public.

SECTION 52. Severability
If any provision of this law, or the application of any such provision to any person or circumstances, shall be held invalid, the remainder of this law to the extent it can be given effect, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this law are severable.

SECTION 53. California Supreme Court
The California Supreme Court shall, to the fullest extent possible, reform any provisions of this initiative that it, or any federal court, determines to be unconstitutional or contrary to any superseding provision of law in order that such provisions carry out the purposes of the initiative.

SECTION 54. Status of Proponents
The proponents of this initiative shall be included among any defendants in any judicial challenge to any provision of this initiative.

SECTION 55. Effective Date
All other provisions shall become effective January 1, 2001, except as otherwise stated by this measure.

SECTION 56. Section References
For purposes of this act, except as otherwise specified, all references to sections shall be to those in effect on January 1, 1999.

SECTION 57. Amendment to Political Reform Act
(a) This act shall amend the Political Reform Act of 1974, as amended, and all of its provisions that do not conflict with this act shall apply to the provisions of this act, except as provided by subdivision (b).
(b) If Proposition 208, as approved by voters in the November 5, 1996, statewide general election, is reinstated by the courts, Sections 85301 to 85312, inclusive, of the Government Code and Section 45 of Proposition 208 shall prevail over conflicting provisions of this act. All other provisions of this act shall be appropriately codified and take effect as permitted by law.