

January 23, 2014

Hon. Kamala D. Harris
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Ashley Johansson
Initiative Coordinator

Dear Attorney General Harris:

Pursuant to Elections Code Section 9005, we have reviewed the proposed statutory amendment relating to donor disclosure requirements for nonprofit organizations (A.G. File No. 13-0054).

Background

California's Political Reform Act of 1974, an initiative adopted by the voters, established the state's finance and disclosure laws for campaign and lobbying activities in the state. The Fair Political Practices Commission (FPPC) (1) enforces the requirements of the act, including investigating alleged violations and collecting fines for violations (any collected fines benefit the state's General Fund), and (2) provides administrative guidance to the public by establishing regulations and issuing advice and opinions regarding FPPC's interpretation of the act. Although the act does not specifically address the disclosure requirements of nonprofit organizations, FPPC regulations impose some disclosure requirements related to these organizations' campaign activities.

Proposal

The measure amends the Political Reform Act to define nonprofit organizations and broaden these organizations' donor disclosure requirements related to campaign and lobbying activities in California. Under the measure, for example, a nonprofit organization would need to disclose certain donor information if the organization makes political expenditures in California totaling more than \$50,000 in a calendar year.

Fiscal Effects

Minor Fiscal Effect on State. The FPPC would experience increased costs to implement and enforce the measure's changes to the Political Reform Act. These costs—probably minor—would be offset to some extent by fines that FPPC may levy for violations of the measure's requirements.

This measure would have the following fiscal effect:

- No significant fiscal effect on state or local governments.

Sincerely,

Mac Taylor
Legislative Analyst

Michael Cohen
Director of Finance