

# Clarifying Who's Paying for Political Ads: *California DISCLOSE Act*



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***California DISCLOSE Act laws, first passed in 2017, have the goal of disclosing who really pays for political ads.***



“California voters should be able to know who paid for, and who is responsible for, each paid political ad they receive.”

– Digital Transparency Task Force Mission Statement



Slide borrowed from UNEARTH presentation to FPPC Digital Transparency Task Force



# *California DISCLOSE Act History*

Goal: DISCLOSE who *really* pays for political ads

- **Bad Old Days:** On ad disclosures of top two funders buried at end of committee names generally hidden in fine print.
- **2017: AB 249 (Mullin, Levine), *California DISCLOSE Act*:** Required TV, radio, and print ads for ballot measures and independent expenditures to clearly and prominently show their top 3 funders with defined backgrounds, fonts etc.
  - Online ads must show *‘Who funded this ad?’* and go to website with info.
  - Also required top 3 funders on ballot measure ads to list original funders if earmarked for a specifically identified ballot measure or committee.
- **2018: AB 2188 (Mullin), *Social Media DISCLOSE Act*:** Required social media platforms to disclose top three funders of ballot/IE ads in consistent places.
- **2019: AB 201 (Cervantes-Mullin), *Text Message DISCLOSE Act*:** Required all political mass texts to disclose who paid for them and required ballot measure and IE texts sent by non-volunteers to disclose top funder.
- **2021: In Progress, *DISCLOSE Clarity Act*. Seeking feedback and ideas!**



# Example of California TV Ad Disclosures Before AB 249



## Example of California TV Ad Disclosures Before AB 249

# YES ON 25

PAID FOR BY YES ON 25, CITIZENS FOR AN ON-TIME BUDGET SPONSORED BY TEACHERS, NURSES, FIREFIGHTERS AND OTHER PUBLIC EMPLOYEE GROUPS, CALIFORNIA FEDERATION OF TEACHERS COPE PROP/BALLOT COMMITTEE AND CALIFORNIA TEACHERS ASSOCIATION/ISSUES PAC





# Intent of AB 249 (Example used for legislature in 2017)

CA Clean Money Campaign & Maplight study showed significant difference in top funder recall.



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

Major funding by

Chevron

Philip Morris USA

Anheuser-Busch Companies



# How Rules Were Abused in 2018 Primary

June 2018 primary ad with fonts compressed/narrowed so extremely hard to read.

PAID FOR BY GOAL: SAN DIEGANS FOR THE RIVER PARK, SCHOOL FUNDING, SOCCER AND A TAX-FREE STADIUM -  
A COMMITTEE TO REDEVELOP THE QUALCOMM STADIUM SITE, SPONSORED BY MLS SD PURSUIT, LLC

Committee major funding from  
Ptolemy Capital LLC  
Bridgewest Ventures LLC  
The Seidler Company, LLC

Top contributors being made smaller by abusing font size failsafe options.

PAID FOR BY FAMILIES & TEACHERS FOR ANTONIO VILLARAIGOSA  
FOR GOVERNOR 2018, SPONSORED BY CALIFORNIA CHARTER  
SCHOOLS ASSOCIATION ADVOCATES.

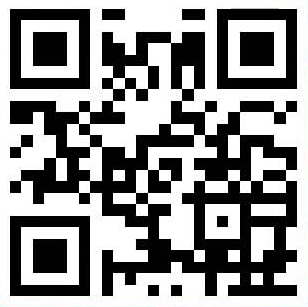
Committee major funding from  
Reed Hastings  
Eli Broad  
Richard Riordan  
Funding details at [www.fpcc.ca.gov](http://www.fpcc.ca.gov)  
This advertisement was not authorized by a candidate or a committee controlled by a candidate.

Loopholes closed by 2018 **DISCLOSE Act Clean Up Bill** (AB 2155, Mullin)



# Current Problem: Long Committee Names

Long committee names make it hard to read the top three funders in five seconds.



**NO ON  
PROP 10**  
**NoProp10.org**

## **Opposed By:**

**California Council  
for Affordable Housing**

**California Senior  
Advocates League**

**Veterans of Foreign Wars,  
Department of California**

Paid for by No on Prop 10; Californians for Responsible Housing,  
A Coalition of Veterans, Seniors, Housing Providers, Social Justice  
Groups, Taxpayer Associations, and Labor.

Committee Major Funding from  
Essex Property Trust, Inc. and Affiliated Entities;  
Equity Residential;  
and AvalonBay Communities, Inc.





# Proposed *DISCLOSE* Clarity Solution

- Require top contributors to be yellow and separated by half line from committee name.
- Bar use of terms such as “incorporated,” “committee,” “political action committee,” or “corporation,” or abbreviations of these terms, unless the term is part of the contributor’s name in common usage or parlance (instead of having them optional as in AB 249).



**California Council  
for Affordable Housing**

**California Senior  
Advocates League**

**Veterans of Foreign Wars,**

Ad paid for by No on Prop 10; Californians for Responsible Housing,  
A Coalition of Veterans, Seniors, Housing Providers, Social Justice  
Groups, Taxpayer Associations, and Labor.

Ad Committee’s Major Funding from:  
Essex Property Trust and Affiliated Entities  
Equity Residential  
Avalon Communities



Might make “black box” take a little more space on three line committee names, but most aren’t that long.



# Proposed *DISCLOSE* Clarity Solution

Same issue of difficult to notice top contributors on two-line committee names.



Ad paid for by Alliance of California's Farmers & Ranchers  
Against Higher Property Taxes, Stop Prop 15.  
Committee major funding from  
California Dairies  
California Citrus Mutual  
California Rice Industry Association



# Proposed *DISCLOSE* Clarity Solution

Same issue of difficult to notice top contributors on two-line committee names.



Ad paid for Alliance of California's Farmers and Ranchers  
Against Higher Property Taxes, Stop Prop 15.

Ad Committee's Major Funding from:  
Essex Property Trust and Affiliated Entities  
Equity Residential  
Avalon Communities



No extra space required on two-line committee names (of which majority of ads are), but top contributors much more clear.





# Issues With Current AB 249 Video Ad rules for Online Ads

AB 249 required same video disclosures for online ads ad TV ads, which works online ads using TV formats but not in different shaped video ads.

**Yes on Prop 22**  
Sponsored · Paid for by Yes on 22 – Save App-Based Jobs & Services: a coalition of on-demand drivers and...

By 4-to-1, rideshare and delivery drivers want to remain independent contractors. YES on 22 protects this flexibility and provides new benefits like an earnings guarantee and accident insurance. Vote YES on 22.




**YES on 22**  
Earnings Guarantee  
Healthcare  
Accident Insurance

and accident insurance.

Ad paid for by Yes on 22 - Save App-Based Jobs & Services: a coalition of on-demand drivers and platforms, small businesses, public safety and community organizations. Committee major funding from Uber Technologies, Lyft, DoorDash

**No On Prop 15**  
Sponsored · Paid for by No on Prop 15 - Stop Higher Property Taxes and Save Prop 13 - a coalition of...

The truth: Big corporations don't pay the \$11 billion property tax increase. Small businesses pay it. Then they pass on the higher costs to all Californians or go out of business. Vote NO on Prop 15.



**WHY I'M VOTING NO ON PROP 15...**

**PRICES** ↑

Ad paid for by No on Prop 15 - Stop Higher Property Taxes and Save Prop 13 - a coalition of California homeowners, taxpayers, and businesses. Committee major funding from: California Business Roundtable, California Business Properties Association, Boston Properties

Examples from UNEARTH Presentation to FPPC Digital Transparency Task Force.



# Proposed *DISCLOSE Clarity Act* Solution for Online Videos

- Add same requirement for top contributors to be separated by half line and yellow font.
- Allow committee name to be shortened or replaced with FPPC Committee #.
- **Reason 1:** AB 249 and AB 2188 require online ads to have clickable place to a web page with full committee name one way or another.
- **Reason 2:** FEC requires full committee name for TV and radio ads, but not online ads.

**No On Prop 15**  
Sponsored · Paid for by No on Prop 15 - Stop Higher Property Taxes and Save Prop 13 - a coalition of...

The truth: Big corporations don't pay the \$11 billion property tax increase. Small businesses pay it. Then they pass on the higher costs to all Californians or go out of business.  
Vote NO on Prop 15.

**WHY I'M VOTING NO ON PROP 15...**

**Ad paid for by No on Prop 15 - Stop Higher Property Taxes and Save Prop 13 - a coalition of California homeowners, taxpayers, and businesses. Committee major funding from:**  
**California Business Roundtable**  
**California Business Properties Association**  
**Boston Properties**

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Vote NO on Prop 15.

**WHY I'M VOTING NO ON PROP 15...**

**Ad paid for by No on Prop 15 – Stop Higher Property Taxes and Save Prop 13**

**Ad Committee's Major Funding from:**  
**Essex Property Trust and Affiliated Entities**  
**Equity Residential**  
**Avalon Communities**





# Example of Proposal for Narrower Online Videos

- Allow top contributor names to be shortened with “...” if they would otherwise wrap.
- If they choose to show a contributor name that wraps past one line, then they must denote the start of each top contributor name with a bullet or “>”.

**Yes on Prop 22**  
Sponsored · Paid for by Yes on 22 – Save App-Based Jobs & Services: a coalition of on-demand drivers and...

By 4-to-1, rideshare and delivery drivers want to remain independent contractors. YES on 22 protects this flexibility and provides new benefits like an earnings guarantee and accident insurance. Vote YES on 22.



**YES on 22**  
Earnings Guarantee  
Healthcare  
Accident Insurance

and accident insurance.

Ad paid for by Yes on 22 - Save App-Based Jobs & Services: a coalition of on-demand drivers and platforms, small businesses, public safety and community organizations.  
Committee major funding from  
Uber Technologies  
Lyft  
DoorDash

**Yes on Prop 22**  
Sponsored · Paid for by Yes on 22 – Save App-Based Jobs & Services: a coalition of on-demand drivers and...

By 4-to-1, rideshare and delivery drivers want to remain independent contractors. YES on 22 protects this flexibility and provides new benefits like an earnings guarantee and accident insurance. Vote YES on 22.



**YES on 22**  
Earnings Guarantee  
Healthcare  
Accident Insurance


and accident insurance.

Ad paid for by FPPC Committee  
12345678

Ad Committee's Major Funding from:  
Essex Property Trust and Affiliated ...  
Equity Residential  
Avalon Communities

**Yes on Prop 22**  
Sponsored · Paid for by Yes on 22 – Save App-Based Jobs & Services: a coalition of on-demand drivers and...

By 4-to-1, rideshare and delivery drivers want to remain independent contractors. YES on 22 protects this flexibility and provides new benefits like an earnings guarantee and accident insurance. Vote YES on 22.



**YES on 22**  
Earnings Guarantee  
Healthcare  
Accident Insurance

and accident insurance.

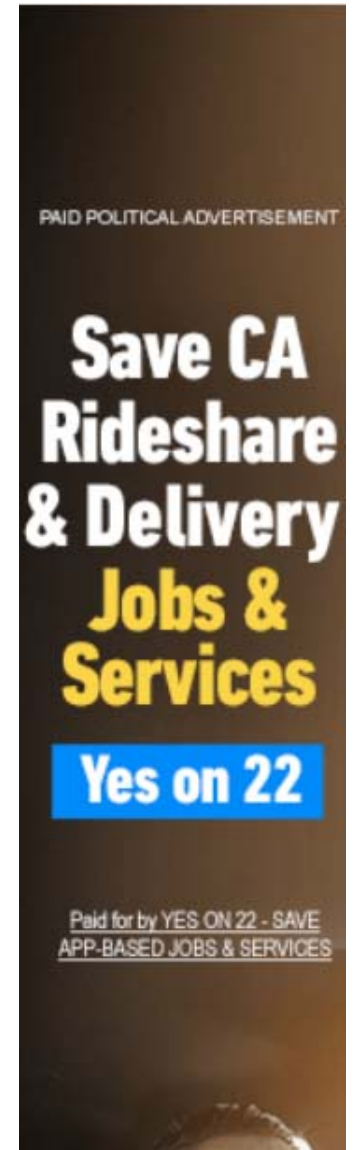
Ad paid for by Alliance of California's Farmers and Ranchers Against Higher Property Taxes, Stop Prop 15

Ad Committee's Major Funding from:  
> Essex Property Trust and Affiliated Entities  
> Equity Residential  
> Avalon Communities



# Abuses Of Current AB 249 Rules for Online Ads

“Who funded this ad?” or “Paid for by” requirement must be displayed “in a contrasting color and a font size that is easily readable by the average viewer for the duration of the advertisement.”



# Proposed *DISCLOSE Clarity Act* Solution for Small Graphic Ads

- Require “Who funded this ad” to be underlined and either in a white box with blue letters or a black box with white letters.
- Black box with white letters similar to the same clarity requirements as video ads.
- White box with blue letters similar to current clarity requirements as print ads.
- Require to be at bottom of ad, similar to TV and video ads so it’s in a standard place.



# Proposed *DISCLOSE Clarity Act* Solution for Large Graphic Ads

- Same info as in online video ads (including option to display FFPC # or short version of committee name, but just one top funder, plus “(More)” to indicate more info by clicking.
- In boxes and fonts as shown below, less space as % than current radio ad disclosures.

PAID POLITICAL ADVERTISEMENT

**Save CA  
Rideshare  
& Delivery  
Jobs &  
Services**

**Yes on 22**

Ad Paid for by FFPC  
Committee 12345678.  
**Ad Committee's Top  
Funders: Essex Property  
Trust and Affiliated  
Entities. More**

PAID POLITICAL ADVERTISEMENT

**Save CA  
Rideshare  
& Delivery  
Jobs &  
Services**

**Yes on 22**

Ad Paid for by FFPC  
Committee 12345678.  
**Ad Committee's Top  
Funders: Essex Property  
Trust and Affiliated  
Entities. More**





# Other Examples for Large Graphic Ads

PAID POLITICAL ADVERTISEMENT



## CA Politicians Threatening Rideshare & Delivery Shutdown

**Save Rideshare & Delivery: Yes on 22**

Ad Paid for by Yes on 22 – Save App-Based Jobs & Services. [Ad Committee's Top Funders: Uber \(More\)](#)

PAID POLITICAL ADVERTISEMENT



## CA Politicians Threatening Rideshare & Delivery Shutdown

**Save Rideshare & Delivery: Yes on 22**

Ad Paid for by Yes on 22 – Save App-Based Jobs & Services. [Ad Committee's Top Funders: Uber \(More\)](#)

PAID POLITICAL ADVERTISEMENT



## CA Politicians Threatening Rideshare & Delivery Shutdown

**Save Rideshare & Delivery: Yes on 22**

Ad Paid for by Yes on 22 – Save App-Based Jobs & Services. [Ad Committee's Top Funders: Uber \(More\)](#)





# What to Do About Online Gif Ads

- Same requirements for graphic ads (i.e. relatively small box with one top funder for large ones shown all the time)?
- Same requirements as video ads (i.e. box on 1/3 the screen but for 5 seconds)?

## Other Types of Online Ads Needing Disclosure Improvement

- ?



## **Bill Currently In Development**

**Feedback and Ideas Are Welcome and Encouraged!**

Email Trent Lange, California Clean Money Campaign:  
[tlange@caclean.org](mailto:tlange@caclean.org)

# Thank You!

