CAMPAIGN CONTRIBUTIONS AND SPENDING. LIMITS. DISCLOSURE.

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**Campaig Contribution Limits and Spending Disclosure**

**Legislative Initiative Amendment.**

- Limits individual campaign contributions per election: state legislature, $3,000; statewide elective office, $5,000 (small contributor committees may double these limits); governor, $20,000. Limits contributions to political parties/political committees for purpose of making contributions for support or defeat of candidates.
- Establishes voluntary spending limits, requires ballot pamphlet to list candidates who agree to limit campaign spending.
- Expands public disclosure requirements, increases penalties for violations.
- Prohibits lobbyists’ contributions to officials they lobby.
- Limits campaign fund transfers between candidates, regulates use of surplus campaign funds.
- Effective 1/1/01, except statewide elective office effective 11/6/02.

**Summary of Legislative Analyst’s Estimate of Net State and Local Government Fiscal Impact:**

- Additional net costs to the state, potentially up to several million dollars annually, to publish candidate statements in the state ballot pamphlet and to implement and enforce provisions of the measure.
- Unknown, but probably not significant, costs to local governments to implement voluntary spending limit provisions of the measure.

**Final Votes Cast by the Legislature on SB 1223 (Proposition 34)**

<table>
<thead>
<tr>
<th>Assembly:</th>
<th>Ayes 42</th>
<th>Noes 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senate:</td>
<td>Ayes 32</td>
<td>Noes 2</td>
</tr>
</tbody>
</table>
BACKGROUND

Political Reform Laws. The Political Reform Act of 1974, approved by California voters in that year, established campaign finance disclosure requirements. Specifically, it required candidates for state and local offices, proponents and opponents of ballot measures, and other campaign organizations to report contributions received and expenditures made during campaigns. These reports are filed with the Secretary of State’s office, local election officials, or both. The Fair Political Practices Commission (FPPC) is the state agency primarily responsible for enforcing the law.

In November 1996, California voters approved Proposition 208, an initiative that amended the Political Reform Act, to establish limits on campaign contributions to candidates, voluntary limits on campaign spending, and rules on when fund-raising can occur. The measure also required identification of certain donors in campaign advertisements for and against ballot measures and contained various other provisions regulating political campaigns.

A lawsuit challenging Proposition 208 resulted in a court order in January 1998 blocking enforcement of its provisions. At the time this analysis was prepared, the lawsuit was still pending. Until the case is resolved, it is unclear which, if any, provisions of Proposition 208 will be implemented. At this time generally no contribution and expenditure limits are in place for campaigns for state elective offices.

Ballot Pamphlet and Sample Ballot. Before each statewide election, a ballot pamphlet prepared by the Secretary of State is mailed to each household with a registered California voter. It contains information on propositions placed on the ballot by the Legislature as well as ballot initiative and referendum measures placed before voters through signature gathering. State law also directs county elections officials to prepare and mail to each voter a sample ballot listing the federal, state, and local candidates and ballot measures.

On-Line Campaign Reporting. State law requires certain candidates and campaign organizations involved in elections for state elective office or ballot propositions to file campaign finance information on-line or in electronic formats with the Secretary of State. Information from those campaign finance reports is then made available for public review through the Internet.

PROPOSAL

This measure revises state laws on political campaigns for state and local elective offices and ballot propositions. Most of these changes would take effect beginning in 2001. Campaigns for statewide elective office, such as Governor, would generally not be affected by the provisions of the measure until after the November 2002 election. This measure does not affect campaigns for federal office, such as the U.S. Congress and generally does not affect the contribution limits now enforced for local offices. The major provisions of this measure include the following:

- Repeals the campaign contribution and voluntary spending limits for state and local elective offices enacted by Proposition 208. Establishes new contribution and voluntary campaign spending limits, with higher dollar amounts than those contained in Proposition 208, for state elective offices.
- Enacts new campaign disclosure requirements, including on-line or electronic reporting in a timely manner of campaign contributions and expenditures of $1,000 or more.
- Increases penalties for campaign law violations to the same levels as Proposition 208. These major provisions of the measure are described in more detail below.

Campaign Contribution Limits

This measure establishes limits on contributions to candidates for state elective office. The limits vary according to the state office sought by the candidate and the source of the contribution, as shown in Figure 1. The limits would be adjusted every two years for inflation.

![Figure 1](image)

**Proposition 34**

**Candidate Contribution Limits**

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Statewide Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>$3,000</td>
</tr>
<tr>
<td>“Small Contributor Committee”</td>
<td>6,000</td>
</tr>
<tr>
<td>Lobbyist</td>
<td>Prohibited</td>
</tr>
<tr>
<td>Political party</td>
<td>No limit</td>
</tr>
</tbody>
</table>

*Defined as a committee in existence for at least six months with 100 or more members, none of whom contribute more than $200 to the committee in a year, and which contributes to five or more candidates.*

*Prohibition applies to lobbyists only in certain circumstances.*

This measure repeals the contribution limits contained in Proposition 208 and replaces them with limits that are generally higher than those contained in Proposition 208. For example, this measure limits contributions from an individual to a candidate for the Legislature to $3,000 per election and repeals the Proposition 208 limit of $250 per election for such contributions.

The measure also limits contributions by an individual to a political party for the support or defeat of candidates for elective state office. The contributions would be limited to $2,500 per calendar year, although additional sums could be given to support other party activities. This measure does not limit the contributions political parties could make to candidates.

The measure also establishes contribution limits both for small contributor committees and for the transfer of funds left over from prior campaigns to the same candidate. In addition, it prohibits contributions from lobbyists to state elective officials or candidates under certain conditions. This measure also repeals a provision
in Proposition 208 limiting contributions to political committees which operate independently of a candidate’s campaign committee.

Under this measure, candidates would be allowed to give unlimited amounts of their own money to their campaigns. However, the amount candidates could loan to their campaigns would be limited to $100,000 and the earning of interest on any such loan would be prohibited.

This measure repeals a provision of Proposition 208 that bans transfers of funds from any state or local candidate or officeholder to another candidate, but establishes limits on such transfers from state candidates. The measure also repeals a provision of Proposition 208 that prohibits candidates for state and local elective office from fund-raising in nonelection years.

Voluntary Spending Limits

Proposition 208 enacted voluntary campaign spending limits for state elective offices. Candidates who accepted those limits would (1) be entitled to obtain larger campaign contributions than otherwise; (2) be identified in the state ballot pamphlet, county sample ballot materials, and on the ballot as having accepted the limits; and (3) receive free space for a statement in support of his or her candidacy in the state ballot pamphlet or in county ballot materials (depending upon the office sought).

This measure repeals those provisions and enacts a new set of voluntary spending limits. Candidates who accepted these limits would (1) be entitled to obtain larger campaign contributions than otherwise; (2) be identified in the state ballot pamphlet as having accepted the limits and (2) be eligible to purchase space in the state ballot pamphlet for a statement in support of his or her candidacy.

The major spending limit provisions of this measure are shown in Figure 2. These voluntary limits, which would be adjusted every two years for inflation, are higher than the limits contained in Proposition 208. For example, this measure would repeal a voluntary expenditure limit of $100,000 for the primary election for an Assembly seat and instead establish a limit of $400,000 for such an election contest.

Figure 3 shows some of the key changes made by Proposition 34.

**Key Changes Made by Proposition 34**

This measure would enact new contribution and voluntary spending limits for candidates for state elective office. Two examples are shown below of how these provisions differ from the Political Reform Act, which is the current practice in regular elections, and Proposition 208, which has not been implemented because of a pending lawsuit.

<table>
<thead>
<tr>
<th>Election Contest</th>
<th>Political Reform Act of 1974</th>
<th>Proposition 208</th>
<th>Proposition 34</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Limits Per Election on Campaign Contributions by Individuals</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assembly and Senate</td>
<td>No limits</td>
<td>$250</td>
<td>$3,000</td>
</tr>
<tr>
<td>Statewide offices (except Governor)</td>
<td>No limits</td>
<td>$500</td>
<td>$5,000</td>
</tr>
<tr>
<td>Governor</td>
<td>No limits</td>
<td>$500</td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Voluntary Campaign Spending Limits</strong>&lt;sup&gt;b,c&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assembly Primary</td>
<td>No limits</td>
<td>$100,000</td>
<td>$400,000</td>
</tr>
<tr>
<td>General</td>
<td>No limits</td>
<td>$200,000</td>
<td>$700,000</td>
</tr>
<tr>
<td>Senate Primary</td>
<td>No limits</td>
<td>$200,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>General</td>
<td>No limits</td>
<td>$400,000</td>
<td>$900,000</td>
</tr>
<tr>
<td>Board of Equalization Primary</td>
<td>No limits</td>
<td>$200,000</td>
<td>$1 million</td>
</tr>
<tr>
<td>General</td>
<td>No limits</td>
<td>$400,000</td>
<td>$1.5 million</td>
</tr>
<tr>
<td>Statewide Office (except Governor) Primary</td>
<td>No limits</td>
<td>$1 million</td>
<td>$4 million</td>
</tr>
<tr>
<td>General</td>
<td>No limits</td>
<td>$2 million</td>
<td>$6 million</td>
</tr>
<tr>
<td>Governor Primary</td>
<td>No limits</td>
<td>$4 million</td>
<td>$6 million</td>
</tr>
<tr>
<td>General</td>
<td>No limits</td>
<td>$8 million</td>
<td>$10 million</td>
</tr>
</tbody>
</table>

<sup>a</sup> Under Proposition 208, limits double if candidate agrees to voluntary campaign spending limit.

<sup>b</sup> Under Proposition 208, limits can as much as triple under certain circumstances defined in the measure.

<sup>c</sup> Under Proposition 34, political party expenditures on behalf of a candidate do not count against voluntary spending limits.

**Campaign Disclosure Rules**

**Paid Endorsements.** Under this measure, if a person appearing in a campaign advertisement for or against a state or local ballot proposition was paid, or will be paid $5,000 or more for the appearance, that fact would have to be disclosed in the advertisement.

**On-Line Reporting.** This measure requires that a candidate for state elective office or a committee supporting a state ballot measure make on-line or electronic reports to the Secretary of State within 24 hours of receiving a contribution of $1,000 or more during the 90 days before an election. Certain independently operating committees would similarly have to make on-line or electronic reports of expenditures of $1,000 or more related to a candidate for state elective office.
Advertising Payments. Under current law, if a person spends funds to directly advocate the election or defeat of a candidate for state office, such expenditures generally must be disclosed in a statement filed with the Secretary of State before the election. This measure would generally require an on-line or electronic report before the election when someone is purchasing campaign advertisements involving payments of $50,000 or more that clearly identify a candidate for state office but do not expressly advocate the candidate’s election or defeat.

“Slate Mailers.” Slate mailers—mailed campaign advertisements containing lists of recommendations for voters—would have to include a written notice if they indicate an association with a political party but their recommended position on a ballot proposition or candidate differs from that political party’s official position.

Other Provisions

Fund-Raising by Appointees. This measure repeals a provision in Proposition 208 that would prohibit members of certain appointed public boards or commissions from contributing to or soliciting campaign contributions on behalf of the person who appointed them to that office.

Surplus Campaign Funds. This measure limits the use of surplus campaign funds to specified purposes, including repayment of campaign debts or political contributors, charitable donations, contributions to political parties, home security systems for candidates or officeholders subjected to threats, and payment of legal bills related to seeking or holding office. In so doing, the measure repeals a provision of Proposition 208 that generally requires, within 90 days after an election, the distribution of any surplus funds to political parties, political contributors, or to the state.

Penalties and Enforcement. This measure increases penalties for violations of campaign law to the same levels as Proposition 208. For example, the FPPC could impose a fine of up to $5,000 per violation, instead of the prior penalty of $2,000. Additionally, the measure repeals a provision of Proposition 208 allowing the FPPC to initiate criminal prosecution of alleged violations of campaign laws, and narrows the cases in which an alleged campaign law violation is subject to penalties.

FISCAL EFFECT

This measure would result in additional costs to the state primarily related to the publication of candidate statements in the state ballot pamphlet and the implementation and enforcement of various provisions of the measure. The additional state costs would be offset to an unknown extent by payments and fines from candidates and political committees. We estimate that the net costs to the state could potentially be as much as several million dollars annually. In addition, local governments would incur unknown, but probably not significant, costs to implement the voluntary spending limit provisions of the measure.

For text of Proposition 34 see page 55.
Argument in Favor of Proposition 34

Reform California political campaigns. Vote YES on Proposition 34.
• Clamp a lid on campaign contributions
• Limit campaign spending
• Require faster disclosure of contributions via the Internet
• Does not allow taxpayer dollars to be used in campaigns
• Stop political “sneak attacks”
• Close loopholes for wealthy candidates
• Increase fines for law violators

Currently there are no limits on what politicians can collect and spend to get elected to state office. California is still the wild west when it comes to campaign fundraising. Six-figure campaign contributions are routine. Proposition 34 finally sets enforceable limits and puts voters back in charge of California’s political process.

• PROPOSITION 34 LIMITS POLITICAL CONTRIBUTIONS
Proposition 34 brings strict contribution limits to every state office. These limits are tough enough to rein in special interests and reasonable enough to be upheld by the courts. Proposition 34 bans lobbyists from making ANY contribution to any elected state officer they lobby.

• PROPOSITION 34 CREATES CAMPAIGN SPENDING LIMITS
Campaign spending is out of control. Proposition 34 creates legally allowable limits to keep spending under control and includes a system so voters know who abides by the limits and who doesn’t.

• PROPOSITION 34 USES THE INTERNET TO SPEED UP DISCLOSURE
Proposition 34 requires candidates and initiatives to disclose contributions of $1,000 or more on the Internet within 24 hours for a full three months before the end of the campaign.

• PROPOSITION 34 DOES NOT ALLOW TAXPAYER FUNDED CAMPAIGNS
Proposition 34 does not impose taxpayer dollars to be used to finance political campaigns in California. Our tax money is better spent on schools, roads and public safety.

• PROPOSITION 34 MORE THAN DOUBLES FINES TO $5,000 PER VIOLATION
• PROPOSITION 34 Closes loopholes for wealthy candidates
Wealthy candidates can loan their campaigns more than $100,000, then have special interests repay their loans. Proposition 34 closes this loophole.

• PROPOSITION 34 STOPS POLITICAL SNEAK ATTACKS
In no-limits California, candidates flush with cash can swoop into other races and spend hundreds of thousands of dollars at the last minute to elect their friends. Proposition 34 stops these political sneak attacks.

• PROPOSITION 34 REFORMS WON'T BE THROWN OUT
Three times in the past twelve years, voters have attempted to enact limits only to have the courts strike them down.

Proposition 34 has been carefully written to fully comply with all court rulings and will set reasonable limits that can be enforced.

VOTE YES ON PROPOSITION 34 if you’re tired of special interests controlling our government.
VOTE YES ON PROPOSITION 34 if you want real campaign reform that can and will be enforced.
VOTE YES ON PROPOSITION 34 if you don’t want taxpayers to pay for political campaigns.
Proposition 34 is tough, fair and enforceable. It deserves your support.

DAN STANFORD, Former Chair
California Fair Political Practices Commission

EILEEN PADBERG, Member
Bipartisan Commission on the Political Reform Act

HOWARD L. OWENS, Director of Region IX
National Council of Senior Citizens

Rebuttal to Argument in Favor of Proposition 34

Proponents of Proposition 34 just don’t get it! Ridding state government of special influence is a worthy goal. BUT PROPOSITION 34 OFFERS A CURE THAT IS WORSE THAN THE DISEASE.

It is very expensive to run for political office in California. Candidates need campaign contributions to inform voters where they stand on the issues. If candidates are unable to raise the money needed to finance a campaign, how will voters be able to make informed choices as to who is the best person to represent them?
Free speech is a cherished right in our nation. WHY SHOULD WE RESTRICT A POLITICAL CANDIDATE’S FREE SPEECH IN THE GUISE OF POLITICAL REFORM?

Proponents of campaign finance reform have the false illusion that Proposition 34 contribution limits will keep special interest politics out of the State Legislature.
They’re wrong.

PROPOSITION 34 WON’T WORK. Here’s why:

By clamping unworkable limits on normal campaign contributions, candidates will be forced to spend more time—not less—asking wealthy political donors for money.
Incumbent politicians will be begging for money when they should be tending to the public’s business. Challengers will be forced to seek campaign funds from any and all sources that want political favors from Sacramento.

PROPOSITION 34 IS A RECIPE FOR A GOVERNMENT MORE BEHOLDEN TO SPECIAL INTERESTS.

The best way to reduce special interest influence is to fully disclose all campaign contributions and let the voters decide which candidate deserves our trust.

VOTE NO on Proposition 34.

BRETT GRANLUND, Assemblyman
65th Assembly District

BILL MORROW, Senator
38th District
CAMPAIGN CONTRIBUTIONS AND SPENDING, LIMITS, DISCLOSURE. 34

Argument Against Proposition 34

True campaign finance reform is to require detailed reporting of all contributions and let the chips fall where they may. Proposition 34 is an unnecessary scheme to limit the amount of money that can be spent by candidates for State office. CANDIDATES SPEND CAMPAIGN MONEY TO SEND US INFORMATION ABOUT THEIR CAMPAIGN AND THEIR POSITIONS ON ISSUES. THIS ENABLES US TO MAKE CHOICES. No money, no information.

The supporters of Proposition 34 say we should limit campaign money because contributors could unduly influence candidates or officeholders. Do you want to be dependent upon biased newspapers or news organizations to tell us what a candidate thinks rather than letting the candidate himself or herself tell you?

If a person feels so strongly about the qualities of a candidate that he or she wants to give money to help get the candidate elected, so what? If a person believes the positions of an incumbent politician are wrong, doesn’t he or she have the right to financially help the opponent? ALL CAMPAIGN CONTRIBUTIONS ARE NOW REPORTED. IF WE DON’T LIKE THE PEOPLE WHO GIVE MONEY TO A POLITICIAN, WE CAN VOTE AGAINST HIM OR HER!

Without a political campaign, we’d never know which of the candidates are worthy of our support. Proposition 34 would impose severe limits on campaign money. Limits so severe that most politicians would be unable to communicate effectively. Limits so severe that we might wind up electing the politician we’d heard something about—the most famous name. DO WE WANT TO LIMIT OUR CHOICE OF CANDIDATES TO A GROUP OF RICH MOVIE STARS, FAMOUS ATHLETES OR CELEBRITY TALK SHOW HOSTS?

Political campaigns cost money: money for mail advertisements, money for television and radio advertisements. We may not believe what they tell us, but it doesn’t cost US anything.

Our Founding Fathers wrote a guarantee of “free speech” into the Constitution. But speech isn’t free if you want a lot of people to hear it. When you outlaw campaign money, you are really outlawing effective speech in politics—and that’s wrong! VOTE NO ON PROPOSITION 34!

BRET GRANLUND, Assemblyman 65th Assembly District
BILL MORROW, Senator 38th District

Rebuttal to Argument Against Proposition 34

Opponents of Proposition 34 argue that we don’t need reform of our campaign system. They would have us believe that unlimited campaign contributions by special interests do not influence politicians. Are they serious?

Former Insurance Commissioner Chuck Quackenbush accepted five and six figure campaign contributions from insurance companies which led to one of the biggest corruption scandals in California history. These huge contributions would not have been allowed under Proposition 34.

PROPOSITION 34 WILL PUT THE BRAKES ON SPECIAL INTEREST DOLLARS.
• Special interests will be limited in what they can contribute to candidates.
• Lobbyists will be forbidden from making contributions.
• Campaign spending will be limited.
• Faster public disclosure of contributions will be required.
PROPOSITION 34 IS CONSTITUTIONAL.

On three recent occasions, voters have approved ballot measures imposing strict contribution limits. Each time, the courts have struck them down.

Unlike other reform measures, Proposition 34 was drafted by experts to fully comply with all court rulings. It will allow candidates to spend enough to campaign effectively without allowing special interests to buy elections.

With no current contribution or spending limits in place, politicians routinely spend $1 million for a seat in the State Legislature. Where do they get this money? The vast majority of their campaign dollars come from powerful special interests seeking favors in Sacramento.

Officials should work for the people who elect them, not for special interests.
REFORM CALIFORNIA CAMPAIGNS. FIGHT CORRUPTION. VOTE YES ON 34.

LEE BACA, Sheriff Los Angeles County
DAN STANFORD, Former Chair California Fair Political Practices Commission
GEORGE ZENOVIICH, Associate Justice Court of Appeal, Fifth District (ret.)
### Proposition 34

**Campaign Contributions and Spending. Limits. Disclosure.**

**Summary**
Limits campaign contributions and loans to state candidates and political parties. Provides voluntary spending limits; expands public disclosure requirements and increases penalties. Fiscal Impact: Additional net costs to the state, potentially up to several million dollars annually, and unknown but probably not significant costs to local government.

### What Your Vote Means

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>A YES vote on this measure means: New contribution and voluntary spending limits will be established for state elective offices. Limits previously adopted by the voters for state and local offices, which have not been implemented because of a pending lawsuit, would be repealed. The new limits are higher than those that would be repealed.</td>
<td>A NO vote on this measure means: Existing contribution and voluntary spending limits for state and local elective offices enacted by a voter-approved initiative would not be repealed.</td>
</tr>
</tbody>
</table>

### Arguments

**Pro**
Proposition 34 is real reform that puts voters—not special interests—back in charge of California’s political process. Proposition 34 sets enforceable, constitutional limits on campaign financing where none exist today. It limits contributions and spending, speeds up disclosure, increases fines and closes loopholes for wealthy candidates without public financing.

**Con**
Incumbent politicians will be begging for money when they should be tending to the public’s business. Challengers will be forced to seek campaign funds from any and all sources that want political favors from Sacramento. Proposition 34 is a recipe for a government more beholden to special interests. Vote No.

### For Additional Information

<table>
<thead>
<tr>
<th>FOR</th>
<th>AGAINST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom Knox</td>
<td>Lonni Granlund</td>
</tr>
<tr>
<td>Committee for Constitutional Campaign Reform</td>
<td>Western Group</td>
</tr>
<tr>
<td>1215 K Street, Ste. 2100</td>
<td>P.O. Box 596</td>
</tr>
<tr>
<td>Sacramento, CA 95814</td>
<td>Yorba Linda, CA 92886</td>
</tr>
<tr>
<td>(916) 443-3354</td>
<td>(909) 795-9722</td>
</tr>
<tr>
<td>CAyeson34.org</td>
<td><a href="mailto:westerngrp@aol.com">westerngrp@aol.com</a></td>
</tr>
</tbody>
</table>

### Proposition 35

**Public Works Projects. Use of Private Contractors for Engineering and Architectural Services.**

**Summary**
Amends Constitution eliminating existing restrictions on state, local contracting with private entities for engineering, architectural services; contracts awarded by competitive selection; bidding permitted, not required. Fiscal Impact: Unknown impact on state spending for architectural and engineering services and construction project delivery. Actual impact will depend on how the state uses the contracting flexibility under the proposition.

### What Your Vote Means

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>A YES vote on this measure means: The state could contract with private individuals or firms for architectural and engineering services in all situations rather than only under certain conditions (such as when the work is of a temporary nature or of such a specialized nature that it cannot be provided by state employees).</td>
<td>A NO vote on this measure means: The state could contract with private individuals or firms for architectural and engineering services only under certain conditions.</td>
</tr>
</tbody>
</table>

### Arguments

**Pro**
Prop. 35—Supported by hundreds of taxpayer groups, seniors, schools, local governments, business, labor, highway/earthquake safety engineers. Restores government’s ability to engage in public/private partnerships with qualified engineers to speed up thousands of backlogged highways and other public works projects. Creates 40,000 jobs. Saves taxpayers $2.5 billion annually.

**Con**
Proposition 35 changes the Constitution to benefit one special interest at taxpayer expense. Like other states, California currently awards engineering contracts based on cost, qualifications, and experience. Prop. 35 replaces that with an undefined contracting process which allows overpriced government contracts based on campaign contributions and political influence. Vote No!

### For Additional Information

<table>
<thead>
<tr>
<th>FOR</th>
<th>AGAINST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxpayers for Fair Competition—A coalition of taxpayers, engineers, seniors, schools, local government, business, labor, highway safety experts and frustrated commuters. 11300 W. Olympic Blvd., Ste. 840 Los Angeles, CA 90064 (310) 996-2671/Info@YesProp35.com <a href="http://www.YesProp35.com">www.YesProp35.com</a></td>
<td>Steve Hopcraft No On Prop. 35</td>
</tr>
<tr>
<td>3551 N St. Sacramento, CA 95816 (916) 446-0512 <a href="mailto:noonprop35@cw.com">noonprop35@cw.com</a> noonprop35.org</td>
<td></td>
</tr>
</tbody>
</table>
Section 16754 of the Government Code. However, the discount on the bonds shall not exceed 3 percent of the par value thereof. 

998.311. Out of the first money realized from the sale of bonds as provided herein, there shall be redeposited in the General Obligation Bond Expense Revolving Fund, established by Section 16724.5 of the Government Code, the amount of all expenditures made for the purposes specified in that section, and this money may be used for the same purpose and repaid in the same manner whenever additional bond sales are made.

998.312. Any bonds issued and sold pursuant to this article may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 2 of Title 2 of the Government Code. The approval of the voters for the issuance of bonds under this article includes approval for the issuance of bonds issued to refund bonds originally issued or any previously issued refunding bonds.

998.313. Notwithstanding any provision of the bond act, if the Treasurer sells bonds under this article for which bond counsel has issued an opinion to the effect that the interest on the bonds is excludable from gross income for purposes of federal income tax, subject to any conditions which may be designated, the Treasurer may establish separate accounts for the investment of bond proceeds and for the earnings on those proceeds, and may use the proceeds or earnings to pay any rebate, penalty, or other payment required by federal law or take any other action with respect to the investment and use of bond proceeds required or permitted under federal law necessary to maintain the tax-exempt status of the bonds or to obtain any other advantage under federal law on behalf of the funds of this state.

998.314. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this article are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by Article XIII B.

998.315. Notwithstanding any other provision of law, any bonds issued and sold under the Veterans Bond Act of 1982, and the Veterans Bond Act of 1984 may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, without regard to the first sentence of Section 16786 of the Government Code.

Proposition 33: Text of Proposed Law

This amendment proposed by Assembly Constitutional Amendment 12 of the 1999–2000 Regular Session (Resolution Chapter 83, Statutes of 2000) expressly amends the California Constitution by amending a section thereof; therefore, existing provisions proposed to be deleted are printed in strikeout type and new provisions proposed to be added are printed in italic type to indicate that they are new.

PROPOSED AMENDMENT TO SECTION 4.5 OF ARTICLE IV
SEC. 4.5. Notwithstanding any other provision of this Constitution or existing law, a person elected to or serving in the Legislature on or after November 1, 1990, shall participate in the Federal Social Security (Retirement, Disability, Health Insurance) Program System, and the may elect to participate in the Public Employees’ Retirement System in any state retirement plan in which a majority of the employees of the state may participate. The State shall pay only the employer’s share of the contribution contributions necessary to such that participation. No other pension or retirement benefit shall accrue as a result of service in the Legislature, such that service not being intended as a career occupation. This Section section shall not be construed to abrogate or diminish any vested pension or retirement benefit which that may have accrued under an existing law to a person holding or having held office in the Legislature, but upon adoption of this Act act no further entitlement to nor vesting in any existing program programs shall accrue to any such person, other than the Social Security System and the Public Employees’ Retirement System to the extent herein provided.

Proposition 34: Text of Proposed Law

This law proposed by Senate Bill 1223 (Statutes of 2000, Chapter 102) is submitted to the people in accordance with the provisions of Article II, Section 10 of the California Constitution.

This proposed law amends, adds, repeals, and repeals and adds sections to the Government Code; therefore, existing proposals proposed to be deleted are printed in strikeout type and new proposals proposed to be added are printed in italic type to indicate that they are new.

PROPOSED LAW
SECTION 1. (a) The people find and declare all of the following:
(1) Monetary contributions to political campaigns are a legitimate form of participation in the American political process, but large contributions may corrupt or appear to corrupt candidates for elective office.
(2) Increasing costs of political campaigns have forced many candidates to devote a substantial portion of their time to raising campaign contributions and less time to public policy.
(3) Political parties play an important role in the American political process and help insulate candidates from the potential corrupting influence of large contributions.
(b) The people enact the Campaign Contribution and Voluntary Expenditure Limits Without Taxpayer Financing Amendments to the Political Reform Act of 1974 to accomplish all of the following purposes:
(1) To ensure that individuals and interest groups in our society have a fair and equitable opportunity to participate in the elective and governmental processes.
(2) To minimize the potentially corrupting influence and appearance of corruption caused by large contributions by providing reasonable contribution and voluntary expenditure limits.
(3) To reduce the influence of large contributors with an interest in matters before state government by prohibiting lobbyist contributions.
(4) To provide voluntary expenditure limits so that candidates and officeholders can spend a lesser proportion of their time on fundraising and a greater proportion of their time conducting public policy.
(5) To increase public information regarding campaign contributions and expenditures.
(6) To enact increased penalties to deter persons from violating the Political Reform Act of 1974.
(7) To strengthen the role of political parties in financing political campaigns by means of reasonable limits on contributions to political party committees and by limiting restrictions on contributions to, and expenditures on behalf of, party candidates, to a full, complete, and timely disclosure to the public.
SEC. 2. Section 82016 of the Government Code is amended to read:
82016. (a) “Controlled committee” means a committee which is controlled directly or indirectly by a candidate or state measure proponent or which that acts jointly with a
candidate, controlled committee, or state measure proponent in connection with the making of expenditures. A candidate or state measure proponent controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.

(b) Notwithstanding subdivision (a), a political party committee, as defined in Section 85205, is not a controlled committee.

SEC. 3. Section 82053 of the Government Code is amended to read:

82053. "Statewide elective office" means the office of Governor, Lieutenant Governor, Attorney General, Insurance Commissioner, Controller, Secretary of State, Treasurer, and Superintendent of Public Instruction and member of the State Board of Equalization.

SEC. 4. Section 83116 of the Government Code, as added by Proposition 9 at the June 4, 1974, statewide primary election, is repealed.

83116. When the Commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if such a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Government Code, Title 2, Division 3, Part 1, Chapter 5, Sections 11500 et seq.). The Commission shall have all the powers granted by that chapter.

When the Commission determines on the basis of the hearing that a violation has occurred, it shall issue an order which may require the violator to:

(a) Cease and desist violation of this title.
(b) File any reports, statements or other documents or information required by this title.
(c) Pay a monetary penalty of up to two thousand dollars ($2,000) to the General Fund of the state.

When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

SEC. 5. Section 83116 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

83116. When the Commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if such a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Government Code, Title 2, Division 3, Part 1, Chapter 5, Sections 11500 et seq.). The Commission shall have all the powers granted by that chapter.

When the Commission determines on the basis of the hearing that a violation has occurred, it shall issue an order which may require the violator to:

(a) Cease and desist violation of this title.
(b) File any reports, statements or other documents or information required by this title.
(c) Pay a monetary penalty of up to five thousand dollars ($5,000) per violation to the General Fund of the state.

When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

SEC. 6. Section 83116 is added to the Government Code, to read:

83116. When the commission determines there is probable cause for believing this title has been violated, it may hold a hearing to determine if such a violation has occurred. Notice shall be given and the hearing conducted in accordance with the Administrative Procedure Act (Chapter 5 (commencing with Section 11500), Part 1, Division 3, Title 2, Government Code). The commission shall have all the powers granted by that chapter.

When the commission determines on the basis of the hearing that a violation has occurred, it shall issue an order that may require the violator to do all or any of the following:

(a) Cease and desist violation of this title.
(b) File any reports, statements, or other documents or information required by this title.
(c) Pay a monetary penalty of up to five thousand dollars ($5,000) per violation to the General Fund of the state.

When the Commission determines that no violation has occurred, it shall publish a declaration so stating.

SEC. 7. Section 83116.5 of the Government Code, as added by Chapter 670 of the Statutes of 1984, is repealed.

83116.5. Any person who violates any provision of this title who purposely or negligently causes any other person to violate any provision of this title, or who aids and abets any other person in the violation of any provision of this title, shall be liable under this section. Provided, however, that this section shall apply only to persons who have filing or reporting obligations under this title, or who are compensated for services involving the planning, organizing, or directing any activity regulated or required by this title, and that a violation of this section shall not constitute an additional violation under Chapter 11.

SEC. 8. Section 83116.5 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

83116.5. Any person who violates any provision of this title who purposely or negligently causes any other person to violate any provision of this title, or who aids and abets any other person in the violation of any provision of this title, shall be liable under the provisions of this chapter and Chapter 11 (commencing with Section 91000).

SEC. 9. Section 83116.5 is added to the Government Code, to read:

83116.5. Any person who violates any provision of this title, who purposely or negligently causes any other person to violate any provision of this title, or who aids and abets any other person in the violation of any provision of this title, shall be liable under the provisions of this chapter. However, this section shall apply only to persons who have filing or reporting obligations under this title, or who are compensated for services involving the planning, organizing, or directing any activity regulated or required by this title, and a violation of this section shall not constitute an additional violation under Chapter 11 (commencing with Section 91000).

SEC. 10. Section 83124 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

83124. The commission shall adjust the contribution limitations and expenditure limitations provisions in Sections 85100 et seq. in January of every even-numbered year to reflect any increase or decrease in the California Consumer Price Index. Such adjustments shall be rounded to the nearest 50 for the limitations on contributions and the nearest 1,000 for the limitations on expenditures.

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

83124. The commission shall adjust the contribution limitations and voluntary expenditure limitations provisions in Sections 85301, 85302, 85303, and 85400 in January of every even-numbered year to reflect any increase or decrease in the Consumer Price Index. Those adjustments shall be rounded to the nearest one hundred dollars ($100) for limitations on contributions and one thousand dollars ($1,000) for limitations on expenditures.

SEC. 12. Section 84201 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

84201. The threshold for contributions and expenditures reported in the campaign statements designated in Sections 84203.5, 84211, and 84219, except for subdivision (i) of Section 84219, and for cash contributions and anonymous contributions designated in Sections 84300 and 84304, shall be set at no more than one hundred dollars ($100), notwithstanding any other provision of law or any legislative amendment to such sections.

SEC. 13. Section 84204 of the Government Code is amended to read:

84204. (a) A candidate or committee that makes a late independent expenditure, as defined in Section 8203.5, shall report the late independent expenditure by facsimile transmission, telegram, guaranteed overnight mail through the United States Postal Service or personal delivery within 24 hours of the time it is made. A late independent expenditure shall be reported on subsequent campaign statements without regard to reports filed pursuant to this section.
(b) A candidate or committee that makes a late independent expenditure shall report its full name and street address, as well as the name, office, and district of the candidate if the report is related to a candidate, or if the report is related to a measure, the number or letter of the measure, the jurisdiction in which the measure is to be voted upon, and the amount and the date, as well as a description of goods or services for which the late independent expenditure was made. In addition to the information required by this subdivision, a committee that makes a late independent expenditure shall include with its late independent expenditure report the information required by paragraphs (1) to (5), inclusive, of subdivision (f) of Section 84211, covering the period from the day after the closing date of the last campaign report filed to the date of the late independent expenditure, or if the committee has not previously filed a campaign statement, covering the period from the previous January 1 to the date of the late independent expenditure. No information required by paragraphs (1) to (5), inclusive, of subdivision (f) of Section 84211, that is required to be reported with a late independent expenditure report by this subdivision, is required to be reported on more than one late independent expenditure report.

(c) A candidate or committee that makes a late independent expenditure shall file a late independent expenditure report in the places where it would be required to file campaign statements under this article as if it were formed or existing primarily to support or oppose the candidate or measure for or against which it is making the late independent expenditure.

(d) A report filed pursuant to this section shall be in addition to any other campaign statement required to be filed by this article.

SEC. 14. Section 84305.6 is added to the Government Code, to read:

84305.6. In addition to the requirements of Section 84305.5, a slate mailer organization or committee primarily formed to support or oppose one or more ballot measures may not send a slate mailer unless any recommendation in the slate mailer to support or oppose a ballot measure or to support a candidate that is different from the official recommendation to support or oppose by the political party that the mailer appears by representation or indicia to represent is accompanied, immediately below the ballot measure or candidate recommendation in the slate mailer, in no less than nine-point roman boldface type in a color (or combination of colors) that contrasts with the background color of the text of the recommendation to support or oppose by the political party that the mailer appears by representation or indicia to represent PARTY.

SEC. 15. Section 84511 is added to the Government Code, to read:

84511. Any individual who appears in an advertisement to support or oppose the qualification, passage, or defeat of a ballot measure and who has been paid or promised payment of five thousand dollars ($5,000) or more for that appearance shall disclose that payment or promised payment in a manner prescribed by the commission. The advertisement shall include the statement “(spokesperson’s name) is being paid by this campaign or its donors in highly visible roman font shown continuously if the advertisement consists of printed or televised material, or spoken in a clearly audible format if the advertisement is a radio broadcast or telephone message.

SEC. 16. Article 1 (commencing with Section 85100) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

SEC. 17. Article 1 (commencing with Section 85100) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 18. Article 1 (commencing with Section 85100) is added to Chapter 5 of Title 9 of the Government Code, to read:

85100. This chapter shall be known as the “Campaign Contribution and Voluntary Expenditure Limits Without Taxpayer Financing Amendments to the Political Reform Act of 1974.”

SEC. 19. Article 2 (commencing with Section 85202) of Chapter 6 of Title 9 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 20. Article 2.5 (commencing with Section 85202) is added to Chapter 5 of Title 9 of the Government Code, to read:

Article 2.5. Applicability of the Political Reform Act of 1974

85202. Unless specifically superseded by the act that adds this section, the definitions and provisions of this title shall govern the interpretation of this chapter.

85203. “Small contributor committee” means any committee that meets all of the following criteria:

(a) The committee has been in existence for at least six months.

(b) The committee receives contributions from 100 or more persons.

(c) No one person has contributed to the committee more than two hundred dollars ($200) per calendar year.

(d) The committee makes contributions to five or more candidates.

85204. “Election cycle” for purposes of Sections 85309 and 85500, means the period of time commencing 90 days prior to an election and ending on the date of the election.

85204.5. With respect to special elections, the following terms have the following meanings:

(a) “Special election cycle” means the day on which the office becomes vacant until the day of the special election.

(b) “Special runoff election cycle” means the day after the special election until the day of the special runoff election.

85205. “Political party committee” means the state central committee or county central committee of an organization that meets the requirements for recognition as a political party pursuant to Section 5100 of the Elections Code.

85206. “Public monies” has the same meaning as defined in Section 426 of the Penal Code.

SEC. 21. Section 85301 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

85301. (a) No person shall make, and no candidate for elective office, or campaign treasurer, shall solicit or accept any contribution or loan which would cause the total amount contributed or loaned by that person to that candidate, including contributions or loans to all committees controlled by the candidate, to exceed one thousand dollars ($1,000) in any fiscal year.

(b) 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 contribution account.

SEC. 22. Section 85301 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

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 for local office in districts with fewer than 100,000 residents, and no such candidate or the candidate’s controlled committee shall accept from any person a contribution or contributions totaling more than 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 campaigning for office in districts of 100,000 or more residents, and no such candidate or the candidate's controlled committee shall accept from any such person a contribution or contributions totaling more than two hundred fifty dollars ($250) for each election in which the candidate is attempting to be on the ballot or is a write in candidate.

(d) No person shall make to any committee that contributes to any candidate and no such committee shall accept from each such person a contribution or contributions totaling more than five hundred dollars ($500) per calendar year. This subdivision shall not apply to candidate controlled committees, political party committees, and independent expenditure committees.

(a) The provisions of this section shall not apply to a candidate's contribution of his or her personal funds to his or her campaign committee, but shall apply to contributions from a spouse.

SEC. 23. Section 85301 is added to the Government Code, to read:

85301. (a) A person, other than a small contributor committee or political party committee, may not make to any candidate for elective state office other than a candidate for statewide elective office, and a candidate for elective state office other than a candidate for statewide elective office may not accept from a person, any contribution totaling more than three thousand dollars ($3,000) per election.

(b) Except to a candidate for Governor, a person, other than a small contributor committee or political party committee, may not make to any candidate for statewide elective office other than a small contributor committee or a political party committee, any contribution totaling more than five thousand dollars ($5,000) per election.

(c) A person, other than a small contributor committee or political party committee, may not make to any candidate for Governor, and a candidate for Governor may not accept from any person other than a small contributor committee or political party committee, any contribution totaling more than twenty thousand dollars ($20,000) per election.

(d) The provisions of this section do not apply to a candidate's contributions of his or her personal funds to his or her own campaign.

SEC. 24. Section 85302 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

85302. No person shall make and no political committee, broad based political committee, or political party shall solicit or accept, any contribution or loan from a person which would cause the total amount contributed or loaned by that person to the same political committee, broad based political committee, or political party to exceed two thousand five hundred dollars ($2,500) in any calendar year to make contributions to candidates for elective office.

SEC. 25. Section 85302 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85302. No small contributor committee shall make to any candidate or the controlled committees of such a candidate, and no such candidate or the candidate's controlled committee shall accept from a small contributor committee, a contribution or contributions totaling more than two times the applicable contribution limit for persons prescribed in Section 85301 or 85402, whichever is applicable.

SEC. 26. Section 85302 is added to the Government Code, to read:

85302. (a) A small contributor committee may not make to any candidate for elective state office other than a candidate for statewide elective office, and a candidate for elective state office, other than a candidate for statewide elective office may not accept from a small contributor committee, any contribution totaling more than six thousand dollars ($6,000) per election.

(b) Except to a candidate for Governor, a small contributor committee may not make to any candidate for statewide elective office and except for a candidate for Governor, a candidate for statewide elective office may not accept from a small contributor committee, any contribution totaling more than ten thousand dollars ($10,000) per election.

(c) A small contributor committee may not make to any candidate for Governor, and a candidate for Governor may not accept from a small contributor committee, any contribution totaling more than twenty thousand dollars ($20,000) per election.

SEC. 27. Section 85303 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

85303. (a) No political committee shall make, and no candidate or campaign treasurer shall solicit or accept, any contribution or loan which would cause the total amount contributed or loaned by that committee or political party to that candidate or any committee controlled by that candidate to exceed two thousand five hundred dollars ($2,500) in any fiscal year.

(b) No broad based political committee or political party shall make and no candidate or campaign treasurer shall solicit or accept, any contribution or loan which would cause the total amount contributed or loaned by that committee or political party to that candidate or any committee controlled by that candidate to exceed five thousand dollars ($5,000) in any fiscal year.

(c) Nothing in this Chapter shall limit a person's ability to provide financial or other support to one or more political committees or broad based political committees provided the support is used for purposes other than making contributions directly to candidates for elective office.

SEC. 28. Section 85303 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85303. No person shall give or 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 thousand dollars ($5,000) per calendar year, except a candidate may distribute any surplus, residual, or unexpended campaign funds to a political party committee.

SEC. 29. Section 85303 is added to the Government Code, to read:

85303. (a) A person may not make to any committee, other than a political party committee, and a committee other than a political party committee may not accept, any contribution totaling more than five thousand dollars ($5,000) per calendar year for the purpose of making contributions to candidates for elective state office.

(b) A person may not make to any political party committee, and a political party committee may not accept, any contribution totaling more than twenty-five thousand dollars ($25,000) per calendar year for the purpose of making contributions for the support or defeat of candidates for elective state office.

(c) Except as provided in Section 85310, nothing in this chapter shall limit a person's contributions to a committee or political party committee provided the contributions are used for purposes other than making contributions to candidates for elective state office.

(d) Nothing in this chapter limits a candidate for elected state office from transferring contributions received by the candidate in excess of any amount necessary to defray the candidate's expenses for election related activities or holding office to a political party.
Text of Proposed Laws — Continued

committee, provided those transferred contributions are used for purposes consistent with paragraph (4) of subdivision (b) of Section 89519.

SEC. 30. Section 85304 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

85304. No candidate for elective office or committee controlled by that candidate or candidates for elective office shall transfer any contribution to any other candidate for elective office. Transfers of funds between candidates or their controlled committees are prohibited.

SEC. 31. Section 85304 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85304. No more than 25 percent of the recommended expenditure limits specified in this act at the time of adoption by the voters, subject to cost of living adjustments as specified in Section 83124, shall be accepted in cumulative contributions for any election from all political party committees by any candidate or the controlled committee of such a candidate. Any expenditures made by a political party committee in support of a candidate shall be considered contributions to the candidate.

SEC. 32. Section 85304 is added to the Government Code, to read:

85304. (a) A candidate for elective state office or an elected state officer may establish a separate account to defray attorney’s fees and other related legal costs incurred for the candidate’s or office’s legal defense if the candidate or officer is subject to one or more civil or criminal proceedings or administrative proceedings arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officer’s governmental activities and duties. These funds may be used only to defray those attorney fees and other related legal costs.

(b) A candidate may receive contributions to this account that are not subject to the contribution limits set forth in this article. However, all contributions shall be reported in a manner prescribed by the commission.

(c) Once the legal dispute is resolved, the candidate shall dispose of any funds remaining after all expenses associated with the dispute are discharged for one or more of the purposes set forth in paragraphs (1) to (5), inclusive, of subdivision (b) of Section 89519.

SEC. 33. Section 85305 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

85305. (a) This Section shall apply to candidates who seek elective office during a special election or a special runoff election.

(b) As used in this Section, the following terms have the following meanings:

1. “Special election cycle” means the day on which the office becomes vacant until the day of the special election.

2. “Special runoff election cycle” means the day after the special election until the day of the special runoff election.

(c) Notwithstanding Section 85303 or 85305, the following contribution limitations shall apply to special election cycle and special runoff election cycles.

1. No person shall make, and no candidate for elective office, or campaign treasurer, shall solicit or accept any contribution or loan which would cause the total amount contributed or loaned by that person to the candidate, including contributions or loans to all committees controlled by the candidate, to exceed one thousand dollars ($1,000) during any special election cycle, during any special runoff election cycle.

2. No political committee shall make, and no candidate or campaign treasurer shall solicit or accept, any contribution or loan which would cause the total amount contributed or loaned by that political committee to the candidate for elective office or any committee controlled by that candidate to exceed two thousand five hundred dollars ($2,500) during any special election cycle or special runoff election cycle.

(2) No broad-based political committee or political party shall make and no candidate or campaign treasurer shall solicit or accept, any contribution or loan which would cause the total amount contributed or loaned by that committee or political party to the candidate or any committee controlled by that candidate to exceed five thousand dollars ($5,000) during any special election cycle or special runoff election cycle.

SEC. 34. Section 85305 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85305. (a) In districts of fewer than 1,000,000 residents, no candidate or the candidate’s controlled committee shall accept contributions more than six months before 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) In districts of 1,000,000 residents or more and for statewide elective office, no candidate or the candidate’s controlled committee shall accept contributions more than 12 months before 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.

(c) No candidate or the controlled committee of such candidate shall accept contributions after the date of withdrawal, defeat, or election to office. Contributions accepted immediately following such an election or withdrawal and up to 90 days after that date shall be used only to pay outstanding bills or debts owed by the candidate or controlled committee. This Section shall not apply to retuning debts incurred with respect to any election held prior to the effective date of this act, provided such funds are collected pursuant to the contribution limits specified in Article 3 (commencing with Section 85300) of this act, applied separately for each prior election for which debts are being retired, and such funds raised shall not count against the contribution limitations applicable for any election following the effective date of this act.

(d) Notwithstanding subdivision (c), funds may be collected at any time to pay for attorney’s fees for litigation or administrative action which arises directly out of a candidate’s or elected officer’s alleged violation of state or local campaign disclosure, or election laws or for a line or assessment imposed by a governmental agency or political body for the costs of a special election, a special runoff election, or for a recount or contest of the validity of an election, or for any expense directly associated with an external audit or unresolved tax liability of the campaign by the candidate or the candidate’s controlled committee; provided such funds are collected pursuant to the contribution limits of this act.

3. Contributions pursuant to subdivisions (a) and (b) of this provision shall be considered contributions raised for the election in which the debts, fines, assessments, recounts, contests, audits, or tax liabilities were incurred and shall be subject to the contribution limits of that election.

SEC. 35. Section 85305 is added to the Government Code, to read:

85305. A candidate for elective state office or committee controlled by that candidate may not make any contribution to any other candidate for elective state office in excess of the limits set forth in subdivision (a) of Section 85301.

SEC. 36. Section 85306 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

85306. Any person who possesses campaign funds on the effective date of this chapter may expend these funds for any lawful purpose other than to support or oppose a candidate for elective office.

SEC. 37. Section 85306 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

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.

SEC. 38. Section 85306 is added to the Government Code, to read:

85306. (a) A candidate may transfer campaign funds from one controlled committee to a controlled committee for elective state office of the same candidate. Contributions transferred shall be attributed to specific contributors using a "last in, first out" or "first in, first out" accounting method, and these attributed contributions when aggregated with all other contributions from the same contributor may not exceed the limits set forth in Section 85301 or 85302.

(b) Notwithstanding subdivision (a), a candidate for elective state office, other than a candidate for statewide elective office who possesses campaign funds on January 1, 2001, may use those funds to seek elective office without attributing the funds to specific contributors.

(c) Notwithstanding subdivision (a), a candidate for statewide elective office who possesses campaign funds on November 6, 2002, may use those funds to seek elective office without attributing the funds to specific contributors.

SEC. 39. Section 85307 of the Government Code, as added by Proposition 73 at the June 7, 1988, statewide primary election, is repealed.

85307. The provisions of this article regarding loans shall apply to extensions of credit, but shall not apply to loans made to the candidate by a commercial lending institution in the lender’s regular course of business on terms available to members of the general public for which the candidate is personally liable.

SEC. 40. Section 85307 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

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 30 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 a 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.

SEC. 41. Section 85307 is added to the Government Code, to read:

85307. (a) The provisions of this article regarding loans apply to extensions of credit, but do not apply to loans made to a candidate by a commercial lending institution in the lender’s regular course of business on terms available to members of the general public for which the candidate is personally liable.

(b) A candidate for elective state office may not personally loan to his or her campaign an amount, the outstanding balance of which exceeds one thousand dollars ($1,000). A candidate may not charge interest on any loan he or she made to his or her campaign.

SEC. 42. Section 85308 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85308. (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.

SEC. 43. Section 85308 is added to the Government Code, to read:

85308. (a) Contributions made by a husband and wife may not be aggregated.

(b) A contribution made by a child under 18 years of age is presumed to be a contribution from the parent or guardian of the child.

SEC. 44. Section 85309 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85309. No more than 25 percent of the recommended voluntary expenditure limits specified in this act at the time of adoption by the voters, subject to cost-of-living adjustments as specified in Section 84404, for any election shall be accepted in contributions from other than individuals, small contributor committees, and political party committees in the aggregate by any candidate or the controlled committee of such a candidate. The limitation in this section shall apply whether or not the candidate agrees to the expenditure ceilings specified in Section 84400.

SEC. 45. Section 85309 is added to the Government Code, to read:

85309. (a) In addition to any other report required by this title, candidates for elective state office who are required to file reports pursuant to Section 84605 shall file online or electronically with the Secretary of State a report disclosing receipt of a contribution of one thousand dollars ($1,000) or more received during an election cycle. Those reports shall disclose the same information required by subdivision (a) of Section 84203 and shall be filed within 24 hours of receipt of the contribution.

(b) In addition to any other reports required by this title, any committee primarily formed to support one or more state ballot measures that is required to file reports pursuant to Section 84605 shall file online or electronically with the Secretary of State a report disclosing receipt of a contribution of one thousand dollars ($1,000) or more received during an election cycle. Those reports shall disclose the same information required by subdivision (a) of Section 84203 and shall be filed within 24 hours of receipt of the contribution.

SEC. 46. Section 85310 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85310. No person shall contribute in the aggregate more than twenty-five thousand dollars ($25,000) to all state candidates or campaign committees or any two candidates or campaign committees in any two-year period. Contributions from political parties shall be exempt from this provision.

SEC. 47. Section 85310 is added to the Government Code, to read:

85310. (a) Any person who makes a payment or a promise of payment totaling fifty thousand dollars ($50,000) or more for a communication that clearly identifies a candidate for elective state office, but does not expressly advocate the election or defeat of the candidate, and that is disseminated, broadcast, or otherwise published within 45 days of an election, shall file online or electronically with the Secretary of State a report disclosing the name of the person, address, occupation, and employer, and amount of the payment. The report shall be filed within 48 hours of making the payment or the promise to make the payment.

(b) (1) Except as provided in paragraph (2), if any person has received a payment or a promise of a payment from other persons totaling five thousand dollars ($5,000) or more for the purpose of making a communication described in subdivision (a), the person receiving the payments shall disclose on the report the name, address, occupation and employer, and date and amount received from the person.

(2) A person who receives or is promised a payment that is otherwise reportable under paragraph (1) is not required to report the payment if the person is in the business of providing goods or
services and receives or is promised the payment for the purpose of providing those goods or services.

(c) Any payment received by a person who makes a communication described in subdivision (a) is subject to the limits specified in subdivision (b) of Section 85303 if the communication is made at the behest of the clearly identified candidate.

SEC. 51. Section 85311 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85311. 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.

SEC. 49. Section 85311 is added to the Government Code, to read:

85311. (a) For purposes of this chapter the following terms have the following meanings:
(1) “Entity” means any person, other than an individual.
(2) “Majority-owned” means a direct or indirect ownership of more than 50 percent.
(b) The contributions of an entity whose contributions are directed and controlled by any individual shall be aggregated with contributions made by that individual and any other entity whose contributions are directed and controlled by the same individual.
(c) If two or more entities make contributions that are directed and controlled by a majority of the same persons, the contributions of those entities shall be aggregated.
(d) Contributions made by entities that are majority-owned by any person shall be aggregated with the contributions of the majority owner and all other entities majority-owned by that person, unless those entities act independently in their decisions to make contributions.

SEC. 50. Section 85312 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85312. The costs of internal communications to members, employees, or shareholders of an organization, other than a political party, 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 the provisions of this act, provided such payments are not for the costs of campaign materials or activities used in connection with broadcasting, newspaper, magazine, billboard, or similar type of general public communication.

SEC. 51. Section 85312 is added to the Government Code, to read:

85312. For purpose of this title, payments for communications for purpose of this title to members, employees, shareholders, or families of members, employees, or shareholders of an organization for the purpose of supporting or opposing a candidate or a ballot measure are not contributions or independent expenditures, provided those payments are not made for general public advertising such as broadcasting, billboards, and newspaper advertisements.

SEC. 52. Section 85313 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

85313. (a) Each elected officer may be permitted to establish one segregated officierholder expense fund for expenses related to assisting, serving, or communicating with constituents, or with carrying out the official duties of the elected officer, provided aggregate contributions to such a fund do not exceed ten thousand dollars ($10,000) within any calendar year and that the expenditures are not made in connection with any campaign for elective office or ballot measure.
(b) No person shall make, and no elected officer or officierholder account shall solicit or accept from any person, a contribution or contributions to the officierholder account totaling more than two hundred fifty dollars ($250) during any calendar year. Contributions to an officierholder account shall not be considered campaign contributions.
(c) No elected officierholder or officierholder account shall solicit or accept a contribution to the officierholder account from another official, a registered state or local lobbyist, or a state or local lobbyist employed by that lobbyist or lobbyist employer who is an elected officer or if that lobbyist or lobbyist employer engaged, or is authorized to engage in lobbying the governmental agency of the officierholder.
(d) All expenditures from, and contributions to, an officierholder account are subject to the campaign disclosure and reporting requirements of this title.
(e) Any funds in an officierholder account remaining after leaving office shall be turned over to the General Fund.

SEC. 53. Section 85314 is added to the Government Code, to read:

85314. The contribution limits of this chapter apply to special elections and apply to special runoff elections. A special election and a special runoff election are separate elections for purposes of the contribution and voluntary expenditure limits set forth in this chapter.

SEC. 54. Section 85315 is added to the Government Code, to read:

85315. (a) Notwithstanding any other provision of this chapter, an elected state officer may establish a committee to oppose the qualification of a recall measure, and the recall election. This committee may be established when the elected state officer receives a notice of intent to recall pursuant to Section 11021 of the Elections Code. An elected state officer may accept campaign contributions to oppose the qualification of a recall measure, and if qualification is successful, the recall election, without regard to the campaign contributions limits set forth in this chapter. The voluntary expenditure limits do not apply to expenditures made to oppose the qualification of a recall measure or to oppose the recall election.
(b) After the failure of a recall petition or after the recall election, the committee formed by the elected state officer shall wind down its activities and dissolve. Any remaining funds shall be treated as surplus funds and shall be expended within 30 days after the failure of the recall petition or after the recall election for a purpose specified in subdivision (b) of Section 89519.

SEC. 55. Section 85316 is added to the Government Code, to read:

85316. A contribution for an election may be accepted by a candidate for elective state office after the date of the election only to the extent that the contribution does not exceed net debts outstanding from the election, and the contribution does not otherwise exceed the applicable contribution limit for that election.

SEC. 56. Section 85317 is added to the Government Code, to read:

85317. Notwithstanding subdivision (a) of Section 85306, a candidate for state elective office may carry over contributions raised in connection with one election for elective state office to pay campaign expenditures incurred in connection with a subsequent election for the same elective state office.

SEC. 57. Section 85318 is added to the Government Code, to read:

85318. A candidate for state elective office may raise contributions for a general election prior to the primary election for the same elective state office if the candidate set aside these contributions and uses these contributions for the general election. If the candidate for state elective office is defeated in the primary election or otherwise withdraws from the primary election, the general election funds shall be refunded to the contributors on a pro rata basis less any expenses associated with the raising and administration of general election contributions.

SEC. 58. Section 85319 is added to the Government Code, to read:
Pursuant to Section 85401 and makes campaign expenditures in personal funds to his or her own campaign in excess of the limits following the primary, special primary, or special election. not exceed the limits in the primary, special primary, or special election. Section 85400 at the time he or she files the statement of acceptance or rejection of the voluntary expenditure subparagraph (C) of paragraph (2) of subdivision (b) of Section ($6,000,000) in the primary election and ten million dollars ($6,000,000) in the general election.

Governor or the State Board of Equalization, four million dollars ($700,000) in the general, special, or ($400,000) in the primary or special primary election and seven hundred thousand dollars ($700,000) in the general, special, or special runoff election. (2) For a Senate candidate, six hundred thousand dollars ($600,000) in the primary or special primary election and nine hundred thousand dollars ($900,000) in the general, special, or special runoff election. (3) For a candidate for the State Board of Equalization, one million dollars ($1,000,000) in the primary election and one million five hundred thousand dollars ($1,500,000) in the general election. (4) For a statewide candidate other than a candidate for Governor or the State Board of Equalization, four million dollars ($4,000,000) in the primary election and six million dollars ($6,000,000) in the general election. (5) For a candidate for Governor, six million dollars ($6,000,000) in the primary election and ten million dollars ($10,000,000) in the general election. (b) For purposes of this section “campaign expenditures” has the same meaning as “election related activities” as defined in subparagraph (C) of paragraph (2) of subdivision (b) of Section 82015. (c) A campaign expenditure made by a political party on behalf of a candidate may not be attributed to the limitations on campaign expenditures set forth in this section.

Any candidate for elective state office who has filed a statement accepting the voluntary expenditure limits is not bound by those limits if an opposing candidate contributes personal funds to his or her own campaign in excess of the limits set forth in Section 85400. (b) The commission shall require by regulation timely notification by candidates for elective state office who make personal contributions to their own campaign. Any candidate who files a statement of acceptance pursuant to Section 85401 and makes campaign expenditures in excess of the limits shall be subject to the remedies in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000).

SEC. 61. Article 5 (commencing with Section 85500) of Chapter 5 of Title 9 of the Government Code, as added by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

SEC. 62. Article 5 (commencing with Section 85500) is added to Chapter 5 of Title 9 of the Government Code, to read:

85400. (a) A candidate for elective state office, other than the Board of Administration of the Public Employees’ Retirement System, who voluntarily accepts expenditure limits may not make campaign expenditures in excess of the following: (1) For an Assembly candidate, four hundred thousand dollars ($400,000) in the primary or special primary election and seven hundred thousand dollars ($700,000) in the general, special, or special runoff election. (2) For a Senate candidate, six hundred thousand dollars ($600,000) in the primary or special primary election and nine hundred thousand dollars ($900,000) in the general, special, or special runoff election. (3) For a candidate for the State Board of Equalization, one million dollars ($1,000,000) in the primary election and one million five hundred thousand dollars ($1,500,000) in the general election. (4) For a statewide candidate other than a candidate for Governor or the State Board of Equalization, four million dollars ($4,000,000) in the primary election and six million dollars ($6,000,000) in the general election. (5) For a candidate for Governor, six million dollars ($6,000,000) in the primary election and ten million dollars ($10,000,000) in the general election. (b) For purposes of this section “campaign expenditures” has the same meaning as “election related activities” as defined in subparagraph (C) of paragraph (2) of subdivision (b) of Section 82015. (c) A campaign expenditure made by a political party on behalf of a candidate may not be attributed to the limitations on campaign expenditures set forth in this section.

85401. (a) Each candidate for elective state office shall file a statement of acceptance or rejection of the voluntary expenditure limits set forth in Section 85400 at the time he or she files the statement of intention specified in Section 85200. (b) Any candidate for elective state office who declined to accept the voluntary expenditure limits but who nevertheless does not exceed the limits in the primary, special primary, or special election, may file a statement of acceptance of the expenditure limits for a general or special runoff election within 14 days following the primary, special primary, or special election. 85402. (a) Any candidate for elective state office who has filed a statement accepting the voluntary expenditure limits is not bound by those limits if an opposing candidate contributes personal funds to his or her own campaign in excess of the limits set forth in Section 85400. (b) The commission shall require by regulation timely notification by candidates for elective state office who make personal contributions to their own campaign. Any candidate who files a statement of acceptance pursuant to Section 85401 and makes campaign expenditures in excess of the limits shall be subject to the remedies in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000).

85403. Any candidate who files a statement of acceptance pursuant to Section 85401 and makes campaign expenditures in excess of the limits shall be subject to the remedies in Chapter 3 (commencing with Section 83100) and Chapter 11 (commencing with Section 91000).

85400. (a) A candidate for elective state office, other than the Board of Administration of the Public Employees’ Retirement System, who voluntarily accepts expenditure limits may not make campaign expenditures in excess of the following:

85500. (a) In addition to any other report required by this title, committees, including political party committees, which are required to file reports pursuant to Section 84605 and that make independent expenditures of one thousand dollars ($1,000) or more during an election cycle in connection with a candidate for elective state office, shall file online or electronically a report with the Secretary of State disclosing the making of the independent expenditure. Those reports shall disclose the same information required by subdivision (b) of Section 84204 and shall be filed within 24 hours of the time the independent expenditure is made. (b) An expenditure may not be considered independent, and shall be treated as a contribution from the person making the expenditure to the candidate on whose behalf, or for whose benefit, the expenditure is made, if the expenditure is made under any of the following circumstances:

(1) The expenditure is made with the cooperation of, or in consultation with, any candidate or any authorized committee or agent of the candidate. (2) The expenditure is made in concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of the candidate. (3) The expenditure is made under any arrangement, coordination, or direction with respect to the candidate or the candidate’s agent and the person making the independent expenditure.

85501. (a) A controlled committee of a candidate may not make independent expenditures and may not contribute funds to another committee for the purpose of making independent expenditures.

85600. The Secretary of State and local election officers shall designate in the ballot pamphlet those candidates for elective state office who have voluntarily agreed to expenditure limitations set forth in Section 85400.

85601. A candidate for elective state office who accepts voluntary expenditure limits may purchase the space to place a statement in the ballot pamphlet that does not exceed 250 words. The statement may not make any reference to any opponent of the candidate. The statement shall be submitted in accordance with timeframes and procedures set forth in the Elections Code for the preparation of ballot pamphlets.

85700. A candidate or committee shall return within 60 days any contribution of one hundred dollars ($100) or more for which the candidate or committee does not have on file in the records of the candidate or committee the name, address, occupation, and employer of the contributor.

85701. Any candidate or committee that receives a contribution in violation of Section 84301 shall pay to the General Fund of the state the amount of the contribution.

85702. An elected state officer or candidate for elected state office may not accept a contribution from a lobbyist, and a lobbyist may not make a contribution to an elected state officer or candidate for elected state office, if that lobbyist is registered to...
lobby the governmental agency for which the candidate is seeking election or the governmental agency of the elected state officer.

85703. Nothing in this act shall nullify contribution limitations or prohibitions of any local jurisdiction that apply to elections for local elective office, except that these limitations and prohibitions may not conflict with the provisions of Section 85312. A person may not make any contribution to a committee on the condition or with the agreement that it will be contributed to any particular candidate unless the contribution is fully disclosed pursuant to Section 84302.

SEC. 67. Section 89510 of the Government Code is amended to read:

89510. A candidate may only accept contributions from persons, political committees, broad-based political committees, and political parties and only in the amounts specified in Article 3 (commencing with Section 85300). A candidate shall not accept contributions from any other source in accordance with the provision set forth in Chapter 5 (commencing with Section 85100).

(b) All contributions deposited into the campaign account shall be deemed to be held in trust for expenses associated with the election of the candidate to the specific office for which the candidate has stated, pursuant to Section 85200, that he or she intends to seek or expenses associated with holding that office for purposes set forth in Chapter 5 (commencing with Section 85100).

(c) In the event that the numerical reference to a district changes due to a reapportionment subsequent to a candidate declaring an intention to seek a specific office, the candidate may use the contribution raised under the old numbered district to seek office, and for office expenses, in the newly numbered district.

(d) In the event that the boundaries of the district for a specific office change as a result of a reapportionment which is enacted after a candidate files a statement of intention to be a candidate for that specific office, the candidate may use any contributions received for that specific office for expenses associated with the election of the candidate to any other equivalent district office of the agency body which includes the specific office, at the next election for that other district office, and for expenses associated with holding that other district office.

SEC. 68. Section 89519 of the Government Code, as added by Chapter 84 of the Statutes of 1990, is repealed.

89519. (a) 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, campaign funds raised after January 1, 1989, under the control of the former candidate or elected officer shall be considered surplus campaign funds and shall be disclosed pursuant to Chapter 4 (commencing with Section 84100).

(b) Surplus campaign funds shall be used only for the following purposes:

1. The payment of outstanding campaign debts or elected officer’s expenses.

2. The repayment of contributions.

3. Donations to any bona fide charitable, educational, civic, cultural, or nonprofit organization, where no substantial part of the proceeds will have a material financial effect on the former candidate or elected officer, any member of his or her immediate family, or his or her campaign treasurer.

4. Contributions to a political party committee, provided the campaign funds are not used to support or oppose candidates for elective office. However, the campaign funds may be used by a political party committee to conduct partisan voter registration, partisan get-out-the-vote activities, and slate mailers as that term is defined in Section 82048.3.

5. Contributions to support or oppose any candidate for federal office, any candidate for elective office in a state other than California, or any ballot measure.

6. The payment for professional services reasonably required by the committee to assist in the performance of its administrative functions, including payment for attorney’s fees for litigation which arises directly out of a candidate’s or elected officer’s activities, duties, or status as a candidate or elected officer, including, but not limited to, an action to enjoin defamation, defense of an action brought for violation of state or local campaign, disclosure, or election laws, and an action from an election contest or recount.

(c) For purposes of this section, the payment for, or the reimbursement to, the state of, 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 life or the physical safety of his or her family or campaign staff and campaign debt or elected officer’s expense, 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 expenditure 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 the telephone number of the law enforcement agency, and a brief description of the threat. More than five thousand dollars ($5,000) in surplus campaign funds may be used, cumulatively, by a candidate or elected officer 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 become surplus campaign funds. The candidate or elected officer shall report to the commission the surplus 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 became surplus campaign funds. The campaign funds become surplus campaign funds upon the sale of the property on which the system is installed, or prior to the closing of the surplus campaign fund account, whichever comes first.
first. The electronic security system shall be the property of the campaign committee of the candidate or elected officer.

SEC. 71. Section 91000 of the Government Code, added by Proposition 9 at the June 4, 1974, statewide primary election, is repealed.

91000. (a) Any person who knowingly or willfully violates any provision of this title commits a misdemeanor.
(b) In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars ($10,000) or three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received may be imposed upon conviction for each violation.
(c) Prosecution for violation of this title must be commenced within two years after the date on which the violation occurred.

SEC. 72. Section 91000 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

91000. (a) Any person who knowingly or willfully violates any provision of this title is guilty of a misdemeanor.
(b) In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars ($10,000) or three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received may be imposed upon conviction for each violation.
(c) Prosecution for violation of this title must be commenced within four years after the date on which the violation occurred.
(d) The commission has concurrent jurisdiction in enforcing the criminal misdemeanor provisions of this title.

SEC. 73. Section 91000 is added to the Government Code, to read:

91000. (a) Any person who knowingly or willfully violates any provision of this title is guilty of a misdemeanor.
(b) In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars ($10,000) or three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received may be imposed upon conviction for each violation.
(c) Prosecution for violation of this title must be commenced within four years after the date on which the violation occurred.

SEC. 74. Section 91004 of the Government Code, added by Proposition 9 at the June 4, 1974, statewide primary election, is repealed.

91004. Any person who intentionally or negligently violates any of the reporting requirements of this act shall be liable to a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount not more than the amount of value not properly reported.

SEC. 75. Section 91004 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

91004. Any person who intentionally or negligently violates any of the reporting requirements of this act, or who aids and abets any person who violates any of the reporting requirements of this act, shall be liable to a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount not more than the amount of value not properly reported.

SEC. 76. Section 91004 is added to the Government Code, to read:

91004. Any person who intentionally or negligently violates any of the reporting requirements of this title shall be liable to a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount not more than the amount of value not properly reported.

SEC. 77. Section 91005.5 of the Government Code, as added by Chapter 727 of the Statutes of 1982, is repealed.

91005.5. Any person who violates any provision of this title shall be subject to Section 91001 for which no specific civil penalty is provided, shall be liable in a civil action brought by the commission or the district attorney pursuant to subdivision (b) of Section 91001, or the elected city attorney pursuant to Section 91001.5, for an amount up to two thousand dollars ($2,000).

No civil action alleging a violation of this title may be filed against a person pursuant to this section if the criminal prosecutor is maintaining a criminal action against that person pursuant to Section 91000.

The provisions of this section shall be applicable only as to violations occurring after the effective date of this section.

SEC. 78. Section 91005.5 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

91005.5. Any person who violates any provision of this title, except Sections 84305, 84307, and 89001, for which no specific civil penalty is provided, shall be liable in a civil action brought by the commission or the district attorney pursuant to subdivision (b) of Section 91001, or the elected city attorney pursuant to Section 91001.5, for an amount up to five thousand dollars ($5,000) per violation.

No civil action alleging a violation of this title may be filed against a person pursuant to this section if the criminal prosecutor is maintaining a criminal action against that person pursuant to Section 91000.

The provisions of this section shall be applicable only as to violations occurring after the effective date of this section.

SEC. 79. Section 91005.5 is added to the Government Code, to read:

91005.5. Any person who violates any provision of this title, except Sections 84305, 84307, and 89001, for which no specific civil penalty is provided, shall be liable in a civil action brought by the commission or the district attorney pursuant to subdivision (b) of Section 91001, or the elected city attorney pursuant to Section 91001.5, for an amount up to five thousand dollars ($5,000) per violation.

No civil action alleging a violation of this title may be filed against a person pursuant to this section if the criminal prosecutor is maintaining a criminal action against that person pursuant to Section 91000.

The provisions of this section shall be applicable only as to violations occurring after the effective date of this section.

SEC. 80. Section 91006 of the Government Code, added by Proposition 9 at the June 4, 1974, statewide primary election, is repealed.

91006. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

SEC. 81. Section 91006 of the Government Code, as amended by Proposition 208 at the November 5, 1996, statewide general election, is repealed.

91006. Any person who violates any provision of this title, who purposely or negligently causes any other person to violate any provision of this title, or who aids and abets any other person in the violation of any provision of this title, shall be liable under the provisions of this chapter and Chapter 3 (commencing with Section 85100) of this title. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

SEC. 82. Section 91006 is added to the Government Code, to read:

91006. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

SEC. 83. This act shall become operative on January 1, 2002. However, Chapter 5 (commencing with Section 85100) of Title 9 of the Government Code, except subdivision (a) of Section 85309 of the Government Code, shall apply to candidates for statewide elective office beginning on and after November 6, 2002.

SEC. 84. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.
SEC. 85. (a) A special election is hereby called to be held throughout the state on November 7, 2000. The election shall be consolidated with the statewide general election to be held on that date. The consolidated election shall be held and conducted in all respects as if there were only one election and only one form of ballot shall be used.

(b) Notwithstanding Section 9040 of the Elections Code or any other provision of law, the Secretary of State, pursuant to subdivision (b) of Section 81012 of the Government Code shall submit this act for approval to the voters at the November 7, 2000, statewide general election.

SEC. 86. This is an act calling an election pursuant to paragraph (3) of subdivision (c) of Section 8 of Article IV of the California Constitution, and shall take effect immediately.

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Proposition 35: 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 adds sections to the California Constitution and the Government Code; therefore, new provisions proposed to be added are printed in italic type to indicate that they are new.

PROPOSED LAW

FAIR COMPETITION AND TAXPAYER SAVINGS INITIATIVE

SECTION 1. TITLE
This measure shall be known and may be cited as the “Fair Competition and Taxpayer Savings Act.”

SECTION 2. PURPOSE AND INTENT
It is the intent of the people of the State of California in enacting this measure:
(a) To remove existing restrictions on contracting for architectural and engineering services and to allow state, regional and local governments to use qualified private architectural and engineering firms to help deliver transportation, schools, water, seismic retrofit and other infrastructure projects safely, cost effectively and on time;
(b) To encourage the kind of public/private partnerships necessary to ensure that California taxpayers benefit from the use of private sector experts to deliver transportation, schools, water, seismic retrofit and other infrastructure projects;
(c) To promote fair competition so that both public and private sector architects and engineers work smarter, more efficiently and ultimately deliver better value to taxpayers;
(d) To speed the completion of a multi-billion dollar backlog of highway, bridge, transit and other projects;
(e) To ensure that contracting for architectural and engineering services occurs through a fair, competitive selection process, free of undue political influence, to obtain the best quality and value for California taxpayers; and
(f) To ensure that private firms contracting for architectural and engineering services with governmental entities meet established design and construction standards and comply with standard accounting practices and permit financial and performance audits as necessary to ensure contract services are delivered within the agreed schedule and budget.

SECTION 7. The State of California and all other governmental entities, including, but not limited to, cities, counties, cities and counties, school districts and other special districts, local and regional agencies and joint power agencies, shall be allowed to contract with qualified private entities for architectural and engineering services for all public works of improvement. The choice and authority to contract shall extend to all phases of project development including permitting and environmental studies, rights-of-way services, design phase services and construction phase services. The choice and authority shall exist without regard to funding sources whether federal, state, regional, local or private, whether or not the project is programmed by a state, regional, local governmental entity, and whether or not the completed project is a part of any state owned or state operated system or facility.

SEC. 2. Nothing contained in Article VII of this Constitution shall be construed to limit, restrict or prohibit the State or any other governmental entities, including, but not limited to, cities, counties, cities and counties, school districts and other special districts, local and regional agencies and joint power agencies, from contracting with private entities for the performance of architectural and engineering services.

SEC. 4. Chapter 10.1 (commencing with Section 4529.10) is added to Division 5 of Title 1 of the Government Code, to read:

4529.10. For purposes of Article XXII of the California Constitution and this act, the term “architectural and engineering services” shall include all architectural, landscape architectural, environmental, engineering, land surveying, and construction project management services.

4529.11. All projects included in the State Transportation Improvement Program programmed and funded as interregional improvements or as regional improvements shall be subject to Article XXII of the California Constitution. The sponsoring governmental entity shall have the choice and the authority to contract with qualified private entities for architectural and engineering services. For projects programmed and funded as regional improvements, the sponsoring governmental entity shall be the regional or local project sponsor. For projects programmed and funded as interregional improvements, the sponsoring governmental entity shall be the State of California, unless there is a regional or local project sponsor, in which case the sponsoring governmental entity shall be the regional or local project sponsor. The regional or local project sponsor shall be a regional or local governmental entity.

4529.12. All architectural and engineering services shall be procured pursuant to a fair, competitive selection process which prohibits governmental agency employees from participating in the selection process when they have a financial or business relationship with any private entity seeking the contract, and the procedure shall require compliance with all laws regarding political contributions, conflicts of interest or unlawful activities.

4529.13. Nothing contained in this act shall be construed to change project design standards, seismic safety standards or project construction standards established by state, regional or local governmental entities. Nor shall any provision of this act be construed to prohibit or restrict the authority of the Legislature to statutorily provide different procurement methods for design-build projects or design-build-and-operate projects.

4529.14. Architectural and engineering services contracts procured by public agencies shall be subject to standard accounting practices and may require financial and performance audits as necessary to ensure contract services are delivered within the agreed schedule and budget.

4529.15. This act only applies to architectural and engineering services defined in Government Code Section 4529.10. Nothing contained in this act shall be construed to expand or restrict the authority of governmental entities to contract for fire, ambulance, police, sheriff, probation, corrections or other peace officer services. Nor shall anything in this act be construed to expand or restrict the authority of governmental entities to contract for education services including but not limited to, teaching services, services of classified school personnel and school administrators.

4529.16. This act shall not be applied in a manner that will result in the loss of federal funding to any governmental entity.