

Richard Jacobs

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SA2006RF0008

January 9, 2006

VIA HAND DELIVERY

Tricia Knight, Initiative Coordinator
Office of the Attorney General
1300 I Street
Sacramento, CA 95814

RECEIVED
JAN 10 2006

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

**RE: Request for Title and Summary for "The Truth in Initiatives Act of 2006"
(Version 3)**

Dear Ms. Knight:

I hereby request preparation of a title and summary for the attached proposed initiative, "The Truth in Initiatives Act of 2006." Enclosed please find a check in the amount of \$200.00. Please return a stamped copy of the initiative and this letter in the enclosed self-addressed envelope.

All inquiries or correspondence relative to this initiative should be directed to:

Richard Jacobs
9663 Santa Monica Blvd., #166
Beverly Hills, CA 90210
(310) 860-1307

My voter registration address, which should be redacted from all publicly released documents, is

I, Rick Jacobs, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

(Signature of Proponent)

Dated this 9th day of January, 2006

(Version 3)

SECTION 1. Title.

This measure shall be known and may be cited as *The Truth in Initiatives Act of 2006*.

SECTION 2. Findings and Declarations.

The People of the State of California find and declare the following:

- (a) California's initiative process is an integral part of the state's electoral process. All California voters should have an equal right to participate in all phases of the initiative process.
- (b) California's statewide initiative process reflects little of what it was originally intended to address when initially proposed by Governor Hiram Johnson and later adopted by California voters in 1911. Almost one hundred years after it was adopted as a response to the perceived influence of corporate interests on legislators, the average citizen in California still has little chance of successfully utilizing the initiative process. Over the past 20 years, more than \$3 billion (in adjusted 2005 dollars) has been spent on initiative measure campaigns, not including direct costs to taxpayers and local governments to hold elections.
- (c) California's statewide initiative process should serve the needs and respond to the wishes of all voters equally, without regard to their wealth. The cost of qualifying statewide ballot initiatives and the cost of conducting ballot measure election campaigns has increased greatly in recent years, and corporations have had a disproportionate negative influence on the initiative process. The immense aggregation of wealth accumulated by the corporate form has little or no correlation to the public's support for a corporation's political ideas. The People and the State of California have a compelling state interest in preventing unchecked corporate wealth from the actual and potential distorting and corrupting effects it has on the political process.
- (d) California voters must have access to informational materials regarding ballot measures that are accurate, clear, and not misleading. Current disclosure requirements on advertisements for ballot measures are insufficient to provide voters with useful information regarding who is supporting or opposing an initiative. Accurate and clear disclosures should also be provided directly to the voters on the ballot pamphlet, sample ballot, and ballot.
- (e) Californians have been subjected to repeated, costly elections that divert attention and millions of dollars in taxpayer money away from much needed programs that address pressing economic, educational, and social issues facing our state. Special elections have been called not to address pressing state emergencies, but

instead, for partisan political purposes that are not in the best interests of all Californians.

- (f) California has one of the shortest petition circulation periods in the country, effectively allowing only those with sufficient financial resources to organize and collect hundreds of thousands of signatures to qualify an initiative measure.

SECTION 3. Purpose and Intent.

In enacting this measure, it is the intent and purpose of the People of the State of California to ensure that the systemic problems plaguing the current statewide initiative process are remedied in a manner that: limits unchecked corporate spending on ballot measures; provides Californians with clear, timely, accessible, and accurate information about those supporting or opposing a ballot measure; provides all Californians with the opportunity to participate in all phases of the initiative process; and helps guarantee the integrity of a signature gathering process currently dominated by paid signature gatherers.

SECTION 4. Section 8 of Article II of the Constitution is amended to read:

SEC. 8. (a) The initiative is the power of the electors to propose statutes and amendments to the Constitution and to adopt or reject them.

(b) An initiative measure may be proposed by presenting to the Secretary of State a petition that sets forth the text of the proposed statute or amendment to the Constitution and is certified to have been signed by electors equal in number to 5 percent in the case of a statute, and 8 percent in the case of an amendment to the Constitution, of the votes for all candidates for Governor at the last gubernatorial election.

(c) The Secretary of State shall then submit the measure at the next statewide primary or general election of each even-numbered year held at least 131 days after it qualifies, or at a ~~any~~ special statewide election held prior to that general or primary election: pursuant to subsection (d). ~~The Governor may call a special statewide election for the measure.~~

(d) The Governor may call a special statewide election to submit an initiative measure to the voters upon obtaining majority approval of both houses of the Legislature. If such approval is granted, an initiative measure that qualifies to be placed on the ballot shall be submitted to the voters at the special statewide election only if the proponents of the measure provide written authorization to the Secretary of State.

~~(de)~~ An initiative measure embracing more than one subject may not be submitted to the electors or have any effect.

~~(ef)~~ An initiative measure shall not include or exclude any political subdivision of the State from the application or effect of its provisions based upon approval or disapproval of the initiative measure, or based upon the casting of a specified percentage of votes in favor of the measure, by the electors of that political subdivision.

(fg) An initiative measure shall not contain alternative or cumulative provisions wherein one or more of those provisions would become law depending upon the casting of a specified percentage of votes for or against the measure.

(h) An initiative petition may be filed at any time, except that one may not be filed for a measure substantially the same as that defeated in a statewide election within the preceding (4) calendar years.

SECTION 5: Section 101.5 is added to the Elections Code to read:

101.5. (a) All paid petition circulators must wear a badge identifying that they are paid petition circulators. Paid petition circulators are persons as defined by Section 336.7.

(b) The identification badge must:

- (1) Indicate “PAID CIRCULATOR” in all capital letters. The word “PAID” shall be in at least 40-point boldface gothic-type font. The word “CIRCULATOR” must be in at least 24-point, but no larger than 40-point, boldface gothic-type font and shall appear on the next line from the word “PAID.”
- (2) Provide a space below the words “PAID CIRCULATOR” to indicate the name of the employer of the signature gatherer as follows: “Paid by: ___[name of employer]___” in a font no smaller than 18 point gothic-type font.
- (3) Be no smaller than 3 inches by 3 inches in size.
- (4) Contain no other words or graphics.
- (5) Contain black text printed on a plain white background.
- (6) Be worn on the circulator’s chest in clear view of all individuals signing, or asked to sign, the petition.

(c) A volunteer petition circulator may, but is not required to, wear a similar badge indicating their volunteer status as a petition circulator and the name of their sponsoring organization, if any.

(d) An elector may seek a writ of mandate requiring the invalidation of petitions where the paid petition circulator violated the identification requirements of this section. A peremptory writ of mandate shall issue only upon clear and convincing proof that the petition circulator was paid, and failed to display the badge required by this section. Venue for a proceeding under this section shall be in the county in which the violation is alleged to have occurred. The county election official shall be named as respondent and

the petition proponents and employer of the alleged paid petition circulator shall be named as real parties in interest. Electors seeking a writ of mandate must be registered voters and reside in the county in which the violation is alleged to have occurred.

SECTION 6. Section 336 of Chapter 4 of the Elections Code is amended to read:

336. The “official summary date” is the date a summary of a proposed initiative measure is delivered or mailed by the Attorney General to the proponents for a proposed initiative measure. The Attorney General shall immediately notify the Secretary of State of that date and send the Secretary of State a copy of the summary. The Secretary of State immediately shall notify the proponents and county elections official of each county of the official summary date and mail a copy of the summary to each county elections official. This notification shall also include a complete schedule showing the maximum filing deadline, and the certification deadline by the counties to the Secretary of State.

No petitions for a proposed initiative measure shall be circulated for signatures prior to the official summary date. Petitions with signatures on a proposed initiative measure shall be filed with the county elections official not later than ~~150~~ 730 days from the official summary date, and no county elections official shall accept petitions on the proposed initiative measure after that period.

SECTION 7. Section 336.7 is added to the Elections Code to read:

336.7. “Paid petition circulator,” for the purpose of circulating an initiative, referendum, or recall petition, means any person who is compensated with money or any thing of value for collecting petition signatures to qualify a state or local initiative, referendum, or recall measure. “Compensation,” for purposes of this section, means any economic consideration, other than reimbursement for reasonable travel expenses such as expenses for transportation plus a reasonable sum for food and lodging.

SECTION 8. Section 357.3 is added to the Elections Code to read:

357.3. “Volunteer petition circulator,” for the purpose of circulating an initiative, referendum, or recall petition, means a person who is not a paid petition circulator as defined in Section 336.7.

SECTION 9. Section 9083.5 is added to Article 7, Chapter 1 of Division 9 of the Elections Code to read:

9083.5. (a) The Legislative Analyst shall prepare statements for inclusion in the ballot pamphlet that describe the nature and interests of principal financial support or opposition to each ballot measure, including cumulative contributions to all primarily formed committees supporting or opposing each ballot measure and to all committees making independent expenditures supporting or opposing each ballot measure based on campaign reports filed with the Secretary of State pursuant to Article 2, Chapter 4 of Title 9 of the

Government Code and Section 85309 of Article 3, Chapter 5 of Title 9 of the Government Code. The statements shall be prepared in accordance with Section 9083.75. The Secretary of State shall provide the relevant information to the Legislative Analyst that is accurate as of 110 days before the election. The Legislative Analyst shall prepare the descriptions between 110 and 105 days before the election or with sufficient time for inclusion in the ballot pamphlet copy made available for public examination as provided by Section 9092.

(b) The Legislative Analyst’s statement describing principal financial support for and opposition to each ballot measure shall not be more than twenty-five words in length. For each ballot measure, the Legislative Analyst shall state: “As of 110 days before Election Day, principal financial support for this ballot measure has been received from [describe nature and interest of donors].” Below that sentence shall state: “As of 110 days before Election Day, principal financial opposition to this ballot measure has been received from [describe nature and interest of donors].”

(c) “Primarily formed committee(s)” shall have the meaning defined in Section 82047.5, Chapter 2 of Title 9 of the Government Code.

(d) “Cumulative contributions” means the cumulative amount of contributions made by a donor to all primarily formed committees supporting or opposing a single ballot measure from the date each committee was formed through the date specified.

(e) The Secretary of State shall develop additional rules and regulations as necessary to implement this section. These rules and regulations shall be adopted in consultation with the Legislative Analyst, and in accordance with the Government Code, Title 2, Division 3, Part 1, Chapter 3.5, Sections 11340 et seq., and shall be consistent with this division and other applicable law.

SECTION 10. Section 9083.75 is added to Article 7, Chapter 1 of Division 9 of the Elections Code to read:

9083.75. (a) The Legislative Analyst shall use the terminology and classification system of the North American Industry Classification System (NAICS) to describe the nature and interests of principal financial support for and opposition to ballot measures. Where the NAICS does not contain categories that sufficiently describe the nature and interests of donors, the Legislative Analyst shall develop additional categories consistent with the NAICS to the extent practicable. Where principal financial support or opposition comes from a large number of small donations from individuals, the Legislative Analyst shall classify them as “small donations from individuals.”

(b) In no circumstance shall the actual names of donors be used in the descriptions, except when the actual name of a donor is the same as the category or categories used by NAICS to describe that donor.

(c) For each statement of principal financial support or opposition that the Legislative Analyst is required to prepare for the ballot pamphlet, sample ballot, or ballot, as provided in the Elections Code, and for inclusion in advertisements, as provided in the Government Code, the following shall apply:

(1) For primarily formed committees, the description prepared by the Legislative Analyst shall be based upon all contributions received since their formation.

(2) For committees making independent expenditures to support or oppose a ballot measure, the description prepared by the Legislative Analyst shall be based upon contributions received and expenditures made by the committee within six months of the time the description is prepared.

(d) The Secretary of State shall develop additional rules and regulations as necessary to implement this section. These rules and regulations shall be adopted in consultation with the Legislative Analyst, and in accordance with the Government Code, Title 2, Division 3, Part 1, Chapter 3.5, Sections 11340 et seq., and shall be consistent with this title and other applicable law.

SECTION 11. Section 9085.5 is added to Article 7, Chapter 1 of Division 9 of the Elections Code to read:

9085.5. (a) The ballot pamphlet shall also include a section, located near the front of the pamphlet and together with the summary of meaning of “yes” and “no” votes for each measure as provided in Section 9085, that contains the statements describing the nature and interests of principal financial support for and against each ballot measure as developed by the Legislative Analyst pursuant to Sections 9083.5 and 9083.75.

(b) The ballot pamphlet section described in subsection (a) shall also include a url address to the Secretary of State’s website. This portion shall state: “For accurate, up-to-date information on the principal financial support and opposition for each ballot measure, please visit the Secretary of State’s website at: http://_____.” The universal resource locator (url) address shall reference the specific Secretary of State webpage containing the campaign finance information described in subsection (a), and shall not merely link to the root url web address for the Secretary of State’s website. The Secretary of State shall provide visitors to the website with the ability to determine the aggregate amount and sources of financial support or opposition for each ballot measure. The website shall contain information that is updated daily from the date information is provided as outlined in subsection (a) though the date of the election. The last update before the election shall occur no later than 12:00 p.m. on Election Day.

(c) The information required by subsection (a) shall be subject to public examination and court challenge as provided in Section 9092.

SECTION 12. Section 9086 of Article 7, Chapter 1 of Division 9 of the Elections Code is amended to read:

9086. The ballot pamphlet shall contain as to each state measure to be voted upon, the following, in the order set forth in this section:

(a) Upon the top portion of the first page, and not exceeding ~~one-half~~^{third} of the page, shall appear:

(1) Identification of the measure by number and title.

(2) The official summary prepared by the Attorney General.

(3) The statement of principal financial support or opposition prepared by the Legislative Analyst pursuant to Sections 9083.5 and 9083.75 of the Elections Code.

~~(4)~~ (3) The total number of votes cast for and against the measure in both the State Senate and Assembly, if the measure was passed by the Legislature.

(b) Beginning at the top of the right page shall appear the analysis prepared by the Legislative Analyst, provided that the analysis fits on a single page. If it does not fit on a single page, the analysis shall begin on the lower portion of the first left page and shall continue on subsequent pages until it is completed.

(c) Arguments for and against the measure shall be placed on the next left and right pages, respectively, following the final page of the analysis of the Legislative Analyst ends. The rebuttals shall be placed immediately below the arguments.

(d) If no argument against the measure has been submitted, the argument for the measure shall appear on the right page facing the analysis.

(e) The complete text of each measure shall appear at the back of the pamphlet. The text of the measure shall contain the provisions of the proposed measure and the existing provisions of law repealed or revised by the measure. The provisions of the proposed measure differing from the existing provisions of law affected shall be distinguished in print, so as to facilitate comparison.

(f) The following statement shall be printed at the bottom of each page where arguments appear: "Arguments printed on this page are the opinions of the authors, and have not been checked for accuracy by any official agency."

SECTION 13. Section 12000 of Chapter 1 of Division 12 of the Elections Code is amended to read:

12000. (a) For each statewide election, the Governor shall issue a proclamation calling the election. The proclamation shall be issued by the Governor under his or her hand and the Great Seal of the state no later than the 148th day prior to the election and shall state the time of the election and the offices, if any, to be filled. Copies of the proclamation shall be transmitted by the Governor to the boards of supervisors of the counties.

(b) The Governor may issue a proclamation calling for a special statewide election for the purpose of considering an initiative measure only after obtaining majority approval of both houses of the Legislature and permission from the opponents of the initiative measure, as follows:

(1) The Legislature must vote within seven days, excluding Saturdays, Sundays, and holidays, after the date the Governor submits a written request to the minority and majority leaders of both houses to hold a special statewide election on a specific date for the purpose of considering an initiative measure.

(2) If, by a majority vote, the Legislature approves the Governor's request for a special election to submit an initiative measure to the voters, within two days, excluding Saturdays, Sundays, and holidays, the Secretary of State shall notify the proponents of each initiative measure that has qualified to appear on the ballot at the next statewide election as of the date of the Secretary of State's notice. Qualified initiative measures shall not appear on the statewide special election ballot unless an initiative measure's proponents provide written authorization to the Secretary of State within seven days from the date the Secretary of State provides notice to proponents.

SECTION 14. Section 13207 of Article 1, Chapter 3 of Division 13 of the Elections Code is amended to read:

13207. (a) There shall be printed on the ballot in parallel columns all of the following:

- (1) The respective offices.
- (2) The names of candidates with sufficient blank spaces to allow the voters to write in names not printed on the ballot.
- (3) Whatever measures have been submitted to the voters.

(b) In the case of a ballot which is intended for use in a party primary and which carries both partisan offices and nonpartisan offices, a vertical solid black line shall divide the columns containing partisan offices, on the left, from the columns containing nonpartisan offices, on the right.

(c) The standard width of columns containing partisan and nonpartisan offices shall be three inches, but an elections official may vary the width of these columns up to 10 percent more or less than the three-inch standard. However, the column containing presidential and vice presidential candidates may be as wide as four inches.

(d) Any measures that are to be submitted to the voters shall be printed in one or more parallel columns to the right of the columns containing the names of candidates and shall be of sufficient width to contain the title and summary of each measure. To the right of each title and summary shall be printed, on separate lines, the words "Yes" and "No." Under the title and summary for each measure that is to be submitted to the voters, beginning on separate lines shall be printed two sentences. "As of 76 days before Election Day, principal financial support for this ballot measure has been received from [describe nature and interest of donors]." Below that sentence shall state: "As of 76 days before Election Day, principal financial opposition to this ballot measure has been received from [describe nature and interest of donors]."

(e) The Secretary of State shall provide the information necessary to prepare the statements required by subsection (d) to the Legislative Analyst not less than 74 days prior to Election Day. The information shall be accurate up to the 76th day before Election Day.

(f) The Legislative Analyst shall develop the statements required by subsection (d) using the methods outlined in Section 9083.75 no later than the 70th day before the election. The Legislative Analyst shall post the statements on its website for public examination not more than one (1) day, excluding Saturdays, Sundays, and holidays, after it prepares the statements required by subsection (d).

SECTION 15. Section 13207.75 of Article 1, Chapter 3 of Division 13 is added to the Elections Code to read:

13207.75. (a) Any elector may seek a writ of mandate requiring the ballot information described in Section 13207(d) to be amended, no later than five (5) days, excluding Saturdays, Sundays, and holidays, after the Legislative Analyst makes the information available for public examination. A peremptory writ of mandate shall issue only upon clear and convincing proof that the copy in question is false, misleading, or inconsistent with the requirements of this Code, and that issuance of the writ will not substantially interfere with the printing and distribution of the ballot as required by law. Venue for a proceeding under this section shall be exclusively in Sacramento County and shall proceed on an expedited basis. The Secretary of State and Legislative Analyst's Office shall be named as respondents.

(b) If changes to the statements required by Section 13207(d) are ordered by the court as a result of an action brought pursuant to subsection (a), or if no changes to the statements are required, the Legislative Analyst shall immediately post the final statements on its website and shall also forward them to the Secretary of State, who shall immediately forward them to each county election official for inclusion in the ballot.

SECTION 16. Section 13303 of Chapter 4 of Division 13 of the Elections Code is amended to read:

13303. (a) For each election, each appropriate elections official shall cause to be printed, on plain white paper or tinted paper, without watermark, at least as many copies of the form of ballot provided for use in each voting precinct as there are voters in the precinct. These copies shall be designated "sample ballot" upon their face and shall be identical to the official ballots used in the election, except as provided in subsection (d) and as otherwise provided by law. A sample ballot shall be mailed, postage prepaid, not more than 40 nor less than 21 days before the election to each voter who is registered at least 29 days prior to the election.

(b) The elections official shall send notice of the polling place to each voter with the sample ballot. Only official matter shall be sent out with the sample ballot as provided by law.

(c) The elections official shall send notice of the polling place to each voter who registered after the 29th day prior to the election and is eligible to participate in the election. The notice shall also include information as to where the voter can obtain a sample ballot and a ballot pamphlet prior to the election, a statement indicating that those documents will be available at the polling place at the time of the election, and the address of the Secretary of State's website and, if applicable, of the county website where a sample ballot may be viewed.

(d) Under the title and summary for each measure that is to be submitted to the voters, beginning on separate lines shall be printed two sentences. The first shall state: "As of 88 days before Election Day, principal financial support for this ballot measure has been received from [describe nature and interest of donors]." Below that sentence shall state: "As of 88 days before Election Day, principal financial opposition to this ballot measure has been received from [describe nature and interest of donors]." The sample ballot must contain information developed pursuant to Section 9083.75. The Legislative Analyst's statement describing the principal financial support for or opposition to each ballot measure shall not be more than twenty-five words in length.

SECTION 17. Section 13303.1 of Chapter 4 of Division 13 is added to the Elections Code to read:

13303.1. (a) The Legislative Analyst shall be responsible for developing the information required by Section 13303(d).

(b) The Secretary of State shall provide the Legislative Analyst with the information needed to comply with Section 13303(d) not later than the 86th day prior to the election, or if the 86th day falls on a weekend or holiday, the next business day.

(c) The Legislative Analyst shall develop the statements required by Section 13303(d) not later than three (3) days, excluding Saturdays, Sundays, and holidays after the Secretary of State provides the required information.

SECTION 18. Section 13303.25 of Chapter 4 of Division 13 is added to the Elections Code to read:

13303.25. (a) The Legislative Analyst shall make a copy of the statements developed pursuant to Section 13303(d) available on its website for public examination no more than one (1) day after it prepares the information required by Section 13303(d). The statements must be available for public examination no more than five days, excluding Saturdays, Sundays, and holidays, after the statements are posted on the Legislative Analyst's website.

(b) During the five day period outlined in subsection (a), any elector may seek a writ of mandate requiring the statements required by Section 13303(d) to be amended. A peremptory writ of mandate shall issue only upon clear and convincing proof that the copy in question is false, misleading, or inconsistent with the requirements of this Code, and that issuance of the writ will not substantially interfere with the printing and distribution of the sample ballot as required by law. Venue for a proceeding under this section shall be exclusively in Sacramento County. The Secretary of State and Legislative Analyst's Office shall be named as respondents.

(c) If changes to the statements required by Section 13303(d) are ordered by the court as a result of an action brought pursuant to subsection (b), or if no changes to the statements are required, the Legislative Analyst shall immediately post the final statements on its website and shall also forward them to the Secretary of State, who shall immediately forward them to each county election official for inclusion in the sample ballot.

SECTION 19. Section 18605 of Article 1, Chapter 7 of Division 18 is added to the Elections Code to read:

18605. Any paid petition circulator of an initiative, referendum, or recall petition who fails or refuses to display an identification badge indicating that he or she is a paid petition circulator pursuant to Section 101.5 of the Elections Code, is guilty of a misdemeanor.

A conviction pursuant to this section shall invalidate all signatures gathered by that circulator while not displaying a badge.

SECTION 20. Section 84512 of Article 5, Chapter 4 of Title 9 of the Government Code is added to read:

84512. (a) Any advertisement for or against any statewide ballot measure shall include the sources of principal financial support for or opposition to each ballot measure

supported or opposed in the advertisement, as provided by the Legislative Analyst pursuant to Section 84512.5, as well as a reference to the universal resource locator (url) of the Secretary of State's website containing campaign finance information for each ballot measure supported or opposed in the advertisement.

(b) The disclosures required by subdivision (a) shall be presented in a manner which gives adequate notice to the reader, observer, or listener of the sources of principal financial support for or opposition to an initiative measure, as specified below. These requirements apply to the disclosures required by this section only and do not apply to disclosures otherwise required by Section 84507.

(1) Television Advertising: The information shall be displayed in writing at both the beginning and at the end of the communication. The written disclosure statement shall be of sufficient size to be readily legible to an average viewer.

At the beginning and end of every advertisement, the following information shall be included, for no less than 4 seconds without any accompanying information, sound or graphics: "Principal financial [support for/opposition to] Proposition(s) [] comes from [nature and interest of donors]." The next line shall state: "For detailed financial information: http:// [url of Secretary of State's website identified in subdivision (a)]". The first statement must appear in letters no smaller than 6.5 percent of the vertical picture height. The second statement must appear in letters no smaller than 4.5 percent of the vertical picture height. The text for these statements shall be in black type against a solid white background.

(2) Radio Advertising: All of the information required by subdivision (b)(1) shall be spoken in a clearly audible manner at the beginning or end of the communication. The disclosure statement shall be in a pitch and tone substantially the same as the non-disclosure portion of the communication.

(3) Print Advertising: Printed materials designed to be distributed personally or through the mail shall contain all of the information required by subdivision (b)(1), printed in type no less than 18 points in size, and printed in a contrasting color to the background on which it appears.

(4) Over Size Print Advertising: Disclosure statements, required by subdivision (b)(1), on printed materials that are larger than those designed to be individually distributed or that are greater in size than twenty-four (24) inches by thirty-six inches shall constitute at least twenty-five percent (25%) of the height of the advertisement and printed in a contrasting color to the background on which it appears.

(5) If a single print media advertisement consists of multiple pages, folds, or faces, the disclosure requirement of this section may appear only once on the advertisement, but must appear on the front page, fold or face.

(6) Each communication that would require a disclosure statement, if distributed separately, and that is included in a package of materials, must contain the information required by subdivision (b)(1).

(c) All advertisements described in this section and disseminated more than 30 days before an election, inclusive, must include the principal financial support or opposition information prepared by the Legislative Analyst pursuant to Section 13207(d) of the Elections Code in the manner provided by this section.

(d) All advertisements described in this section and disseminated between 30 days and six (6) days, inclusive, before an election must include the principal financial support or opposition information, accurate up to 45 days before the election that are prepared by the Legislative Analyst pursuant to Section 84512.5 in the manner provided by this section.

(e) All advertisements described in this section and disseminated less than six (6) days before the election must include the principal financial support or opposition information, accurate up to 17 days before the election that are prepared by the Legislative Analyst pursuant to Section 84512.5 in the manner provided by this section.

SECTION 21. Section 84512.5 of Article 5, Chapter 4 of Title 9 is added to the Government Code to read:

84512.5. (a) The Legislative Analyst, using the methods outlined in Section 9083.75 of the Elections Code, shall prepare statements describing the sources of principal financial support for and opposition to each ballot measure through the period ending 45 days before the election in which the ballot measure will appear and through the period ending 17 days before the election in which the ballot measure will appear. The Secretary of State shall provide the Legislative Analyst with the information needed to comply with this section based on information available as of the 39th day and the 11th day before the election, respectively. The statements prepared by the Legislative Analyst shall be used in advertisements as provided by Section 84512 and shall be no longer than twenty-five words.

(b) The Legislative Analyst must post the statements required by subdivision (a) on its website for public examination not later than 36 days before the election and not later than 9 days before the election, respectively.

(c) Any elector may seek a writ of mandate requiring the information described in subdivision (a) and (b) to be amended, not later than two (2) days, excluding Saturdays, Sundays, and holidays, after it is available for public examination. A peremptory writ of mandate shall issue only upon clear and convincing proof that the Legislative Analyst's statements are false or misleading, or inconsistent with the requirements of this Title and Section 9083.75 of the Elections Code, and that issuance of the writ will not substantially interfere with the disclosure requirements in Section 84512. Venue for a proceeding

under this section shall be exclusively in Sacramento County and shall proceed on an expedited basis. The Secretary of State and the Legislative Analyst's Office shall be named as the respondents.

(d) If changes to the statements required by this section are ordered by the court as a result of an action brought pursuant to subdivision (c), or if no changes to the statements are required, the Legislative Analyst shall immediately post the final statements on its website for use pursuant to the disclosure requirements of Section 84512.

SECTION 22. Article 7.5 of Chapter 5 (commencing with Section 85750) is added to Title 9 of the Government Code to read:

85750. (a) A corporation shall not make a contribution or an independent expenditure for the purpose of qualifying, supporting or opposing a ballot measure without obtaining prior approval from a majority of its shareholders.

(b) For purposes of this section, "corporation" refers only to for-profit corporations.

(c) This section does not prohibit a corporation from establishing a separate, segregated fund to be used for making contributions or independent expenditures to qualify, support or oppose a ballot measure, if the fund consists only of voluntary contributions solicited from individual shareholders, employees, officers, directors, or members of the corporation. A corporation may make payments from its general treasury to the fund for establishment and administrative costs.

(d) A committee shall not accept or receive a contribution from a corporation that does not comply with this section for the purpose of making contributions or expenditures to qualify, support or oppose a ballot measure.

(e) In obtaining the majority approval of its shareholders, as required by subdivision (a), a corporation must obtain authorization for each ballot measure in the following form, the sole purpose of which is the documentation of such authorization. The title of the form shall read, in at least 24-point bold type, "Consent for Use of Corporation's General Treasury Funds in [Support/Opposition] of Proposition [___]." If an initiative has not yet been assigned a proposition number, the statement shall replace the word "Proposition" with the words "Initiative Measure Number [___]" and shall refer to the initiative number assigned by the Attorney General when a title and summary is requested by proponents. Authorization must be provided on separate forms for each ballot measure. The form must also include, in at least 14-point font:

(1) The Attorney General's official title and summary for the ballot measure, as provided by the Attorney General pursuant to Section 9004 of the Elections Code, or if available, the ballot title and summary prepared by the Attorney General pursuant to Section 9050 of Article 5, Chapter 1 of Division 9 of the Elections Code.

(2) A statement indicating the maximum aggregate amount of money that the corporation is requesting authorization to spend in support of or in opposition to a ballot measure. “The maximum amount of money” shall be described in actual dollar amounts.

(3) The following statement: “Signing this form constitutes your vote as a shareholder authorizing [name of corporation] to contribute up to [amount identified in subdivision (e)(2)] in [support of/opposition to] [the initiative or proposition identified in subdivision (e)].”

(4) Informational materials that the corporation wishes to provide to its shareholders shall be on separate pages from the authorization request required by this subdivision.

(f) Copies of all records obtained pursuant to subdivision (e) shall be sent to the Secretary of State upon request, but shall not be subject to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). Copies of records shall be maintained for a period of not less than 5 years. Records maintained under this subdivision shall not include the home address or telephone number of voting shareholders.

(h) The requirements of this section may not be waived by the shareholder.

SECTION 23. Section 88002 of Chapter 8 of Title 9 of the Government Code is amended to read:

88002. The ballot pamphlet shall contain as to each state measure to be voted upon, the following, in the order set forth in this section:

(a) Upon the top portion of the first page, and not exceeding ~~one-half~~ third of the page, shall appear:

(1) Identification of the measure by number and title.

(2) The official summary prepared by the Attorney General.

(3) The statement of principal financial support or opposition prepared by the Legislative Analyst pursuant to Sections 9083.5 and 9083.75 of the Elections Code.

~~(4)~~ (3) The total number of votes cast for and against the measure in both the State Senate and Assembly, if the measure was passed by the Legislature.

(b) Beginning at the top of the right page shall appear the analysis prepared by the Legislative Analyst, provided that the analysis fits on a single page. If it does not fit on a single page, the analysis shall begin on the lower portion of the first left page and shall

continue on subsequent pages until it is completed.

(c) Arguments for and against the measure shall be placed on the next left and right pages, respectively, following the final page of the analysis of the Legislative Analyst ends. The rebuttals shall be placed immediately below the arguments.

(d) If no argument against the measure has been submitted, the argument for the measure shall appear on the right page facing the analysis.

(e) The complete text of each measure shall appear at the back of the pamphlet. The text of the measure shall contain the provisions of the proposed measure and the existing provisions of law repealed or revised by the measure. The provisions of the proposed measure differing from the existing provisions of law affected shall be distinguished in print, so as to facilitate comparison.

(f) The following statement shall be printed at the bottom of each page where arguments appear: "Arguments printed on this page are the opinions of the authors, and have not been checked for accuracy by any official agency."

SECTION 24. Severability.

If any provision of this Act or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 25. Conflicting measures.

In the event that this measure and another measure or measures relating to reform of the initiative process appear on the same statewide ballot, the provisions of the other measure(s) shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative voters, the provisions of this measure shall prevail in their entirety, and the provisions of the other measure(s) shall be null and void.

If this measure is approved by the voters of the State of California, but superseded by any other conflicting ballot measure approved by more voters at the same election, and the conflicting ballot measure is later held invalid, it is the intent of the voters of the State of California that this Act shall be self-executing and given the full force of the law.

SECTION 26. Liberal construction.

This Act is an exercise of the public power of the People of the State of California for the protection of their health, safety, and welfare and shall be liberally construed to effectuate those purposes. The provisions in this Act are consistent with the goals and purposes of the Political Reform Act of 1974.

SECTION 27. Enactment date.

(a) This measure shall take effect on January 1, 2007. Immediately upon approval of this measure by the voters, the California Attorney General is directed to seek expedited preclearance under Section 5 of the Voting Rights Act, 42 U.S.C. Sec. 1973c, from the United States Attorney General or declaratory relief from the United States District Court for the District of Columbia as may be required for any provisions of this Act.

(b) For purposes of determining when measures are substantially the same as those previously defeated by voters, the four-year period provided in Section 4 of this Act, shall begin to run on the day after the date this measure is enacted.

SECTION 28. Power to amend.

This measure may be amended to further its intent and purpose by a bill passed by two-thirds vote of the membership of both houses of the Legislature and signed by the Governor.