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**OFFICE OF THE  
CITY ATTORNEY**

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**CITY OF SACRAMENTO  
CALIFORNIA**

April 16, 1992

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Law and Legislation Committee  
Sacramento, California

**SUBJECT: AB 3378 (Bates) Regarding Initiative Advertisements**

Honorable Members in Session:

**SUMMARY**

This report presents for Committee review AB 3378 (Bates), which would require statewide initiative campaign committees include in their advertisements for or against an initiative a statement of their major funding sources, generally industries, groups or individuals who contribute \$50,000 to \$100,000 and meet certain other benchmarks.

**RECOMMENDATION**

This report recommends that the Law and Legislation Committee review AB 3378 (Bates) relating to "Truth in Initiative Advertising" and take action as the Committee deems appropriate.

**BACKGROUND**

Assembly Member Tom Bates has requested City support for his bill, AB 3378, which would require that state initiative campaign committees include in their advertisements in support of or opposition to an initiative the identity of major funding sources. Committee Chair Lynn Robie and Councilmember Kim Mueller asked that the bill be placed on your agenda for review.

AB 3378 would require disclosure of up to two major funding sources meeting the following criteria:

1. An industry which is both the largest industry contributor to the committee and whose combined contributions to the committee are \$500,000 or more, or are \$50,000 or more and constitute 25 percent or more of all contributions.
2. A person whose contributions are \$100,000 or more and who is the largest contributor.
3. Corporations as a group when their combined contributions to the committee are \$100,000 or more and constitute 50 percent or more of all contributions, and unions as a group when their combined contributions to the committee are \$100,000 or more and constitute 50 percent or more of all contributions.

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4. Out-of-state contributors as a group, when their combined contributions to the committee are \$100,000 or more, and constitute 50 percent or more of all contributions.

The bill provides that the penalty for violation is a fine of three times the cost of the advertisement in which the source(s) should have been disclosed, including placement costs, in a civil action brought by the Fair Political Practices Commission or by any other person. There is no criminal penalty for a violation of the regulation.

**FINANCIAL DATA**

Passage of AB 3378 would have no financial impact on the City of Sacramento.

**POLICY CONSIDERATIONS**


AB 3378 does not implicate any existing City policies.

**MBE/WBE**

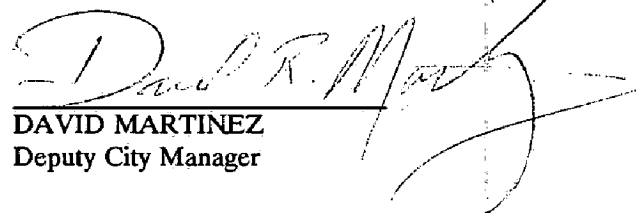
Not applicable.

Respectfully submitted,

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City Attorney

By:   
DIANE B. BALTER  
Deputy City Attorney

RECOMMENDATION APPROVED:

  
DAVID MARTINEZ  
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Law and Legislation Committee  
April 28, 1992  
All Districts