

ADVERTISEMENT DISCLOSURES

This chapter addresses common issues relating to political mailings and other advertisements that are either nonmonetary contributions to a committee or independent expenditures. For more information on disclosures for political ads that are independent expenditures see Campaign Manual 6 for guidance.

A. Ads Prepared by Others

Candidate and political party committee ads: The Act does not require major donors to be identified in a disclosure when the ad is paid for by a candidate or a political party committee.

Ballot measure and general purpose committee ads: The Act requires primarily formed ballot measure and general purpose committees to specifically identify in a disclosure on the ad the top three contributors of \$50,000 or more. As a major donor, your name may appear in advertisements paid for by a ballot measure or general purpose committee.

QUICK TIP: A major donor making independent expenditures to support or oppose a candidate must be identified in a disclosure. See Manual 6.

Ex 3.1 – A corporation is a major donor committee and paid \$40,000 for a mass mailing to voters stating "Vote for Measure J." Since the communication expressly advocates support for a clearly-identified measure and the corporation coordinated the mailing with the committee, the communication is a nonmonetary contribution and also requires identification of the corporation on the mailing as described in the following pages.

B. Ads Prepared by a Major Donor Committee

The following information addresses the disclosures required when a major donor pays for a political ad that has been coordinated with a candidate or a ballot measure committee. Payments for these ads (nonmonetary contributions) are reported on campaign statements by both the major donor and the candidate or ballot measure committee.

Please note that advertisements that are "online platform disclosed advertisements" have different disclosure requirements than other types of online advertisements. "Online platform disclosed advertisements" are either (1) electronic media advertisements made via an online platform that allows users to engage in discourse and post content, or any other type of social media, for which the committee pays the online platform or (2) electronic media advertisements that are in the form of a graphic, image, animated graphic, or animated image that an online platform hosting the advertisement does not allow to hyperlink to an internet website containing required disclosures. For more information on "online platform disclosed advertisements" please refer to the "Online Platform Disclosed Advertisement Requirements" chart later in this chapter.

Electronic media advertisements that are not "online platform disclosed advertisements" shall follow disclosure requirements described in this chapter, other than those listed in the "Online Platform Disclosed Advertisement Requirements" chart.

What is the Disclosure?

"Ad paid for by *[committee's name]*" is the basic disclosure on most campaign communications. The disclosure is required on campaign communications, including the following:

- Mailings, including emails
- Paid telephone calls
- Radio ads
- Television and video ads
- Electronic media ads, including audio only ads
- Newspaper ads
- Billboards
- Yard signs
- Door hangers
- Flyers

How Must the Disclosure Appear?

Disclosures on political ads must be shown clearly so they may be easily understood by the public. Written disclosures must be printed clearly and legibly. Spoken disclosures must be clearly audible and intelligible and spoken in a pitch and tone substantially similar to the rest of the advertisement. Disclosures must also be written or spoken in the same language used in the advertisement. Specific requirements for color contrast, print font size, placement location, and time appearing on screen are provided on the <u>political advertisement</u> <u>disclosure charts</u> discussed later in this chapter. The way in which disclosures must appear on communications depends on the source of the expenditure, the medium of communication, and whether it is an advertisement. These disclosures vary between various types of communications, such as mailings, door hangers, flyers, billboards, signs, radio & TV ads, etc. Specific requirements for wording, appearance, font, placement, and more can be found on the <u>political advertisement disclosure charts</u> discussed later in this chapter.

When a major donor is required to be identified in a mass mailing or other advertisement, the legal name of the individual or entity as it appears on Form 461 must be disclosed. For example, "ABC Corporation" or "Dr. Jane Sommer," and not "Business for Growth" or "Doctors Who Care."

The FPPC's regulatory authority ensures that the payor of the ad is identified. The Act does not regulate the truth or accuracy of the content of political communications given the broad First Amendment protection for political speech.

Advertisements in Languages Other than English

Disclosures on political advertisements must be written or spoken in the same language used in the advertisement.

Is there a penalty for not including the proper disclosure?

Yes. The penalty for failing to comply is a fine of up to \$5,000 per violation. In addition, any person who violates the disclosure requirements may be liable for a fine of up to three times the cost of the advertisement, including placement costs.

Unless otherwise covered in the <u>political advertisement</u> <u>disclosure charts</u> discussed below, all mass mailings of more than 200 similar pieces must contain:

- The words "Paid for by" immediately adjacent to and either above or in front of the committee's name and address on the outside of the mailing and on at least one of the inserts
- in no less than 6-point type and in a color or print that contrasts with the background

If the sender is a single committee, the name and address need only be shown on the outside of each piece of mail.

Unless otherwise covered below, all mass emails of more than 200 similar pieces must contain:

 the name of the committee sending the email preceded by the words "Paid for by" in at least the same size font as the majority of the text

For mailings that are advertisements and information on other types of advertisements, please see below:

When a major donor committee pays for an advertisement that is an **independent expenditure on candidates**, the advertisement disclosure must include the information contained in the <u>Independent</u> <u>Expenditure Ads on Candidates (except ads by candidates and</u> <u>political party committees) chart #2</u> available on the FPPC's website.

When a major donor committee pays for an advertisement that is an **independent expenditure on ballot measures**, the advertisement disclosure must include the information contained in the <u>Independent</u> <u>Expenditure Ads on Ballot Measures (except ads by candidates and political party committees) chart #3</u> available on the FPPC's website.

When a major donor committee pays for an advertisement that is **not an independent expenditure**, the advertisement disclosure must include the information contained in the <u>All Non-Independent</u> <u>Expenditure Ads (except ads by candidates and political party committees) chart #6</u> available on the FPPC's website.

C. Online Platform Disclosed Advertisements

"Online platform disclosed advertisements" are either (1) electronic media advertisements made via an online platform that allows users to engage in discourse and post content, or any other type of social media, for which the committee pays the online platform or (2) electronic media advertisements that are in the form of a graphic, image, animated graphic, or animated image that an online platform hosting the advertisement does not allow to hyperlink to an internet website containing required disclosures.

Electronic media advertisements that are not "online platform disclosed advertisements" shall follow disclosure requirements described previously in this chapter.

Online Platform Disclosed Advertisement Requirements

Communication	Disclosure and Manner of Display
Type of Advertisement Law Applies To:	Either (1) electronic media advertisements made via an online platform that allows users to engage in discourse and post content, or any other type of social media, for which the committee pays the online platform or (2) electronic media advertisements that are in the form of a graphic, image, animated graphic, or animated image that an online platform hosting the advertisement does not allow to hyperlink to an internet website containing required disclosures.
Ad Disclosure that	An Online Platform Must Do One of the Following:
Online Platform is Required to Place on Advertisement:	 Display "Paid for by" or "Ad Paid for by" followed by the name of the committee easily readable to the average viewer located adjacent to any statement the communication is an advertisement (or is promoted or sponsored). The online platform may display only one hundred or more characters of the committee's name if it is followed by a "" that is clearly clickable and that links to a page that provides the committee's full name. The ad may instead link to a website that the committee has created pursuant to other provisions of the Act that contains the committee's name and whether the ad was authorized by a candidate for independent expenditure ads on candidates.
	2) Display a hyperlink, icon, button, or tab with the text "Who funded this ad?," "Paid for by," or "Ad Paid for by" that is clearly clickable and links to a page that provides the committee's name. This text must be easily readable to the average viewer, in the same or similar font and in at least the same font size as the online platform's text stating that the communication is an advertisement (or is promoted or sponsored). The ad may instead link to a website that the committee has created pursuant to other provisions of the Act that contains the committee's name and whether the ad was authorized by a candidate for independent expenditure ads on candidates.
	The Online Platform Must Also:
	Display a prominent button, icon, tab, or hyperlink with the text "View Ads" or similar text. The button, icon, tab, or hyperlink shall link to a page containing the records required to be displayed in the publicly available online database in one of the following locations:
	1) Near the top of a profile, landing page, or similar location of a committee that paid for an advertisement in a position that the average viewer will readily see it upon viewing that page.
	 On a page that displays the committee's profile information or biographical information.
	 On a page on which the average viewer would normally navigate to view additional information about a committee.

Communication	Disclosure and Manner of Display
Information Committee Paying for Advertisement is Required to Provide to Online Platform:	Upon requesting the dissemination of the advertisement, committee must do all of the following:
	 Expressly notify the online platform that the advertisement is one that falls under the Act.
	 Provide the online platform with committee's top contributors and the committee's name and identification number.
	3) Provide the online platform with the name of the candidate to which the advertisement refers and the office to which the candidate is seeking election, or number or letter of the ballot measure and the jurisdiction to which the advertisement refers.
	 Update the online platform with any change in the name of the committee or its top three contributors within 5 business days.
Records Required to be Kept and Provided to the Public in Online Platform's Public Database:	For all committees that purchased online platform disclosed ads and paid for five hundred dollars (\$500) or more in advertisements to the online platform during the preceding 12 months the database must contain:
	1) A digital copy of the advertisement.
	 The approximate number of views generated from the advertisement and the date and time that the advertisement was first displayed and last displayed.
	 Information regarding the range charged or the total amount spent on the advertisement.
	4) The name of the candidate to which the advertisement refers and the office to which the candidate is seeking election, as applicable, or number or letter of the ballot measure and the jurisdiction to which the advertisement refers.
	5) The name and identification number of the committee that paid for the advertisement, if the committee is assigned an identification number.
	These records are required to be made available by the online platform as soon as practicable and must be retained by the online platform for 4 years.

D. Valuing a Mailing and Internet Activity

Multiple Candidates/Measures: If a mailing (including emails) supports or opposes more than one candidate or measure, the fair market value attributable to each may be calculated by prorating the costs based on the amount of space allotted to each candidate or measure supported or opposed in the mailing.

Political and Non-Political Material: The cost of a mailing containing both express advocacy supporting or opposing a ballot measure or candidate as well as non-political material may be prorated. Costs directly associated with the political message are reportable, including staff time of more than 10 percent in a calendar month.

Individual Internet Activity: An individual who is not being paid by a campaign sends communications that expressly advocate a candidate or measure over the Internet, such as emails, social networking, blogging, website postings, and hyperlinks, does not incur reporting obligations.

Ex 3.2 – If a candidate's neighbor sends emails to their family and friends and posts on their personal social networking site support of the campaign, the communications are not reportable even though the candidate may have provided the neighbor with campaign materials. However, an electronic communication is a contribution or expenditure if an individual receives compensation for the messages and a majority of their advertisement revenue is from a single candidate or committee.

Communications Identifying State Candidates (No Express Advocacy)

A major donor committee that makes a payment or promise of payment totaling \$50,000 or more for a communication that 1) clearly identifies a state candidate; but 2) does not expressly advocate the election or defeat of the candidate; and 3) is disseminated, broadcast, or otherwise published within 45 days of an election, is required to file Form E-530. (See Chapter 4.) These payments are not required to be reported on the major donor committee campaign statement (Form 461).

Ex 3.3 – One month before a state general election, a major donor pays for several billboard ads that state: Assemblymember Jones, thank you for supporting AB 1010, low cost prescriptions for seniors!" A Form E-530 must be filed.

A. Could we, as a major donor committee, be identified on any advertisements we are not responsible for producing?

Yes. If contributions totaling \$50,000 or more are made to a recipient committee, other than a political party committee or a candidate controlled committee established for an elective office of the controlling candidate, the name of the top contributor must be included in the committee's advertisements if the top contributor is one of the three highest contributors to the committee. However, radio and prerecorded telephone ads must disclose only the top two contributors of \$50,000 or more unless the ad lasts 15 seconds or less or the disclosure statement would last more than eight seconds, in which case only the single top contributor must be disclosed. Additionally, newspaper, magazine or other print advertisements that are 20 square inches or less must only disclose the single top contributor of \$50,000 or more.

Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

Government Code Sections

- 82015 Contribution.
- 82031 Independent Expenditure.
- 82041.5 Mass Mailing.
- 84305 Requirements for Mass Mailing.
- 84310 Identification Requirements for Telephone Calls.
- Advertisement.
- 84502 Disclosure; Committee Name.
- 84503 Top Contributor Disclosure.
- 84504 Disclosure; Radio and Telephone Ads.
- 84504.1 Disclosure; Video and Television Ads.
- 84504.2 Disclosure; Print Ads.
- 84504.3 Disclosure; Electronic Media Ads.
- 84504.6 Disclosure; Online Platform.
- 84504.7 Disclosure; Text Messages.
- 84511 Ballot Measure Ads; Paid Spokesperson Disclosure.
- 85310 Communications Identifying State Candidates.

Title 2 Regulations

- 18215.2 Uncompensated Internet Activity by Individuals that is not a Contribution or Expenditure.
- 18225.7 Made at the Behest of; Independent verses Coordinated Expenditures.
- 18435 Definition of Mass Mailing.
- 18440 Telephone Advocacy.
- 18450.1 Definitions. Advertisement Disclosure.
- 18450.2 Definitions. Authorized and Paid For.
- 18450.4 Video and Television Advertisement Disclosure.
- 18450.11 Spokesperson Disclosure.
- 18531.10 Communications Identifying State Candidates.