



The Problem

Corporations, organizations, and individuals are secretly influencing the outcome of our elections by evading our state disclosure laws for spending in elections. Inadequate disclosure of political spending makes it more difficult for voters to make informed decisions, increases opportunities for corruption, and limits shareholders' and customers' ability to hold corporations accountable.

How Did We Get Here?

The Supreme Court's decision in *Citizens United v. FEC (2010)* lifted fundraising restrictions for independent political groups influencing state and federal elections. The result has been a two and three fold increase in election spending by these type of groups. Disclosure legislation has not kept pace.

Solution: Disclose paid Internet and email advertisements

Internet and email communications are excluded from the definition of electioneering communications. Accordingly, existing law does not require the disclosure of political communications transmitted over the internet, regardless of whether the communication is a paid advertisement or the number of people who view the message.

This bill would place paid advertisements distributed over the internet or through email into the definition of electioneering communications. As a result, individuals and organizations using these mediums to transmit political issue advertisements would be required to disclose them.

Benefits of Disclosure

- Alerts voters to the interests to which a candidate is most likely to be responsive and helps them make informed decisions
- Deters actual corruption and the appearance of corruption by exposing large contributions and expenditures to the public
- Facilitates investigations into violations of campaign finance laws by providing necessary data
- Empowers corporate shareholders and consumers to hold corporations accountable for political activities

Solution: Disclose corporate independent expenditures

Unlike individuals, associations, and unions, corporations aren't required to disclose independent expenditures because of a loophole created after *Citizens United*. This bill closes that loophole by requiring disclosure of all corporate political expenditures.

Solution: Disclose money at its source

Corporations can currently hide their political activity by transferring funds to an intermediary organization which then donates the same funds to a third party making electioneering communications. However, only the intermediary is disclosed not the original corporation, and voters are left unaware of the special interests funding political activity.

This bill would require the disclosure of all transfers made for the purpose of funding a electioneering communication.



Solution: Disclose the top 5 advertisement funders

When people see or hear television, radio, and Internet political advertisements, disclosure of a vague and unknown political organization name (like Americans for Apple Pie) can yield little substantive information about which interests are funding the advertisement. Voters cannot easily discover the organization's top contributors.

This bill would require independent expenditures and electioneering communications distributed through television, radio, and the Internet to state the top five contributors to the organization that paid for the advertisement. Knowledge of the source of financial support for an organization that distributes a political message can help an audience make an informed decision and determine the proper weight to give to the message.

Solution: Prevent coordination

Private funders and a candidate can secretly coordinate the circulation of an advertisement. When this happens, the expense for the advertisement can be deceptively misclassified as an independent expenditure or electioneering communication. As a result, the expenditure may not be accurately reported.

This bill reduces the opportunity for candidates to use a third party to secretly coordinate political messages by prohibiting candidates and organizations that pay for independent expenditures or electioneering communications from sharing advertising firms, staff members, and consultants.

Election laws shouldn't get lost on Beacon Hill

BOSTON GLOBE | JULY 25, 2012

...corporations needn't even disclose [political] spending to the public. A bill to mandate such disclosures in state and local elections came out of committee only late Tuesday afternoon. But as independent advertising looms larger in politics, voters deserve to know who's behind it.

Which other states are updating campaign finance disclosure?

Citizens United has greatly changed the landscape of campaign finance disclosure in state elections across the country. Many other states are also working on new disclosure requirements to close some of the same loopholes that are present in Massachusetts.

State lawmakers in New York, California, and Montana have either passed or created initiatives to more effectively prevent undisclosed money in their state elections. This is not a partisan issue. States that are concretely red and blue have introduced similar forms of disclosure acts.

Attorney General Seeks to Force Disclosure of More Political Donors

NEW YORK TIMES | DEC. 11, 2012

The New York attorney general announced a draft regulation that would force broad public disclosure of millions of dollars in loosely regulated spending on elections and ballot measures in New York.