



MAJOR DONOR COMMITTEES CAMPAIGN DISCLOSURE **MANUAL 5**



CONTENTS

| | |
|--|------------------------|
| Introduction | Introduction –1 |
| Chapter 1 – Are You a Committee? | 1.1 |
| Chapter 2 – Contributions | 2.1 |
| Chapter 3 – Advertisement Disclosures | 3.1 |
| Chapter 4 – Reporting Requirements | 4.1 |
| Appendix – About the Political Reform Act/How to Get Help | Appendix –1 |

DRAFT

Cover image courtesy of
Sterline Davis on Unsplash

INTRODUCTION

The purpose of California's Political Reform Act (the "Act") is to ensure that disclosure of political payments is accurate, timely, and made in a transparent manner. Clear and accurate disclosure is key to making voters aware of who is paying for political messages so they can evaluate the content and make informed decisions at the ballot box.

In California, the true source of a contribution must be disclosed. This manual sets out the procedures for major donor committees to comply with the reporting and advertisement disclosure requirements. A business, individual, or multi-purpose organization (including 501(c)(3) and 501(c)(4) nonprofit organizations) may qualify as a major donor committee.

Since 1974, there have been more than 200 amendments to the Act's campaign disclosure provisions. This manual has been prepared to assist committees in complying with the Act's numerous and often detailed rules. This manual is written in a "user friendly" format so that committees have a resource guide. Also provided is a list of statutes and regulations at the end of each chapter. These can be accessed on the FPPC website.

In addition, federal and state tax laws and other rules may be applicable. Telephone numbers and website addresses for the Federal Election Commission, Internal Revenue Service, California Franchise Tax Board, and the Federal Communications Commission are listed in the Appendix.

Controlling Law

This manual summarizes key campaign disclosure laws and regulations and draws from years of FPPC staff advice on complying with the provisions of the Act's campaign disclosure laws. Each committee's activity is different, however, and may raise issues not discussed in this manual. If there are any discrepancies between the manual and the Act or its corresponding regulations, the Act and its regulations will control.

Need Help?

If you need assistance, the Fair Political Practices Commission (FPPC) provides advice by email and by a toll-free telephone advice line. The FPPC does not provide third party advice or advice on past conduct. In addition, the FPPC website (www.fppc.ca.gov) contains forms, manuals, and a wealth of other helpful information.

| Email Advice | Telephone Advice |
|--|------------------------------------|
| advice@fppc.ca.gov | 1-866-ASK FPPC (1-866-275-3772) |

Don't forget these rules...

- Major donor committees do not receive contributions. If you receive contributions (persons providing you funds for political purposes) totaling \$2,000 or more in a calendar year you may qualify as a recipient committee, not a major donor committee. See Chapter 1.
- Major donor committees terminate automatically at the end of each year. A prior year's activity does not trigger filing in another calendar year, unless the donor forgives a loan made in a prior year.
- If you make contributions totaling \$25,000 or more in a calendar year, you may be required to file electronically with the Secretary of State.

- Once you become a major donor committee, during the 90 days prior to an election, or on the date of the election, you may be required to file the Form 497 Contribution Report within 24 hours.
- A major donor committee must file a semi-annual report for each six-month period in which a contribution or independent expenditure is made. State donors may also trigger odd-year reports.
- Check the filing schedules at www.fppc.ca.gov for deadlines.
- Do not report contributions to federal candidates.
- When a major donor is required to be identified in a mass mailing or other advertisement, the legal name of the individual or entity or any name by which the filer is commonly known to the public must be disclosed (e.g., ABC Development Corporation).

ARE YOU A COMMITTEE?

This manual provides important information on campaign disclosure rules for major donor committees.

A. What is a Major Donor Committee?

A major donor committee is an individual or entity (e.g., corporation, firm, business, or proprietorship) that makes one or more contributions to state or local candidates, ballot measure committees, or other committees (including political parties and PACs) totaling \$10,000 or more in a calendar year. A major donor committee does not receive contributions but instead uses its own funds to make contributions.

Ex 1.1 – In April, the Alpha Corporation made contributions totaling \$8,000 to various state and local candidates. In September of the same year, the corporation made another \$3,000 contribution to a State Senator’s legal defense fund. With the \$3,000 contribution, the corporation qualified as a major donor committee.

This year, the CDI Corporation made a \$35,000 contribution to a ballot measure committee. The corporation qualified as a major donor committee.

Last year, Marge used **her** personal funds to make contributions totaling \$10,000 to two state candidates and local ballot measure committees and candidates. **She Marge** qualified as a major donor and had reporting obligations. This year, Marge made contributions totaling only \$8,000 to candidates and committees. Marge did not qualify as a major donor, and thus did not incur reporting obligations.

QUICK TIP: If an individual or entity makes independent expenditures of \$1,000 or more in a calendar year, the individual or entity may qualify as an “independent expenditure committee.” (An “independent expenditure” is a payment for a communication that expressly advocates support of or opposition to a clearly identified candidate or ballot measure, but is not made at the behest of the affected candidate or a committee formed to support or oppose the measure.) See Campaign Disclosure Manual 6 for Independent Expenditure Committees for guidance.

QUICK TIP: If contributions totaling \$2,000 or more are received in a calendar year for the purpose of making contributions or independent expenditures in connection with California candidates or ballot measures, a recipient committee has been formed. When two or more individuals or entities make separate payments totaling \$2,000 or more for a single product or service used to make contributions or independent expenditures (e.g., a newspaper ad or a mailing), they also may qualify as a recipient committee.

Multi-Purpose Organizations (Including Nonprofit Organizations)

A nonprofit or other multi-purpose organization that makes political expenditures in California may also qualify as a major donor committee. The following information summarizes the committee qualification rules for such organizations.

Major Donor Reporting:

General Treasury Funds. A nonprofit or other multi-purpose organization that receives donations or other payments (e.g., membership dues) for purposes other than making political expenditures in California but nevertheless does, at times, make expenditures and contributions in California will qualify as a major donor committee if the organization makes contributions in a calendar year which total between \$10,000 and \$50,000. An organization that makes political expenditures of more than \$50,000 in a 12-month period or more than \$100,000 in four consecutive calendar years will qualify as a recipient committee.

QUICK TIP: An organization or corporation may qualify as a major donor committee because another organization made contributions and expenditures in California and determined that the corporation or organization was a funding source for its political expenditures. In such cases, a major donor notice must be sent to the organization that was a funding source.

Non-Donor Funds. A nonprofit or other multi-purpose organization that uses only non-donor funds for expenditures and contributions in California will qualify as a major donor committee in each calendar year that the organization's political payments total \$10,000 or more. Examples of non-donor income include interest payments and sales revenue.

A multipurpose organization, including a major donor, that makes contributions or expenditures using nondonor funds must describe the source of those nondonor funds on the organization's campaign report or statement, including both the type of nondonor funds used (as defined in Section 84222(c)(5)(B), and the source of the nondonor funds, such as the name of the entity where an income producing investment is held, or the type of goods sold. (Regulation 18422(c)(4).)

A multi-purpose organization that qualifies as a major donor committee is subject to the same campaign disclosure provisions reviewed in this manual as a business entity, including the filing of a Form 497 (24-Hour/10-Day Contribution Report) and Form 461 (Major Donor Report), as well as the advertisement disclosure requirements.

QUICK TIP: The FPPC website has up-to-date information on reporting requirements for multi-purpose organizations.

QUICK TIP: A federal or out-of-state political action committee does not file major donor reports. Such committees qualify as recipient committees when \$2,000 or more in a calendar year is used for expenditures and contributions in California.

Recipient Committee Reporting:

A multi-purpose organization will qualify as a recipient committee under the following circumstances:

- The organization solicits and receives payments from donors totaling at least \$2,000 for the purpose of making contributions or expenditures in California.
- The organization accepts payments from donors totaling at least \$2,000 subject to a condition, agreement, or understanding with the donor that all or a portion of the payments may be used for making contributions or expenditures in California.
- The organization has existing funds from a donor and a subsequent agreement or understanding is reached with the donor that all or a portion of the funds may be used to make contributions or expenditures totaling at least \$2,000 in California.
- The organization makes contributions or expenditures in California totaling more than \$50,000 in a period of 12 months, or more than \$100,000 in a period of four consecutive calendar years.
- A federal or out-of-state political committee makes contributions or expenditures in California totaling at least \$2,000 in a calendar year.

Ex 1.2 – A trade association of city businesses raises money for charitable events in the community. One year, the association makes a \$45,000 contribution to a committee formed to support a city ballot measure. The association had not raised the money for political purposes and did not reach an agreement with donors that their payments may be used for political purposes. Therefore, the association does not qualify as a recipient committee required to report donors; however, it qualifies as a major donor committee and must file the Form 461 to report the contribution. If the contribution was made in the 90 days before the election, or on the date of the election, the Form 497 must also be filed.

Affiliated and Non-Affiliated Persons

There are certain situations when payments made by two or more persons are aggregated and the persons are treated as a single contributor for reporting purposes and for purposes of contribution limits.

Affiliated individuals and entities will qualify as a single committee if, together, their independent expenditures total \$2,000 or more, or their contributions total \$10,000 or more, in a calendar year. In addition, a major donor committee that files campaign statements disclosing contributions made by affiliates must notify the recipients of its contributions of the name used on the major donor campaign statement under the “Name of Filer.” (See Chapter 4.)

There is an exception for payments made by individuals listed on the same joint checking account. A contribution is attributed, in full, to the individual who signs the check. (See Chapter 2.)

QUICK TIP: Under the Act, the term “person” includes an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, committee, and association.

The following payments are aggregated:

- Contributions or independent expenditures made from an individual’s personal funds and from funds of any entity ~~he or she~~ they directs and controls.
- Contributions or independent expenditures made by two or more entities whose contributions or independent expenditures are directed and controlled by a majority of the same persons.
- Contributions or independent expenditures made by entities that are majority owned by any person. Contributions and independent expenditures made by the majority owner and all other entities majority owned by that person are aggregated unless the entities act independently in their decisions to make contributions or independent expenditures.

QUICK TIP: If any combination of individuals or entities described on this page qualifies as a single committee, a single campaign statement must be filed reflecting the name of each individual's or entity's payment. (See Chapter 2 for specific instructions on which name is identified as the name of the filer.)

QUICK TIP: Contributions from a joint checking account may be allocated according to a written document (signed by both individuals) that accompanies the contribution.

The following are basic examples to provide general guidance. Every case is unique and we encourage you to contact the FPPC for advice.

Ex 1.3 – In May, Ellen Gomez made contributions from **her** personal funds totaling \$6,000 to candidates for county and state offices. In June, **she Ellen** made a \$3,000 independent expenditure from **her Ellen's** wholly owned business to oppose a ballot measure and qualified as an independent expenditure committee. Because **Ms. Gomez Ellen** directed and controlled all of the payments, **she Ellen** and **her Ellen's** business qualify as a single independent expenditure committee and must disclose **her Ellen's** personal contributions as well as the independent expenditures made from **her the** business. (Refer to FPPC Campaign Disclosure Manual 6 for Independent Expenditure Committees.)

Ex 1.4 – Judy and Bill Copren are listed on a joint checking account. During a calendar year, Judy signed several checks totaling \$6,000 to various local candidates. Bill also signed several checks totaling \$7,000. Judy and Bill do not qualify as a major donor committee. Each individual's contributions are treated separately for purposes of qualifying as a major donor committee.

In addition, Judy and Bill are partners in four limited partnerships. Contributions made from each of the limited partnerships must be approved by both Judy and Bill. The four limited partnerships qualify as a single major donor when contributions of \$10,000 or more are made in a calendar year. (Note: the partnership major donor statement would not list Judy and Bill's personal contributions because neither Judy nor Bill can direct and control the contributions separately.)

Ex 1.5 – Pace Computers contributed a total of \$9,000 to support various legislative candidates. Under the direction of Pace Computers, Global Software, Inc., a company in which Pace Computers has a greater than 50 percent ownership interest, contributes \$7,000 to support local candidates. Because Global Software, Inc. did not act independently, the companies qualify as a single major donor committee.

\$5,000 Notification to Potential Major Donors

Committees that receive one or more contributions totaling \$5,000 or more in a calendar year from an individual or entity that made the contribution(s) from personal, business, corporate, or general funds must send the contributor written notice that they may have a filing obligation.

Generally, a major donor notice must be sent within two weeks of receiving contributions totaling \$5,000 or more; however, if a contribution of \$10,000 or more is received in the 90 days prior to the election, or on the date of the election, the notice must be sent within one week.

Ex 1.6 – Southwest Telecom has a greater than 50 percent ownership interest in American Telecom. Each entity, entirely on its own and with separate decision-making bodies, makes a contribution of \$5,000 to a ballot measure committee. Because Southwest Telecom and American Telecom acted completely independently in their decisions to make the contributions, they do not qualify as a major donor.

The notice language must be substantially similar to the language below:

If your contribution(s) to this committee and to other California state or local committees total(s) \$10,000 or more in a calendar year, California law requires you to file a Major Donor Committee Campaign Statement (Form 461). The deadline and location for filing this statement will depend upon the timing and type of contribution(s) you have made. For additional information, visit www.fppc.ca.gov and review the available campaign materials.

24-Hour Reports

Major donors that trigger reporting obligations must also file a 24-Hour/10-Day Contribution Report (Form 497) if they make:

- *Contributions totaling \$1,000 or more to a single candidate, any of the candidate's controlled committees, or to a committee primarily formed to support or oppose a candidate or ballot measure during the 90 days before the election, or on the date of the election, in which the candidate or measure is being voted on; or*
- *Contributions totaling \$1,000 or more to a state or county political party committee during the 90 days prior to a state election, or on the date of the election, including a state special election.*

Electronic Filing

State major donor committees that make contributions of \$25,000 or more must file electronically with the Secretary of State (www.sos.ca.gov). State major donor committees that are required to file the Form 497 (24-Hour/10-Day Contribution Report) must file this form electronically even if the \$25,000 threshold has not been met. For more information on the electronic filing requirements for state committees, contact the Political Reform Division at the Secretary of State's office at (916) 653-6224. Local committees should contact the local jurisdiction to determine if there are electronic filing requirements.

Late Filing Penalties and Fines

Failure to file campaign statements may result in late filing penalties of \$10/day (state committees may be fined \$20/day if they must file electronically and on paper) and fines of up to \$5,000 per violation.

QUICK TIP: If you receive a major donor notice, you may need to file an FPPC report!

B. Other Types of Payments

Local Agency Formation Commission (LAFCO) Proposals

Payments made in connection with Local Agency Formation Commission (LAFCO) proposals may be reportable contributions or independent expenditures. These questions are very fact specific, so contact the FPPC for guidance.

QUICK TIP: Laws outside the Act generally prohibit the use of public moneys for campaign activities by a governmental agency.

CalPERS/CalSTRS Candidates

Contributions that an individual or business entity makes to support or oppose candidates seeking certain elective offices, including the California Public Employees' Retirement System or the California Teachers' Retirement System board positions, count toward qualification as a major donor committee.

Government Agency Communications

A state or local government agency making payments for campaign activities may become a committee subject to reporting if the payments qualify as contributions or independent expenditures. For example, if governmental employees spend more than 10 percent of their time on campaign activities, a contribution or independent expenditure is made. See Regulation 18420 for more information.

Payments made for certain communications sent by a government agency may also be considered contributions or independent expenditures. See Regulation 18420.1 for more information.

Answering Your Questions

A. Will a candidate or the spouse of a candidate become a major donor by contributing \$10,000 to the candidate's campaign?

If the contributions are made from community funds, neither the candidate nor the spouse will qualify as a major donor. However, if the candidate's spouse makes contributions from legally separate funds, the spouse will become a major donor. The donor is the individual who signs the check. (Spouse includes registered domestic partner.)

B. A legislator made a \$40,000 personal contribution to a state ballot measure committee. Does the legislator file as a major donor committee?

Yes.

C. May corporations make political contributions in California?

Yes. The Act does not prohibit in-state or out-of-state corporations from making contributions. There are restrictions for foreign corporations as described in Chapter 2.

D. Must contributions totaling \$10,000 or more be made to a single candidate, committee, or measure in order for the contributor to become a major donor?

No. If a contributor makes contributions totaling \$10,000 or more to any combination of California state and local candidates, committees, or measures in a calendar year, the contributor meets the definition of major donor.

E. An entity has qualified and filed as a major donor committee in the past three consecutive years, but will not qualify this year. Is it necessary for this entity to terminate its status as a committee to avoid having to file this year?

No. Major donor committees terminate automatically at the end of the calendar year and are under no obligation to file anything in a year in which they do not engage in enough activity to qualify as a committee.

F. If an individual makes a \$6,000 contribution in the current year and, also in the current year, forgives a \$5,000 campaign loan made in the previous calendar year, will that individual become a major donor?

Yes.

G. Will an individual qualify as a major donor by making a \$6,000 loan and forgiving that same \$6,000 loan in the same calendar year if the individual has made no other contributions to California committees?

No. However, if the loan is forgiven in a subsequent calendar year, the forgiveness counts toward qualification as a major donor for that year.

H. If a person makes a \$1,000 contribution during the 90 days before an election, and, including that contribution, has not qualified as a major donor committee, is a 24-hour/10-day Contribution Report required?

No. The person has no filing obligations until qualifying as a major donor committee.

I. A major donor's only contribution is a \$10,000 contribution to a superior court judge candidate. Where does the major donor file?

The major donor files as a county major donor committee with the County Registrar of Voters.

J. If a Member of Congress contributes \$10,000 to a statewide ballot measure from the congressional committee, is reporting required?

Yes. The congressional campaign committee must file a Form 461 as a state major donor committee.

K. Our trade association has never before made a political expenditure. However, this year the association made a single contribution of \$45,000 to a committee primarily formed to support a county ballot measure. Is our association required to register as a recipient committee?

No. Since the contribution was not more than \$50,000, the association does not qualify as a recipient committee so long as the funds were not raised for California political purposes and there was no agreement with the donors that their payments may be used for California political purposes. The association does, however, qualify as a major donor committee and must file the applicable campaign reports and meet the specified filing deadlines.

L. Our organization provides a variety of services to its members, including insurance coverage which results in income to the organization. The organization makes its political expenditures from the income producing account (non-donor funds), not from its membership dues account. Is our organization required to register as a recipient committee?

No. Since non-donor funds are used, the organization does not qualify as a recipient committee. If the organization makes contributions of \$10,000 or more, or independent expenditures of \$1,000 or more, in a single calendar year, the organization will qualify as a major donor committee or an independent expenditure committee, respectively. The committee must then file the applicable campaign reports and meet the specified filing deadlines.

M. Our association receives its funds exclusively from its members. The members do not designate their funds for California political purposes. This year, the association made a \$55,000 contribution to a committee primarily formed to support a county ballot measure. The association will not make additional political expenditures this calendar year. Is our association required to register as a major donor committee or a recipient committee?

The association must file the Form 410 as a recipient committee. Because its only contribution was to a county ballot measure committee, it must register as a county primarily formed ballot measure committee. In Part 4 of the Form 410, the committee will note that it is a calendar year filer (“CY”) and describe the organization’s mission or significant activities (a reference to its IRS tax form is permissible). The association must also file all applicable campaign reports and meet the specified filing deadlines. Unless the association elects to remain registered as a recipient committee, the committee will automatically terminate at the end of the calendar year.

Authority

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

Government Code Sections

| | |
|---------|---|
| 82013 | Committee. |
| 82015 | Contribution. |
| 82015.5 | Contribution; Aggregation. |
| 82031 | Independent Expenditure. |
| 84105 | Notification to Contributors. |
| 85310 | Communications Identifying State Candidates. |
| 85312 | Communications to Members of an Organization. |

Title 2 Regulations

| | |
|---------|---|
| 18215 | Contribution. |
| 18225.4 | Independent Expenditures; When Aggregated. |
| 18225.7 | Made at the Behest of. |
| 18228 | Inclusion of Registered Domestic Partners. |
| 18420 | Reporting of Campaign Contributions and Expenditures of State or Local Government Agencies. |
| 18420.1 | Payments by State or Local Agencies for a Campaign Related Communication. |
| 18422 | Nonprofit and Multipurpose Organization Political Activity Transparency. |
| 18427.1 | Notification to Contributors of \$5,000 or More. |
| 18428 | Reporting of Contributions and Independent Expenditures Required to be Aggregated. |

CONTRIBUTIONS

This chapter begins with a discussion of common types of contributions and includes information on the state contribution limits.

A. What is a Contribution?

A contribution is a monetary or nonmonetary payment made to a candidate or committee for which the candidate or committee has not provided full and adequate consideration in return. A contribution may take any of the following forms:

- Money (cash, check, credit card, wire transfers)
- Loans (including loan guarantees, co-signing, lines of credit, and forgiveness of a loan)
- Tickets to political fundraisers (full value of the ticket)
- Nonmonetary items (donated goods or services, ~~cryptocurrency~~)
- Enforceable promises

Common types of nonmonetary contributions include:

Staff: If a business donates the use of an employee to work on a campaign, the amount the individual is paid for working on the campaign is a nonmonetary contribution if the employee spends more than 10 percent of ~~his or her~~ **their** compensated time in a calendar month working on campaign activity for any number of candidates or committees. The amount is the pro-rata portion of the gross salary attributed to political activity. The names, addresses, and specific salaries of the employees are not required to be reported.

Discounts: If an entity provides a discount on goods or services to a committee and the discount is not offered to the public in the regular course of business, the discount is a nonmonetary contribution.

Enforceable Promises: A legally enforceable promise to pay for goods or services is a contribution. A pledge card is not considered an enforceable promise to make a contribution. “Enforceable promise” also does not include a contributor’s agreement to make future installment payments through wire transfer, credit card transaction, debit account transaction, or similar electronic payment.

QUICK TIP: Office Space: The value of donated office space may be computed based on comparable rental rates for office space in the area.

Phone Banks: Businesses and other entities will sometimes allow a committee to use their phones to call prospective voters during non-business hours. The fair market value of the use of the phones is calculated to determine the amount reported as a nonmonetary contribution, even if only local calls are made. One method to determine the fair market value is to contact organizations that provide phone banks as a business.

Joint Fundraisers: Major donors will sometimes pay for a fundraising event for multiple candidates. The fair market value of the contribution for each candidate may be allocated based on the amount of expenditures and the number of candidates at the event. Also see page 2.5.

Cryptocurrency: Major donors may make cryptocurrency contributions, which are considered nonmonetary contributions, to committees subject to specific requirements. Contributions received in cryptocurrency are subject to any applicable limits and may not be accepted from foreign principals, lobbyists, or anonymous sources. Committees cannot receive cryptocurrency contributions directly. However, a committee may receive cryptocurrency contributions through a payment processor selected to act as a vendor on behalf of the committee. Committees must ensure that lobbyist contributions that would otherwise be prohibited are not made or received through the payment processor.

Any cryptocurrency contribution must be made and received through a U.S. based cryptocurrency payment processor registered with the U.S. Department of Treasury, Financial Crimes Enforcement Network, which utilizes know your customer (KYC) protocols to verify the identity of the contributor for all contributions.

The amount of a cryptocurrency contribution is the fair market value of the cryptocurrency at the time the payment processor obtains possession of the contribution. A cryptocurrency contribution is received on the date the payment processor, an agent of the committee, obtains possession of the cryptocurrency that constitutes the contribution.

For more information on cryptocurrency, please check out our [Cryptocurrency Contributions Fact Sheet](#) available on our website, www.fppc.ca.gov.

Polls: A person or entity that provides data from a privately purchased public opinion poll or survey to a candidate or committee is making a nonmonetary contribution if the candidate or committee requests the data or the data are used for political purposes. A formula utilized by the Federal Election Commission may be used for valuing polling or survey data, as long as the formula is used in a reasonable manner to provide a fair estimate. The formula calculates the value based on the age of the data. The chart below illustrates the fair market value of data based on the number of days that pass from the date the entity originally received the data to the date the data were provided to the candidate or committee.

| Age of Data | Value |
|--------------------|------------|
| 0 -15 days | Full Value |
| 16 - 60 days | 50% |
| 61 - 180 days | 5% |
| More than 180 days | No Value |

When only a portion of a survey is provided to or for the benefit of a candidate or committee, the nonmonetary contribution is the prorated portion of the total value of the survey.

B. Reporting Contributions Made

In general, a monetary contribution is made on the date that the contribution is mailed, delivered, or otherwise transmitted to the candidate or committee. Alternatively, the date of the check may be used provided it is no later than the date the contribution is mailed, delivered, or otherwise transmitted. For example, a check dated July 10 and delivered June 10 is made on June 10. Whereas, a check dated May 5 but delivered June 10 may be reported as made on either May 5 or June 10.

A nonmonetary contribution is made on the earlier of the following:

- The date funds were expended by the contributor for the goods or services; or
- The date the committee or an agent of the committee obtained possession or control or otherwise receives the benefit of the goods or services.

Services of salaried personnel are considered made on the payroll date.

When a nonmonetary contribution is made, the fair market value must be reported. The value of all nonmonetary contributions of \$100 or more must be reported in writing to the recipient upon the recipient's written request.

Joint Checking Accounts: Individuals (including spouses) may make separate contributions from a joint checking account. For reporting purposes, the full amount of the contribution is reported as made from the individual who signs the check. If two or more individuals sign the check, the contribution is divided equally between or among the signers, unless there is an accompanying document signed by each individual whose name is printed on the check that clearly indicates a different apportionment.

A check drawn on a joint checking account that is signed by an individual not listed on the check (e.g., an accountant) must be accompanied by a document signed by at least one of the individuals listed on the check stating to whom the check is to be attributed.

Generally, if a check is drawn on the account of a business entity, the contributor is the business entity, not the individual who signed the check.

A contribution made by a child under the age of 18 is presumed to be a contribution from **his or her** **their** parent or guardian, unless the facts show otherwise (i.e., that the child actually chose to make the contribution).

Ex 2.1 – Linda and Jerry Nelson are both listed names on a joint checking account. From this account, Linda signed a \$15,000 check payable to Citizens Against Street Crime, Yes on Measure D. Linda is the contributor of the full \$15,000.

Ex 2.2 – Global Software made a \$13,000 contribution to a ballot measure committee. Global Software’s contributions are reported on the major donor statement filed under the name of Pace Computers, Global Software’s parent. Global Software must notify the ballot measure committee that the contribution is disclosed on the campaign statement filed by Pace Computers. The ballot measure committee will identify both Global Software and Pace Computers on its campaign statement.

Affiliated Committees: A major donor committee that files campaign statements disclosing contributions made by affiliates must notify the recipients of its contributions of the name used on the major donor campaign statement under the “name of filer.”

C. Contribution Exceptions

There are many exceptions to the definition of “contribution.” Four common exceptions include:

Volunteer Personal Services: If an individual donates ~~his or her~~ **their** personal or professional services to a campaign, no contribution has been made or received. However, if an employer donates employee services to a campaign, and any employee spends more than 10 percent of ~~his or her~~ **their** compensated time in a calendar month providing the services, the employer has made a nonmonetary contribution. “Volunteer personal services” does not include any tangible items. Donated goods are contributions. A volunteer’s travel expenses are not nonmonetary contributions as long as there is no understanding that the expenses will be repaid.

Home/Office Fundraisers: If someone holds a fundraiser or other campaign event in ~~his or her~~ **their** home or office for one or more candidates, the costs incurred by the occupant of the home or office need not be reported as long as the total cost of the event is \$500 or less. However, if someone else donates food, beverages, or anything else of value for the event, the fair market value of those donated goods is a nonmonetary contribution. In addition, the donated goods must be counted to determine whether the total cost of the event is \$500 or less. This exception does not apply to a lobbyist (or a cohabitant of a lobbyist) or a lobbying firm.

Ex 2.3 – Shannon sponsors an event for a candidate after work in ~~her~~ **Shannon’s** business’ office. ~~She and~~ spends \$450. A friend supplies decorations worth \$75. Since the total cost of the event exceeds \$500, the candidate must report receiving contributions of \$450 from Shannon and \$75 from the friend.

QUICK TIP: The total cost of a home or office fundraiser must be \$500 or less. This is true no matter how many committees or candidates benefit from the event.

Member Communications: Payments made by an entity (including a business entity) for a communication that supports or opposes a candidate or ballot measure are not contributions or expenditures as long as the communication is sent only to the organization’s members, employees, shareholders, or their families. The payments may not be for general public advertising, such as billboards, newspaper, radio, or television ads.

Ex 2.4 – A corporation sends a mailing supporting a ballot measure to the corporation’s shareholders. The mailing is not a contribution to the ballot measure committee whose position is supported, or an independent expenditure.

At the behest of a ballot measure committee, the corporation sends a mailing supporting Measure A to all registered voters in the district where the measure will appear on the ballot. The mailing to the voters is a nonmonetary contribution.

QUICK TIP: Consult Regulation 18215 for a complete list of exceptions to the definition of a contribution.

Payments for Governmental, Legislative, or Charitable Purposes:

Payments made in connection with a governmental, legislative, or charitable event, such as a job or health fair, a charity fundraiser, or a conference on educational issues, that are coordinated or requested by an elected official from a source other than the official’s agency, such as a business, are generally not considered gifts or contributions to the elected official who is co-sponsoring the event. This includes payments behested by the official or by **his or her their** agent or employee on the official’s behalf. These payments (sometimes referred to as “behested payments”) are not for personal or campaign purposes. However, the official may be required to report such payments on the Form 803 if they total \$5,000 or more. A major donor is not required to report such payments on Form 461.

The official must file Form 803 within 30 days following the date on which the payment(s) meets or exceeds \$5,000 in the aggregate from a single source in a calendar year. The FPPC posts on its website payments made at the behest of state elected officials and members of the Public Utilities Commission.

Ex 2.5 – At Councilmember Stark’s request, Diamond Dairy made a \$10,000 donation to the Boys’ and Girls’ Club. Councilmember Stark will file Form 803 with the city clerk disclosing the donation and donor’s name and address. Diamond Dairy is not required to report the payment.

QUICK TIP: Merely inviting an elected official to speak at an event is not a behested payment.

D. Contribution Restrictions

The True Source of Contributions Must Be Disclosed: One of the prohibitions in the Act states that no contribution shall be made, directly or indirectly, by any person in a name other than the name by which the person is identified for legal purposes. Failure to disclose the true source of a contribution is a serious violation of the law. For example, reimbursing employees or others so that the original source of the contribution is hidden from the candidate or committee is unlawful.

QUICK TIP: Reimbursing contributions of employees or others, in attempts to avoid or to get around state or local contribution limits, is a violation of Section 84301.

QUICK TIP: An intermediary of a contribution also has a duty to disclose to a candidate or committee the true source of the funds.

Ex 2.6 – Build Right Homes is a housing company located in Sun City. Sun City has a \$1,000 per election contribution limit for local officials. The City Council is considering a contentious slow-growth plan for Sun City. Concerned about the plan, the president of Build Right Homes makes a maximum contribution to a council candidate who opposes it. He The president asks the employees of Build Right Homes to do the same, and plans to reimburse them. Reimbursing employees or others to get around contribution limits is called campaign money laundering and is illegal.

Ex 2.7 – In the weeks before an election, an out-of-state nonprofit organization for citizen rights made a \$5 million contribution to a California state ballot measure committee, without reporting the source of the funds. The \$5 million contribution originated with another out-of-state nonprofit organization and was transferred through two other nonprofit groups before it was contributed to the ballot measure committee. Failing to report the true source of the contribution is campaign money laundering. Under Sections 84301 and 84302, the true source of the contribution must be reported, and the nonprofit organizations through which the funds were transferred must be identified as intermediaries for the contribution.

Intermediary: An intermediary is a person or entity that makes a contribution on behalf of another person and has been or will be reimbursed for the contribution. For each contribution of \$100 or more from an intermediary, the name, address, and, if applicable, the occupation and employer information must be disclosed for both the true source of the contribution and the intermediary. For contributions of \$100 or more from an intermediary that is a limited liability company (LLC) that has qualified as an independent expenditure committee or major donor, include the name of the LLC and the full legal name of the LLC's responsible officer as defined in Regulation 18402.2. If the contributor is an LLC that has qualified as a recipient committee, include the name of the committee and its principal officer as defined in Section 82047.6. For an LLC that has not qualified as a committee, include the name of the LLC and the full legal name of the individual primarily responsible for approving the contribution. If more than one individual shares in the primary responsibility of approving a contribution, at least one such individual must be identified.

Contributions of \$100 or More: Monetary contributions of \$100 or more must be made by written instrument (such as a check) containing the name of the donor and drawn from the account of the donor or intermediary. Contributions may also be made by credit card or electronic transmission (e.g., wire transfer).

Contributions of \$100 or more made by money order, cashier's check, or traveler's check are prohibited. A cash contribution of \$100 or more is prohibited and an anonymous contribution of \$100 or more is prohibited.

In addition, a candidate or committee must return a contribution of \$100 or more from an individual if the individual's name, address, occupation, and employer are not obtained within 60 days of receipt of the contribution. All contributions to a candidate or committee must be made in the name by which the contributor is identified for legal purposes. Additionally, contributions of \$100 or more from a limited liability company (LLC) must be returned if, within 60 days, the committee's records do not contain the name of the LLC and the full legal name of the LLC's responsible officer (for an LLC that has qualified as an independent expenditure committee or major donor); the name of the LLC's committee and the LLC's principal officer (for an LLC that has qualified as a recipient committee); or, for an LLC that has not qualified as a committee, the full legal name of the individual primarily responsible for approving the contribution.

Earmarked Contributions: A contribution to a committee that is earmarked for a contribution to any other particular committee, ballot measure, or candidate is required to be disclosed as outlined below.

A contribution is earmarked if it is made under any of the following circumstances:

- The committee or candidate receiving the contribution solicited the contribution for the purpose of making a contribution to another specifically identified committee, ballot measure, or candidate, requested the contributor to expressly consent to such use, and the contributor consents to such use.

- The contribution was made subject to a condition or agreement with the contributor that all or a portion of the contribution would be used to make a contribution to another specifically identified committee, ballot measure, or candidate.
- After the contribution was made, the contributor and the committee or candidate receiving the contribution reached a subsequent agreement that all or a portion of the contribution would be used to make a contribution to another specifically identified committee, ballot measure, or candidate.

However, there is an exception for dues, assessments, fees, and similar payments made to a membership organization or its sponsored committee in an amount less than five hundred dollars (\$500) per calendar year from a single source for the purpose of making contributions or expenditures. Such funds are not considered to be earmarked by each individual contributor, instead the membership organization is to be reported as the source for these funds.

The committee making an earmarked contribution shall provide the committee receiving the earmarked contribution with the name and address and, if applicable, the occupation and employer of the contributor who earmarked their funds and the amount of the earmarked contribution at the time it makes the contribution. If the committee making the contribution received earmarked contributions that exceed the amount contributed, or received contributions that were not earmarked, the committee making the contribution shall use a reasonable accounting method to determine which contributors to identify pursuant to this subdivision, but in no case shall the same contribution be disclosed more than one time to avoid disclosure of additional contributors who earmarked their funds.

Reporting Earmarked Contributions: A committee that makes a contribution to another committee earmarked for a third specifically identified committee must disclose the specifically identified committee as the recipient of the contribution and the other committee as an intermediary at the time the earmarked contribution is made.

The specifically identified committee must disclose the contributor and intermediary at the time the funds are received from the intermediary. The intermediary must disclose receipt of the funds as

a miscellaneous increase to cash on Schedule I of Form 460 at the time the funds are received and must disclose the expenditure as the transfer of an earmarked contribution from the contributor to the specifically identified committee at the time the funds are given to the specifically identified committee.

A committee that makes a contribution to another committee and subsequently reaches an agreement with that committee that all or a portion of the contribution would be used for another committee, ballot measure or candidate must include a notation on its next statement that the original contribution was subsequently earmarked, including the name of the specifically identified committee, ballot measure, or candidate. The committee that initially received the funds must also include a notation on its next statement that the original contribution was subsequently earmarked and must disclose the original contributor to any new committee to which it transfers the earmarked funds. The new committee shall disclose the true source of the contribution with a notation that the contribution was earmarked to the specific ballot measure or candidate.

A committee that makes a contribution earmarked for a specifically identified ballot measure or candidate must disclose a contribution to the committee that received the contribution with a notation that the contribution was earmarked to the specific ballot measure or candidate. The committee receiving the earmarked contribution must disclose the contributor with a notation that the contribution was earmarked for the specific ballot measure or candidate when the contribution is received. This committee is solely responsible for disclosing the ultimate use of the earmarked contribution, whether by contribution or expenditure, at the time the funds are used. If the committee receiving the earmarked contribution contributes any portion of the contribution to another committee to support or oppose the specifically identified ballot measure or candidate, that committee shall disclose the true source of the contribution to the new committee receiving the earmarked funds for disclosure on the new committee's campaign report. The new committee shall disclose the true source of the contribution with a notation that the contribution was earmarked to the specific ballot measure or candidate.

Contributions in State Office Buildings Prohibited: Contributions may not be delivered, personally or through an agent, in the State Capitol or other state office building if the State of California pays the majority of the rent for that building. “Personally delivered” includes the delivery of a copy or facsimile of a contribution, and the original or a copy of a contribution transmittal letter. This prohibition does not apply to contributions received or delivered in a legislative district office, or those sent by mail.

Contributions from Foreign Governments or Principal in Connection with State or Local Ballot Measure Prohibited: A foreign government or foreign principal may not make contributions, expenditures or independent expenditures in connection with the qualification or support of, or opposition to, any state or local ballot measure. The term “foreign principal” includes:

- A foreign political party;
- An individual outside the United States, unless the individual is a U.S. citizen
- A person, other than an individual, outside the United States unless the person is organized under or created by the laws of the United States or of any state or other place subject to the jurisdiction of the United States and has its principal place of business within the United States;
- A partnership, association, corporation, or organization organized under the laws of, or having its principal place of business in, a foreign country; and
- A domestic subsidiary of a foreign corporation if the decision to contribute or expend funds is made by an officer, director, or management employee of the foreign corporation who is not a U.S. citizen or lawful permanent resident.

Contributions, expenditures, or independent expenditures made by a lawfully-admitted permanent resident (e.g., a “green card” holder) of the United States are permitted. (See Government Code Section 85320.)

Cryptocurrency: No contribution may be made or received in cryptocurrency.

Federal Law Prohibitions: Contributions from Foreign Nationals (including Foreign Principals and Foreign Governments):

Committees may not solicit or accept contributions from foreign nationals. Federal law prohibits contributions and expenditures solicited, directed, received or made directly or indirectly by or from foreign nationals in connection with any election — federal, state or local. This prohibition includes contributions made to political committees. Furthermore, it is a violation of federal law to knowingly provide substantial assistance in the making, acceptance or receipt of contributions or in connection with federal and nonfederal elections to a political committee. This prohibition includes, but is not limited to, acting as an intermediary for foreign national contributions. (52 USCS Section 30121.) Contact the Federal Election Commission for information at (800) 424-9530 or info@fec.gov.

Federal Law Prohibitions: Contributions from National Banks or Federally-Chartered Corporations: National banks and federally-chartered corporations are subject to federal law prohibiting particular contributions and expenditures in connection with local, state, or federal elections. (The Federal Election Campaign Act, 52 USCS Section 30101, et seq. and specifically Section 30118; and see 11 C.F. R. Section 114.2.) Contact the Federal Election Commission for information at (800) 424-9530 or info@fec.gov.

Pay-to-Play Laws: Some localities in California have pay-to-play ordinances that prohibit city contractors from making campaign contributions to candidates for public office in that jurisdiction. Check with your local filing official to see if such ordinances are in place for your election.

QUICK TIP: Contributions from affiliated committees are aggregated for purposes of the limits on contributions to state candidates. (See Chapter 1.)

Disqualification and Campaign Contributions: Government Code section 84308 generally disqualifies certain local elected officers, appointed board members, and commissioners, or individuals who head state or local government agencies from participating in governmental decisions affecting their campaign contributors (including the parent, subsidiary, or affiliate of a campaign contributor) who have given more than \$250 within 12 months before the decision. Section 84308 applies to proceedings on licenses, permits, and other entitlements for use pending before certain state and local agencies, boards, and commissions. In addition, the official is prohibited from accepting or soliciting contributions of \$250 or more from the parties and other participants during of the proceeding, and their respective agents. This prohibition also applies to non-elected or appointed officers of public agencies who have decision-making authority with respect to the proceeding, who are also candidates for elected office. Contact the FPPC for more information.

Ex 2.8 – Assemblymember Jones opens an officeholder committee in November. In June of the following year, Jones opens a committee to run for Senate. A \$3,000 contribution to the officeholder committee counts toward the 2019-2020 contribution limit of \$4,700-\$5,500 from the same contributor to the Senate committee. The donor may only contribute \$1,72,500 to the Senate committee.

E. State Contribution Limits

Candidate Election Committees: Candidates for state office have limits on how much they may accept from a single source per election. For purposes of contribution limits, the primary, general, special, and special runoff elections are considered separate elections. Contribution limits may increase or decrease every two years based on changes in the Consumer Price Index.

California Fair Political Practices Commission

California State Contribution Limits

(Effective January 1, 2019 - December 31, 2020)

Candidates seeking a state office and committees that make contributions to state candidates are subject to contribution limits from a single source. (Sections 85301 - 85303.) Contributions from affiliated entities are aggregated for purposes of the limits. (Section 82015.5.) The chart below shows the current limits per contributor for state offices. The primary, general, special, and special run-off elections are considered separate elections. Contribution limits to candidates apply to each election. Contribution limits to officeholder and other committees apply on a calendar year basis. Contact your city or county about contribution limits for local offices.

Contribution Limits to State Candidates Per Election

| Candidate or Officeholder | Contributor Sources | | |
|---|---|-----------------------------|-----------------|
| | Person (individual, business entity, committee/PAC) | Small Contributor Committee | Political Party |
| Senate and Assembly | \$4,700 | \$9,300 | No Limit |
| CalPERS/CalSTRS | \$4,700 | \$9,300 | No Limit |
| Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization | \$7,800 | \$15,500 | No Limit |
| Governor | \$31,000 | \$31,000 | No Limit |

Contributions to Other State Committees Per Calendar Year

| Committee | Contributor Sources |
|---|---|
| | Person (individual, business entity, committee/PAC) |
| Committee (Not Political Party) that Contributes to State Candidates (PAC) | \$7,800 |
| Political Party Account for State Candidates | \$38,800 |
| Small Contributor Committee | \$200 |
| Committee Account NOT for State Candidates (Ballot Measure, PAC, Political Party) | No Limit* |

*State committees (including political parties and PACs) may receive contributions in excess of the limits identified above as long as the contributions are NOT used for state candidate contributions. (Regulation 18534.)

Contributions to State Officeholder Committees Per Calendar Year

| Committee | Contributor Sources | |
|---|---|----------------------------|
| | Any Source (Person, Small Contributor Committee or Political Party) | Aggregate From All Sources |
| Senate and Assembly | \$3,900 | \$64,400 |
| CalPERS/CalSTRS | \$3,900 | \$64,400 |
| Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization | \$6,400 | \$128,700 |
| Governor | \$25,700 | \$257,500 |

California Fair Political Practices Commission

California State Contribution Limits

(Effective January 1, 2023 - December 31, 2024)

Candidates seeking a state office and committees that make contributions to state candidates are subject to contribution limits from a single source. Effective January 1, 2021 a state campaign contribution limit will by default apply to city and county candidates when the city or county does not have laws addressing a contribution limit on such candidates. (Sections 85301 - 85303.) Contributions from affiliated entities are aggregated for purposes of the limits. (Regulation 18215.1.) The chart below shows the current limits per contributor for state offices and city and county candidates when the city or county does not have laws addressing a contribution limit on such candidates. The primary, general, special, and special run-off elections are considered separate elections. Contribution limits to candidates apply to each election. Contribution limits to officeholder and other committees apply on a calendar year basis. Contact your city or county about contribution limits for local offices, state campaign contribution limit will by default apply to city and county candidates when the city or county does not have laws addressing a contribution limit on such candidates.

Contribution Limits to State and Local* Candidates Per Election

| Candidate or Officeholder | Contributor Sources | | |
|---|---|--|-----------------|
| | Person (individual, business entity, committee/PAC) | Small Contributor Committee (see definition on page 2) | Political Party |
| City and County Candidates subject to Section 85301 (d) | \$5,500 | \$5,500 | \$5,500 |
| Senate and Assembly | \$5,500 | \$10,900 | No Limit |
| CalPERS/CalSTRS | \$5,500 | \$10,900 | No Limit |
| Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization | \$9,100 | \$18,200 | No Limit |
| Governor | \$36,400 | \$36,400 | No Limit |

*State campaign contribution limit will by default apply to city and county candidates when the city or county does not have laws addressing a contribution limit on such candidates.

Contributions to Other State Committees Per Calendar Year

| Committee | Contributor Sources |
|---|---|
| | Person (individual, business entity, committee/PAC) |
| Committee (Not Political Party) that Contributes to State Candidates (PAC) | \$9,100 |
| Political Party Account for State Candidates | \$45,500 |
| Small Contributor Committee | \$200 |
| Committee Account NOT for State Candidates (Ballot Measure, PAC, Political Party) | No Limit* |

*State committees (including political parties and PACs) may receive contributions in excess of the limits identified above as long as the contributions are NOT used for state candidate contributions. (Regulation 18534.)

Contributions to State Officeholder Committees Per Calendar Year

| Committee | Contributor Sources | |
|---|---|----------------------------|
| | Any Source (Person, Small Contributor Committee or Political Party) | Aggregate From All Sources |
| Senate and Assembly | \$4,500 | \$75,500 |
| CalPERS/CalSTRS | \$4,500 | \$75,500 |
| Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization | \$7,500 | \$151,000 |
| Governor | \$30,200 | \$301,900 |

Candidates may raise contributions for a general or special general election prior to a primary or special primary election. If the candidate loses or withdraws from the general or special general election, contributions received for the general or special general election must be returned to the contributors on a pro rata basis, less the cost of raising and administering the funds. The chart on the next page lists the current contribution limits.

F. Campaign Rules

Extensions of Credit: When there is an agreement with the provider of goods or services that a state candidate or committee will pay for goods or services on credit, the goods or services may become a contribution to the candidate or committee and be subject to contribution limits if the bill remains unpaid after 45 days.

Contributions that Exceed the Limits: A violation of the Act does not occur if a contribution to a state candidate that exceeds the limit is not deposited into the candidate's bank account and is returned **or the contribution is attributed to another election** within 14 days of receipt, so long as there was **no actual knowledge** the contribution was over the limit when deposited and the committee did not make use of the **contribution prior to returning it**. For nonmonetary contributions, either the item itself, its monetary value, or the monetary amount by which the value of the nonmonetary contribution exceeds the limits must be returned within 14 days of receipt.

A committee that receives a monetary contribution with **actual knowledge** that the contribution is over the applicable contribution limit in the Act may accept the contribution and return or attribute the portion in excess within 72 hours of receipt or before the date of the election, whichever is sooner without being in violation of the contribution limit. However, a committee is prohibited from making use of the excessive contribution prior to returning or attributing it and the amount of a contribution that may be accepted is capped at twice the applicable contribution limit.

A committee may request that the contributor attribute in writing a contribution to a different election. A committee may automatically attribute a portion of a contribution that is in excess of the applicable limit between the primary and general elections. A committee attributes a contribution when the committee designates the portion of the contribution in excess of the applicable limit to another election.

A committee that receives an excessive contribution **with or without actual knowledge** that the contribution was over the limit must inform the contributor:

- that their contribution was in excess of the applicable limit, and
- if the contribution was automatically attributed to the connected primary or general election, that the contribution was attributed and the contributor may request a refund.

Legal Defense Funds: State and local candidates and officeholders may establish a legal defense fund to defray attorney's fees and other related legal costs incurred for the candidate's or officeholder's legal defense. The candidate or officeholder must be subject to a civil or criminal proceeding or administrative proceeding arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officeholder's governmental activities and duties. Contributions made to a legal defense committee are reportable but are not subject to contribution limits. Legal defense committees are required to have the candidate's or officeholder's last name and the words "legal defense" in the name of the committee.

Recall Elections: A state officeholder who is the subject of a recall may set up a separate committee to oppose the qualification of the recall measure and, if the recall petition qualifies, the recall election. Contributions to this committee are reportable but are not subject to limits.

Ballot Measure Committees: A primarily formed or general purpose ballot measure committee is not subject to state contribution limits, including those committees controlled by a state candidate or officeholder. However, funds from a ballot measure committee may not be used for the state candidate's election.

Contribution Limits and Repaid Loans: Loans are contributions subject to contribution limits. However, if a loan has been repaid, the lender may make additional contributions to the same candidate or committee up to the contribution limit.

DRAFT

Authority

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

Government Code Sections

| | |
|----------------|--|
| 82004.5 | Behested Payment. |
| 82015 | Contribution. |
| 82015.5 | Contribution; Aggregation. |
| 82025 | Expenditure. |
| 82031 | Independent Expenditure. |
| 82041.3 | Made at the Behest of. |
| 82044 | Payment. |
| 82047 | Person. |
| 82047.6 | Principal Officer. |
| 84211 | Contents of Campaign Statement. |
| 84224 | Behested Payment Disclosure. |
| 84300 | Cash and In-Kind Contributions; Cash Expenditures. |
| 84302 | Contributions by Intermediary or Agent. |
| 84304 | Anonymous Contributions; Prohibition. |
| 84308 | Contributions to Officers; Disqualification. |
| 84309 | Transmittal of Campaign Contributions in State Office Buildings; Prohibition. |
| 85301 | Limits on Contributions from Persons. |
| 85303 | Limits on Contributions to Committees and Political Parties. |
| 85304 | Legal Defense Fund. |
| 85306 | Transfers Between a Candidate's Own Committees; Use of Funds Raised Prior to Effective Date. |
| 85307 | Loans. |
| 85308 | Family Contributions. |
| 85312 | Communications to Members of an Organization. |
| 85319.5 | Return or Attribution of Excessive Contributions |
| 85320 | Foreign Entities. |
| 85700 | Donor Information Requirements; Return of Contributions. |
| 85704 | Prohibition on Earmarking. |

Title 2 Regulations

- 18215 Contribution.
- ~~18215.4 Cryptocurrency Contributions.~~
- 18216 Enforceable Promise to Make a Payment.
- 18225.7 Made at the Behest of.
- 18402.2 Limited Liability Companies, Responsible Officer.
- 18421.1 Disclosure of the Making and Receipt of Contributions.
- 18421.2 Cryptocurrency Contributions
- 18421.10 Reporting Contributions from Limited Liability Companies.
- 18423 Payments for Personal Services as Contributions and Expenditures.
- 18428 Reporting of Contributions and Independent Expenditures Required to be Aggregated.
- 18432.5 Intermediary and Earmarked Funds Disclosure.
- 18439 Definition of “Personally Deliver.”
- 18530.4 Legal Defense Funds - State Candidates and Officers.
- 18530.45 Legal Defense Funds - Local Candidates and Officers.
- 18530.7 Extensions of Credit.
- 18531 Return of Excessive Contributions.
- 18531.5 Recall Elections.
- 18531.62 Elected State Officeholder Bank Accounts.
- 18531.7 Payments for Communications—Section 85312.
- 18533 Contributions from Joint Checking Accounts.
- 18537 Contributions Limits and Application to Repaid Loans.
- 18545 Contribution Limits and Voluntary Expenditure Ceiling Amounts.

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 which the committee pays the online platform. An “online platform disclosed advertisement” does not include a video, audio, or email advertisement.~~ 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 [political advertisement disclosure charts](#) 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 [campaign political advertisement disclosure charts](#) 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.

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.

Political Advertising Disclosures

Unless otherwise covered in the [political advertisement disclosure charts](#) 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 [charts](#) 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 [Independent Expenditure Ads on Candidates \(except ads by candidates and political party committees\) chart #2](#) 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 [Independent Expenditure Ads on Ballot Measures \(except ads by candidates and political party committees\) chart #3](#) 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 [All Non-Independent Expenditure Ads \(except ads by candidates and political party committees\) chart #6](#) available on the FPPC’s website.

| Communication | Disclosure and Manner of Display |
|---|---|
| <p>Print ads designed to be individually distributed including mailings, door hangers, flyers, faxes, posters, newspaper and magazine ads, and oversized campaign buttons and bumper stickers (buttons 10 inches in diameter or larger and stickers 60 square inches or larger)</p> | <ul style="list-style-type: none"> • “Ad paid for by [committee’s name]” (on file with Form 461) at the top of the disclosure area (Note: a printed letter ad may use “Paid for by” instead of “Ad paid for by”). • Disclosure Format: All text must be in Arial equivalent font, in at least 10-point size, in a contrasting color, centered horizontally and the “not authorized” disclosure underlined. All text must appear in a printed or drawn box with a solid white background at the bottom of at least one page and set apart from other printed matter. |
| <p>Print ads larger than those designed to be individually distributed, such as billboards and signs (including yard signs)</p> | <ul style="list-style-type: none"> • “Ad paid for by [committee’s name]” (on file with Form 461) at the top of the disclosure area. • Disclosure Format: All text must be in contrasting color with sufficient contrast that is easily readable by the average viewer and centered horizontally in the disclosure box. and The text must be in Arial equivalent font. The font must be a height of at least five percent of the advertisement, meaning that each line must be at least five percent of the advertisement, in a printed or drawn box with a solid white background on the bottom of the advertisement that is set apart from any other printed matter and shall not be condensed to be narrower than a normal non-condensed Arial equivalent type. |
| <p>Radio ads, telephone calls and audio only electronic media ads</p> | <ul style="list-style-type: none"> • “Ad paid for by [committee’s name]” (on file with Form 461). • Disclosure Format: Must be spoken clearly for at least three seconds at the beginning or end of the ad or call, in a pitch and tone substantially similar to the rest of the advertisement. |
| <p>Television and video ads (including those disseminated over the internet)</p> | <ul style="list-style-type: none"> • “Ad paid for by [committee’s name]” (on file with Form 461). • Disclosure Format: All text must be centered horizontally in the disclosure area, in a contrasting color, in Arial equivalent type. <p>The size for the smallest letters must be four percent of the height of the display screen and must be displayed at the beginning or end of the ad for at least five seconds of a broadcast of 30 seconds or less or for at least 10 seconds of a broadcast longer than 30 seconds. If a video is distributed as an electronic media advertisement and is longer than 30 seconds, the disclosures must be displayed at the beginning of the advertisement. If the television or video ad is shorter than the required disclosure display time, the disclosure may be displayed for the length of the advertisement.</p> <p>Disclosure must appear on a solid black background on the entire bottom one-fourth of the display screen.</p> |

| Communication | Disclosure and Manner of Display |
|--|---|
| <p>Electronic media ads that are a graphic, image, animated graphic, or animated image that an online platform hosting the ad allows to link to an internet website not covered below (except video ads, see above)</p> | <ul style="list-style-type: none"> • “Who funded this ad?” or “Paid for by” or “Ad paid for by” text included or displayed as a hyperlink, icon, button or tab in a contrasting color and font size that is easily readable by the average viewer for the duration of the advertisement.* <ul style="list-style-type: none"> ◦ Must link to a website containing the “Ad paid for by” disclosure in a contrasting color and in no less than 8-point font. ◦ An internet website that is hyperlinked to the ad shall remain online and available to the public until 30 days after the date of the election. <p>* This text is not required if including it in 8-point font would take up more than one-third of the graphic or image. In such circumstances the ad need only include a hyperlink to a website containing the website disclosures.</p> |
| <p>Social media ads</p> | <ul style="list-style-type: none"> • “Ad paid for by” disclosures in a contrasting color that is easily readable by the average viewer and in no less than 10-point font on the cover or header photo of the committee’s profile, landing page, or similar location; disclosure is not required on each individual post or comment. • The disclosure must be visible on the cover or header photo when the profile, landing page, or similar location is viewed from any electronic device that is commonly used to view this form of electronic media including, but not limited to, a computer screen, laptop, tablet or smart phone. If this is impracticable only a hyperlink, icon, button, or tab to an internet website containing the required “Ad paid for by,” disclosure is permissible. <ul style="list-style-type: none"> ◦ Not required when the only expense or cost of the communication is compensated staff time unless the social media account was created only for the purpose of advertisements under the Act. • An advertisement for which a committee pays a third party to post from a social media account that is not the committee’s account must include a tag, or otherwise include a link to, the social media profile or social media landing page of the committee that paid for the advertisement. |
| <p>Website and email</p> | <ul style="list-style-type: none"> • “Paid for by” disclosure printed clearly and legibly in a contrasting color and in no less than 8-point font at the top or bottom of the email, and top or bottom of every publicly accessible page of the website, or when posted on a non-social media website that is not the committee’s website, at the top or bottom of each individual post. |
| <p>Electronic media ads that are audio only</p> | <ul style="list-style-type: none"> • See disclosure requirements for radio ads above. |

| Communication | Disclosure and Manner of Display |
|---|--|
| <p>Paid Spokesperson: Payment of \$5,000 or more to an individual for individual's appearance in a ballot measure ad</p> | <ul style="list-style-type: none"> In addition to other disclosures, include: "(spokesperson's name) is being paid by this campaign or its donors". Printed, televised or video ad: shown continuously in highly visible font except when the disclosure for television and video ads above is being shown. Radio broadcast or phone message: spoken in clearly audible format. |
| <p>Paid Spokesperson: Payment of <i>any amount</i> to an individual portraying a member of a licensed or certified occupation (e.g., nurse, firefighter, lawyer)</p> <p><i>Exception:</i> If the paid individual is actually a member of the occupation portrayed, the committee may omit this disclosure. The committee must maintain documentation of the individual's license or certification.</p> | <ul style="list-style-type: none"> In addition to the disclosure above, include: "Persons portraying members of an occupation in this advertisement are compensated spokespersons not necessarily employed in those occupations." Printed or televised ad: shown continuously in highly visible font. Radio broadcast or phone message: spoken in clearly audible format. |
| <p>Text messages sent using mass distribution technology</p> | <ul style="list-style-type: none"> "Paid for by" or "With" followed by the name of the committee, or a hyperlink or URL for an internet website containing the following disclosures: <ul style="list-style-type: none"> "Paid for by" or "With" [committee's name]" (on file with Form 461). The text of the disclosures on the internet website shall be in a color that reasonably contrasts with the background on which it appears and in no less than 8-point font. If "With" is used: <ul style="list-style-type: none"> The individual sending the text shall identify themselves by including: "(name of the individual) with (name of committee or hyperlink or URL)." A disclosure using "With" may appear anywhere in the text message, including conversational content, and need not appear as a separate statement apart from the content of the message. An internet website that is hyperlinked shall remain online and available to the public until 30 days after the election. For text message exchanges consisting of a sequence of multiple text messages sent on the same day the disclosure is only required on the first text message in the sequence that supports or opposes a candidate or measure. Text required to be included in a text message must be in a color that reasonably contrasts with the background on which it appears and in a font size that is readable by the average viewer. |

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, for which the committee pays the online platform. An “online platform disclosed advertisement” does not include a video, audio, or email advertisement.

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 |
|---|--|
| <p>Type of Advertisement Law Applies To:</p> | <p>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 which the committee pays the online platform.</p> |
| <p>Ad Disclosure that Online Platform is Required to Place on Advertisement:</p> | <p>An Online Platform Must Do One of the Following:</p> <ol style="list-style-type: none"> 1) 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. <p>The Online Platform Must Also:</p> <p>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:</p> <ol style="list-style-type: none"> 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. 2) On a page that displays the committee’s profile information or biographical information. 3) On a page on which the average viewer would normally navigate to view additional information about a committee. |

| Communication | Disclosure and Manner of Display |
|--|---|
| <p>Information Committee Paying for Advertisement is Required to Provide to Online Platform:</p> | <p>Upon requesting the dissemination of the advertisement, committee must do all of the following:</p> <ol style="list-style-type: none"> 1) Expressly notify the online platform that the advertisement is one that falls under the Act. 2) 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. 4) Update the online platform with any change in the name of the committee or its top three contributors within 5 business days. |
| <p>Records Required to be Kept and Provided to the Public in Online Platform's Public Database:</p> | <p>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:</p> <ol style="list-style-type: none"> 1) A digital copy of the advertisement. 2) The approximate number of views generated from the advertisement and the date and time that the advertisement was first displayed and last displayed. 3) 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. <p>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.</p> |

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 **his their** family and friends and posts on **his 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 **his or her 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. |
| 84501 | 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. |

REPORTING REQUIREMENTS

This chapter describes the campaign reporting requirements for major donor committees. Generally, the first statement a major donor files is the 24-Hour/10-Day Contribution Report, Form 497. This report is due for certain contributions of \$1,000 or more made within 90 days before a state or local election or on the date of the election. The one-page report provides immediate disclosure to the public, and the contribution is also reported by the recipient committee. All major donors must also complete Form 461, which provides a summary of all contributions and expenditures made. The report also provides the public with more information on the nature of the persons completing the report. This chapter concludes with additional reports that may be required depending on the committee's activity.

A. Committee Type

Initial Determination

When an individual or business entity qualifies as a major donor committee by making contributions or expenditures of \$10,000 or more in a calendar year, it must file as a state, county, or city committee.

State Committee: A major donor that makes one or more contributions to a state candidate, measure, or committee when it qualifies as a major donor committee will file as a state committee. The committee will also qualify as a state committee unless it qualifies as a county or city committee.

Ex 4.1 – A committee's first two contributions were a \$4,000 contribution to a statewide elected officer's committee and a \$7,000 contribution to a local committee. The committee is a state committee.

Ex 4.2 – A committee’s initial contribution was \$50,000 to a state ballot measure committee. The committee will remain a state committee for the calendar year no matter how many contributions it later makes to local committees.

County Committee: A major donor that makes more than 70% of the initial contributions to candidates, measures, and other general purpose committees in only one county, or in more than one jurisdiction within one county is a county committee.

City Committee: A major donor that makes more than 70% of the initial contributions to candidates, measures, and other general purpose committees in only one city is a city committee (including consolidated city/county municipalities such as San Francisco).

Calendar Year Determination: A major donor qualifies anew each year and counts contributions or expenditures only during the current calendar year.

Quarterly Review: It is common for major donors to make payments in connection with more than one city, county, or state election. The FPPC recognizes the need to provide voters within the jurisdiction holding an election access to a donor’s campaign statements and to abide by the local agency’s campaign ordinance, if any. At the same time, the FPPC is aware of the reporting burden if major donors must file in multiple jurisdictions.

Regulation 18227.5 addresses this issue. A major donor must reassess and verify its reporting status at the end of each quarter. However, a committee is not prohibited from changing its status before the end of a calendar quarter if it chooses to do so.

This regulation provides a common ground for the diversity of major donors that spend money in both state and local California elections. Many donors prefer to file at the state level. Thus the regulation allows for filing with the Secretary of State when only a single contribution is made. Other major donors who give locally will remain local committees.

Ex 4.3 – A committee’s initial contribution was \$50,000 to a city ballot measure committee. The following month, the committee made its second payment, a \$3,000 contribution to a state ballot measure committee. The major donor may start filing as a state committee immediately or do so at the end of the calendar quarter.

Ex 4.4 – A committee’s initial contribution was \$10,000 or more to a city committee. The following month, the committee made a contribution of \$100,000 in connection with a county ballot measure. The committee may elect to file immediately with the county filing officer or begin to file with the county following the end of the calendar quarter.

Exceptions:

- A major donor that has not made contributions and/or expenditures of \$5,000 or more to support or oppose candidates/measures in the preceding quarter is not required to review or change its status.
- City and county committees that make four or fewer contributions to certain state candidates are allowed to remain local committees. See FPPC regulation 18227.5.

Filing Locations

The filing locations are identified on the chart below. A committee that changes jurisdictions during a calendar year must file in each jurisdiction for that year. For example, a major donor that files its first semi-annual Form 461 as a city committee and later qualifies as a state committee will file the second semi-annual Form 461 with both the Secretary of State and the city filing officer.

QUICK TIP: FPPC regulations state that a major donor shall not knowingly file in an incorrect jurisdiction with the intent of avoiding legal disclosure to the public. Committees may always seek FPPC advice on where to file.

| Committee | Location |
|--------------------------|--|
| State Committees | Secretary of State Political Reform Division P.O. Box 1467 1500 11th Street, Room 495 Sacramento, CA 95814 Fax (916) 653-5045 www.sos.ca.gov Persons required to file a report or statement by paper with the Secretary of State's Office may instead file by email with a digital signature or other digital means as prescribed by the Secretary of State's Office. For more information on digital filing, please visit the Secretary of State's website . |
| County Committees | County Elections Office |
| LAFCO Proposals | File with the county elections office in the county that the proposal may be voted upon. Once a proposal is listed on a ballot, file as a multi-county, county, or city committee. |
| City Committees | City Clerk |

QUICK TIP: A county major donor committee qualified as a state major donor committee in the last six months of a calendar year. The semi-annual statement due January 31, covering the previous six months, must be filed with both the county and the state.

Deadlines for filing reports are provided on filing schedules posted on the FPPC website. Disclosure reports must be filed on time so that voters are informed before an election.

- Filing deadlines cannot be extended.
- For statements that are mailed, the date of the postmark is considered the date filed.
- Failure to file on time may lead to late filing penalties of \$10 for each day a statement is late.
- Failure to file a statement may result in additional penalties.

Electronic Filing: Form 497 and Form 461

State Committees

Form 497: State committees that make certain contributions totaling \$1,000 or more in the 90 days before a state election, or on the date of the election, file an electronic submission of the Form 497. This report is required when \$1,000 or more is made to the following committees:

- a candidate controlled committee within 90 days before the candidate's election, or on the date of the election;
- a ballot measure committee within 90 days before the measure's election, or on the date of election;
- a primarily formed candidate committee within 90 days before the candidate's election, or on the date of the election; or
- a political party committee within 90 days before any state election, or on the date of the election

All Form 497's are filed electronically even if the major donor has not made contributions or expenditures of \$25,000 or more. Committees may **file**, with the Secretary of State's online form (www.sos.ca.gov).

QUICK TIP: The Secretary of State may fine \$10 for the paper report and \$10 for the same report filed electronically, resulting in a \$20/day late fine.

Ex 4.5 – One month before the November election, a major donor made a \$20,000 contribution to Yes on Measure G. The major donor must file Form 497 within 24 hours of making the contribution. (The Measure G committee also must report the receipt of the contribution.)

Ten days before a special state election to fill a vacant Assembly seat, a major donor makes a contribution of \$5,000 to the Riverside County Republican Central Committee. Regardless of the purpose for the contribution, the major donor must file Form 497, and the central committee receiving the contribution must file a report as well.

QUICK TIP: Check the FPPC website for filing schedules.

QUICK TIP: A contribution to a general purpose PAC does not trigger Form 497 (exception: state and local political parties).

Form 461: State committees must file this report electronically with the Secretary of State if cumulative contributions (including loans) or expenditures made are \$25,000 or more. The cumulative totals include expenditures a state committee makes regarding a local election or committee. Major donor committees need not file the Form 461 electronically in any calendar year in which they have not reached the \$25,000 threshold. (A Form 461 must also be filed on paper.

Effective January 1, 2023, filers required to file a report or statement by paper with the Secretary of State may instead file the paper report or statement by email. All statements must be signed using a verified digital signature. Please access the Secretary of State's [website](#) for more information on how to file with a digital signature.)

For information about electronic filing requirements, contact the Political Reform Division at the Secretary of State's office at (916) 653-6224 or visit www.sos.ca.gov. Depending on when a committee qualifies, its first electronic filing may be either a 24-Hour/10-Day Contribution Report (Form 497) or a semi-annual statement.

| Form | Paper Filers | Electronic Filers |
|------|-----------------|----------------------|
| 461 | Paper | Paper and Electronic |
| 497 | Electronic Only | Electronic Only |

Local Committees

Some local jurisdictions may require campaign forms to be filed electronically. Contact the local jurisdiction for information on whether there is a requirement to file electronically.

B. Form 497 – 24-Hour/10-Day Contribution Report

A Form 497 must be filed if:

- During the 90 days before an election, or on the date of the election, a major donor makes contributions totaling \$1,000 or more, to a single candidate or primarily formed ballot measure committee and the candidate or ballot measure is being voted upon in that election.
- A committee makes a contribution of \$1,000 or more to a political party (including central committees) during the 90 days before **any** state election, or on the date of the election.

Note: The Form 497 is not required if a payment is made to a national political party or to a federal account of a state or local political party.

Generally, if a report is due on a Saturday, Sunday, or official state holiday, the 24 hour deadline is extended to the next business day. However, the extension does not apply to a Form 497 that is due the weekend before the election. For example, if a donor makes a contribution on the Saturday before the election, the Form 497 is due on Sunday.

Where to File Form 497

State Committees

The Form 497 is filed electronically with the Secretary of State - no paper copies are required. This is true even if the committee has not met the \$25,000 threshold that requires Form 461 to be filed electronically.

Local Committees

The Form 497 must be filed by fax, email, guaranteed overnight delivery service, or personal delivery at the same location the committee files the Form 461. **Regular mail may not be used.** Some local agencies will require reports to be filed electronically.

497 Contribution Report

Type or print in ink.
Amounts may be rounded to whole dollars.

497 CONTRIBUTION REPORT

| | | |
|---|---|--|
| A NAME OF FILER Hart Corporation (including aggregated contributions) AREA CODE/PHONE NUMBER (916) 876-5023 STREET ADDRESS(es) 4300 Industrial Park West CITY STATE ZIP CODE Sacramento CA 95817 | Date of This Filing 8/2/XX Report No. 1 <input type="checkbox"/> Amendment to Report No. _____ (explain below) No. of Pages 1 | Date Stamp CALIFORNIA FORM 497 FILER USE ONLY |
| | LID NUMBER (if applicable) _____ | |
| | | |

| B Contribution(s) Made | | | | |
|------------------------|---|---|------------------------|----------------------------------|
| DATE MADE | FULL NAME, STREET ADDRESS AND ZIP CODE OF RECIPIENT (# COMMITTEE ALSO ENTER I.D. NUMBER) | CANDIDATE AND OFFICE OR MEASURE AND JURISDICTION | AMOUNT OF CONTRIBUTION | DATE OF ELECTION (IF APPLICABLE) |
| 8/1/XX | Republican Party 123 G Street Anytown, CA 95881 #0012233 (made by Hart Co.) | | 26,000 | |
| 8/1/XX | Yes on Prop 88, Voters for School Funding 34 Gough Street San Francisco, CA 94103 #0011224 (made by Kline Ltd.) | Prop. 88, State | 10,754 | |

A How to Complete Form 497

- Enter the committee’s name, street address, city, state, and zip code.
- Indicate the date of filing this report.
- Assign a unique number to each late contribution report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

B For 24-hour contributions made, provide:

- The date made;
- The recipient’s full name and address;
- Office sought or held (if to a candidate);
- Ballot measure number or letter and jurisdiction (if to a ballot measure committee), you may also include full name and I.D. number;
- The amount of the contribution; and
- The date of the election, if a state committee is disclosing a late contribution to a local candidate.

Amendments

To amend a previously filed Form 497, file a new Form 497 with the corrected information and the “Amendment” box checked. The “Report Number” of the report being amended should be included. There is no deadline for filing amendments. However, amendments should be filed before the respective election, or as soon as practicable. File the amendment in the same location(s) as the original.

Answering Your Questions

- A. If a contribution of \$1,000 or more is made to one of a candidate’s campaign committees (e.g., legal defense, ballot measure, past election), but not to the committee that is formed for the election triggering the 24-hour reporting, are the candidate and/or the donor required to file a Form 497?**

Yes. When a candidate is in a 90-day reporting period, each contribution of \$1,000 or more to any of ~~his or her~~ **their** committees requires the Form 497 to be filed by both the candidate and the donor.

- B. A major donor committee gives \$500 to a candidate for the special primary election a few days before the election, and another \$500 a few days after the primary election, when the candidate moved to the special general election. Both contributions were received during the 90 days before the general election. Is a Form 497 required to be filed by the donor and/or the candidate?**

No. Because \$1,000 or more was not made in connection with one election, the Form 497 is not required to be filed.

C. How does a major donor determine its reporting obligations in the 90 days before a state election, when contributing to a political party?

A political party and a donor to a political party must report each contribution of \$1,000 or more during the 90-day period before any state election or on the date of the election. Check FPPC's website for state special election filing schedules.

D. Is a Form 497 required if a major donor makes a contribution of \$1,000 or more to a general purpose recipient committee, such as a trade association's or union's PAC?

No. The Form 497 is not required to be filed when contributions are made to a general purpose committee.

E. A major donor made two separate contributions to a city council candidate seeking an election. A \$500 contribution was made 60 days before the election and a \$700 contribution was made 40 days before the election. Is a Form 497 required?

Yes. Contributions aggregating \$1,000 or more to a candidate, if made 90 days before the election, or on the date of the election, trigger Form 497. The Form 497 must be filed within 24 hours of making the \$700 contribution. Both contributions should be reported on the form.

F. A major donor made two separate contributions. One was \$500 to a city ballot measure committee and the other was \$600 to a city candidate. Is Form 497 required?

No. A contribution of \$1,000 or more was not made to a single candidate or ballot measure.

QUICK TIP: Check the FPPC website for filing schedules. Most local election and all state election filing schedules are published there.

G. A major donor made a \$1,500 contribution to a candidate during the 90 days before the candidate's election. The major donor filed a Form 497. Does the major donor file a subsequent Form 497 if the only other contribution, before the election, was \$200?

No. The contributor must make additional contributions totaling \$1,000 or more to trigger another Form 497.

C. Form 461 – Committee Campaign Statement

Major donors use Form 461 to report contributions and independent expenditures made to support or oppose California state and local candidates, officeholders and ballot measures, and contributions to campaign committees such as PACs and political parties. The statement provides the public with information regarding the nature and interests of the person making the contributions or payments.

QUICK TIP: If your committee makes both contributions and independent expenditures, also refer to FPPC Campaign Disclosure Manual 6 for Independent Expenditure Committees.

When to File Form 461

Semi-Annual Statements: All Committees

January 1 – June 30: Due July 31

If an entity qualifies as a committee during the first six months of the year, the Form 461 is due no later than July 31, covering the period January 1 through June 30. If no additional contributions or independent expenditures are made during the second semi-annual period, July 1 through December 31, no other Form 461 is required during the calendar year.

July 1 – December 31: Due January 31

If an entity qualifies as a committee during the first six months of the year and any amount of contributions are made after June 30, a Form 461 covering the period July 1 through December 31 is required. If an entity or individual qualifies as a committee during the second six months of the year, its Form 461 will be due no later than January 31, covering the period January 1 through December 31 of the prior year.

Ex 4.6 – During March of an odd-numbered year, ABC Corporation makes a contribution of \$3,000 to a state officeholder’s controlled ballot measure committee, and four contributions to four different Assembly officeholders of \$3,000 each. The corporation files a Form 461 covering the period January 1 through March 31. The report is due no later than April 30 to the Secretary of State.

Odd Year Report: State Committees

During an odd-numbered year, Form 461 must be filed if the major donor committee makes contributions totaling \$10,000 or more to **elected state officers**, their controlled committees, or committees primarily formed to support or oppose any elected state officer between January 1 and March 31, or between July 1 and September 30. The special odd-year reports are due April 30 and October 31, respectively.

Major donors are not subject to quarterly filings in even-numbered years because elected state officers file campaign statements disclosing contributions received from major donor committees more frequently in even-numbered years.

Form 461 is triggered if contributions are made to any controlled committee of an elected state officer, including controlled general purpose ballot measure committees, controlled primarily formed ballot measure committees, officeholder committees, legal defense committees, or recall committees.

The form is completed and filed in the same manner as a regular semi-annual statement and includes all of the major donor committee's activity during the reporting period, not just contributions to elected state officers.

Early Filing

A major donor may file campaign statements in advance of a deadline. For example, if a major donor makes contributions in the first quarter of a year triggering the special odd-year report (see page 4.10), and does not expect to make additional contributions that year, it may file a statement covering the period January 1 through June 30 on or before April 30. A semi-annual statement would not be required for the July 31st deadline. If additional contributions are made, a Form 461 must be filed.

Amendments

If, at any time, a committee determines that an error has occurred on a previous filing, an amendment is required. Check the amendment box on Form 461 and complete Part 1. Only the amended information, including Part 3, if applicable, must be disclosed. Online filers may submit a complete corrected statement. The verification must be completed.

Where to File Form 461

| | |
|---------------------------------|---|
| <p>State Committees</p> | <p>Secretary of State Political Reform Division P.O. Box 1467 1500 11th Street, Room 495 Sacramento, CA 95814 Fax (916) 653-5045 www.sos.ca.gov</p> <p>Persons required to file a report or statement by paper with the Secretary of State's Office may instead file by email with a digital signature or other digital means as prescribed by the Secretary of State's Office. For more information on digital filing, please visit the Secretary of State's website.</p> |
| <p>County Committees</p> | <p>County Elections Office</p> |
| <p>LAFCO Proposals</p> | <p>File with the county elections office in the county that the proposal may be voted upon. Once a proposal is listed on a ballot, file as a multi-county, county, or city committee.</p> |
| <p>City Committees</p> | <p>City Clerk</p> |

QUICK TIP: A committee that changes jurisdictions in a calendar year must file statements with both jurisdictions through the end of the calendar year. For example, a city major donor that becomes a state major donor in October must file its semi-annual statement due January 31 with both the city and the state.

A LAFCO agency may also require a campaign statement.

QUICK TIP: The public can view each electronically filed report by visiting the Secretary of State's website at cal-access.sos.ca.gov.

Major Donor and Independent Expenditure Committee Campaign Statement

Type or print in ink.

| | |
|---------------------------|----------------------------|
| Date Stamp | CALIFORNIA FORM 461 |
| Page <u>1</u> of <u>2</u> | |
| For Official Use Only | |

A Statement covers period

from 1/1/XX

through 6/30/XX

Date of election if applicable: Month, Day, Year

SEE INSTRUCTIONS ON REVERSE

1. Name and Address of Filer

NAME OF FILER
Hart Corporation (including aggregated contributions and independent expenditures)

RESIDENTIAL OR MAILING ADDRESS (NO. AND STREET)
4300 Industrial Park West

CITY STATE ZIP CODE
Sacramento CA 95817

RESPONSIBLE OFFICER (If filer is other than an individual) AREA CODE/DAYTIME PHONE
Howard Hart 916-876-5023

2. Nature and Interests of Filer (Complete each applicable section.)

A FILER WHO IS AN INDIVIDUAL MUST LIST THE NAME, ADDRESS, AND BUSINESS INTERESTS OF EMPLOYER OR, IF SELF-EMPLOYED, THE NAME, ADDRESS, AND NATURE OF THE BUSINESS

| | |
|------------------------------|--------------------|
| NAME OF EMPLOYER/BUSINESS | BUSINESS INTERESTS |
| | |
| ADDRESS OF EMPLOYER/BUSINESS | |

A FILER THAT IS A BUSINESS ENTITY MUST DESCRIBE THE BUSINESS ACTIVITY IN WHICH IT IS ENGAGED
Gourmet Food

A FILER THAT IS AN ASSOCIATION MUST PROVIDE A SPECIFIC DESCRIPTION OF ITS INTERESTS

A FILER THAT IS NOT AN INDIVIDUAL, BUSINESS ENTITY, OR ASSOCIATION MUST DESCRIBE THE COMMON ECONOMIC INTEREST OF THE GROUP OR ENTITY

3. Summary

(Amounts may be rounded to whole dollars.)

| | |
|--|---------------------------|
| 1. Expenditures and contributions (including loans) of \$100 or more made this period. (Part 5.) | \$ 72,754 |
| 2. Unitemized expenditures and contributions (including loans) under \$100 made this period. | \$ 0 |
| 3. Total expenditures and contributions made this period. (Add Lines 1 + 2.) | SUBTOTAL \$ 72,754 |
| 4. Total expenditures and contributions made from prior statement. (Enter amount from Line 5 of last statement filed. If this is the first statement for the calendar year, enter zero.) | \$ 0 |
| 5. Total expenditures and contributions (including loans) made since January 1 of the current calendar year. (Add Lines 3 + 4.) | TOTAL \$ 72,754 |

4. Verification

I have used all reasonable diligence in preparing this statement. I have reviewed the statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 7/15/XX By _____
DATE SIGNATURE OF INDIVIDUAL DONOR OR RESPONSIBLE OFFICER, IF OTHER THAN AN INDIVIDUAL

How to Complete Form 461

A Statement Period and Date of Election

If this is the first filing of the calendar year, the “from date” should be January 1. Otherwise, this date should be the day after the closing date of the most recently filed Form 461. The closing date of the statement depends on the type of statement being filed.

1 Filer Information

Enter the legal name of the individual or entity filing the statement. If the filer is commonly known to the public by another name, that name may be used. When a person directs and controls the making of contributions and independent expenditures by a related entity (e.g., a subsidiary or a majority shareholder of a corporation) that must be aggregated and reported on Form 461, list as the “Name of Filer” the name of the individual or entity that directs and controls the making of the contributions. **A limited liability company (LLC) that qualifies as a major donor must include in the “Name of Filer” field the name of the LLC and the full legal name of its responsible officer, defined by Regulation 18402.2 as the individual primarily responsible for approving the political activity of the LLC. An LLC’s “political activity” includes, but is not limited to, authorizing expenditures, including contributions, on behalf of the LLC, and developing or approving campaign strategy on behalf of the LLC. If more than one individual shares in the primary responsibility for approving an LLC’s political activities, any one of these individuals may be listed as the LLC’s responsible officer.**

Ex 4.7 – Rosebud Productions is disclosing a \$10,000 contribution made on May 1. Its Form 461 will show the period as January 1 through June 30. In the second half of the year, Rosebud made another contribution. Its second Form 461 for the year will show the period as July 1 through December 31.

In addition:

- Indicate that the campaign statement includes the contributions of other entities. For example, “ABC Corporation, including aggregated contributions.”

Other examples for listing major donors and affiliates: Johnson, Dana/DJ Capitol Group, Inc.; Rivera, Mark/Sara A. Rivera Family Trust; Feather River Tribal Council/Bear Mountain Casino; Spar Industries, Inc; Robert L. Spar; Darryl Spar; Solano Engineers, Inc.; Gulf Oil Products and affiliated entities.

Ex 4.8 – Hector Flores is the sole owner of two separate businesses. Hector directed a \$7,000 contribution from one business to a local ballot measure committee in January and a \$5,000 contribution from the other business to a local candidate in February. No other contributions were made in the calendar year. Hector will file the Form 461 under the name “Hector Flores (including aggregated contributions).” The Form 461 will identify both contributions and the business entity name associated with each contribution. Hector must also notify the ballot measure committee and the candidate that the contributions must be reported under the name Hector Flores.

- Identify any entities added to the report that were not included in a prior report filed for the current calendar year, as well as any entities included in a prior report for the current calendar year that are no longer required to aggregate under the name of filer.
- Identify both names if the “Name of Filer” listed on a previous report filed for the current calendar year is different from the name identified on this report. For example, “Tim Lewis, formerly Lewis Construction.”
- Enter the name of the responsible officer of an entity or organization filing the statement.

2 Nature and Interests of Filer

The nature and interests of the filer must be clearly identified. The business activity, association interests, or economic interest must be defined in the appropriate category. When payments from different persons are reported, if there are different interests, an attachment must identify the various persons and respective interests.

3 Summary

The summary lists the totals of all expenditures and contributions (including loans) made during the period covered by the statement. Collectively, Lines 1-3 represent the expenditures and contributions made during the reporting period. Line 4 must be the same figure shown on Line 5 of the previously filed statement or zero if it is the first statement for the calendar year. Line 5 represents the total of all expenditures and contributions made since January 1 of the current calendar year.

4 Verification

An attorney, a certified public accountant, or a responsible officer of an entity may sign the verification on behalf of the entity. A statement filed by an individual must be signed by the individual rather than the individual's attorney or certified public accountant. The Form 461 is not considered filed if it is not signed.

The amendment box is checked if an amendment is being filed to a previously filed Form 461. A brief explanation of the change is required and the period covered by the statement being amended should be noted above in the "statement covers period" box.

5

5. Contributions (Including Loans, Forgiveness of Loans, and Loan Guarantees) and Expenditures Made

(If more space is needed, use additional copies of this page for continuation sheets.)

| DATE | NAME, STREET ADDRESS, CITY, STATE AND ZIP CODE OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | TYPE OF PAYMENT | DESCRIPTION OF PAYMENT (IF OTHER THAN MONETARY CONTRIBUTION OR LOAN) | CANDIDATE AND OFFICE, MEASURE AND JURISDICTION, OR COMMITTEE | AMOUNT THIS PERIOD | CUMULATIVE AMOUNT RELATED TO THIS CANDIDATE, MEASURE, OR COMMITTEE |
|--------------------|--|--|--|--|--------------------|--|
| 4/10/XX | Committee to Save California and Oppose J. Addams, AD 5 2018 4733 Rancho Road Sacramento, CA 95821 #1251273 (made by Hart Co.) | <input checked="" type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure | | Jane Addams, AD 5 <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose | 6,000 | 6,000 |
| 6/1/XX | Republican Party 123 G Street Anytown, CA 95881 #0012233 (made by Hart Co.) | <input checked="" type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure | | Republican Party <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | 26,000 | 26,000 |
| 5/27/XX | KZYY 1240 AM 4700 Broadway Sacramento, CA 95814 (made by Kline Ltd.) | <input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input checked="" type="checkbox"/> Independent Expenditure | air time | Doug Janet, AD 9 <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose | 30,000 | 30,000 |
| 6/1/XX | Pym and Associates 34 Gough Street San Francisco, CA 94103 (made by Kline Ltd.) | <input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input checked="" type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure | advertisement | Yes on Prop. 88, State or Yes on Prop. 88, Voters for Schools <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | 10,754 | 10,754 |
| SUBTOTAL \$ | | | | | 72,754 | |

5 Contributions and Expenditures Made

- Disclose the dates of the contributions or independent expenditures made during the period. (See Chapter 2 for determining when a contribution is made.)
- Each payment of \$100 or more must be itemized. The name, street address, city, state, and zip code of the payee must be included. Also include committee I.D. numbers if applicable. Do not use a post office box number.
- For aggregated activity, identify the name of the entity making the contribution or independent expenditures for each itemized payment made.
- Check the box indicating what type of payment was made. If the payment was a nonmonetary contribution, provide a description of the payment.

- If a total of \$100 or more was contributed or expended during a calendar year to support or oppose a single candidate, ballot measure, or general purpose committee (e.g., a political party or a PAC), the name of the candidate and the office sought or held, the name and jurisdiction of the ballot measure, or the name of the general purpose committee must be disclosed. For each candidate or measure listed, indicate whether the payment was made to support or oppose the candidate or measure.
- The amount of contributions or expenditures made this period relative to each candidate, measure, or committee and the cumulative amount contributed or paid since January 1 of the current calendar year must be provided.
- **Multi-Purpose Organizations.** When a multi-purpose organization uses non-donor funds to make contributions or independent expenditures, it must briefly describe in the “Description of Payment” field or in a memo entry on the Form 461, the source of non-donor funds used. For example, if interest income was used to make the political payments, that must be noted.

Reporting Tips

Affiliated Entities. When contributions or expenditures from affiliated entities are itemized on one statement, each affiliated entity must be identified with its specific payment. In addition, the statement must also identify the addition or deletion of any entity for which contributions and expenditures are aggregated together.

Loans. Loan repayments are not reported. However, if a loan was made and forgiven during the same calendar year, the amount of the forgiveness under “Description of Payment” is reported. The same is true if a loan guarantee is made and payments to the lender are made during the same calendar year.

Giving to Primarily Formed Committee. When a payment is made to a primarily formed committee for a candidate or measure, disclose the name of the primarily formed committee under the “name of the payee” section. Under the applicable section, disclose the candidate and office or measure and jurisdiction and whether the committee to which you contributed “supports” or “opposes” the particular candidate or measure. For example, the oppose box would be marked if a contribution was made to the Committee to Oppose Candidate Saxton.

Returned Contributions. A contribution that is returned, uncashed, during the reporting period is not reportable. If a candidate returns a contribution that has been previously reported, do not amend the previous report. The contribution may be noted as returned in the subsequent report.

Federal Candidates. Contributions made to federal candidates or candidates in other states should not be reported on Form 461.

Transferred Contribution. A contribution that has been transferred by a candidate to another of **his or her** **their** controlled committees does not need to be reported again. However, in some cases, the transferred contribution counts toward the state contribution limit for the new committee for that donor.

Spouses. The contributions of spouses and domestic partners are calculated separately for purposes of qualifying as a major donor committee. If both individuals qualify as major donor committees, they must file separate forms.

Cumulating Contributions. Contributions to an officeholder’s committee are cumulated with the candidate’s future election committee contributions for purposes of contribution limits.

For purposes of reporting on Form 461, the following payments are not cumulated:

- Contributions made to a candidate’s election committee and contributions to that candidate’s controlled ballot measure committee, legal defense fund, recall committee or officeholder committee.
- Independent expenditures supporting a candidate and contributions to that same candidate’s campaign.

Nonmonetary Contributions. If goods on hand were contributed (e.g., paper or postage), describe the goods or services in the “Description of Payment” column, and disclose the fair market value of the goods or services. The fair market value is the amount it would cost the recipient to purchase the goods on the open market.

Cryptocurrency Contributions. The amount of a cryptocurrency contribution is the fair market value of the cryptocurrency at the time the payment processor obtains possession of the contribution. The entire amount of the cryptocurrency contribution is reported as a nonmonetary contribution. The processing fee charged by the payment processor is not deducted from the amount reported. However, the processing fee charged by the payment processor is reportable as an expenditure of the committee at the time the fee is deducted or charged. In the “Description of Payment” column, include “cryptocurrency contribution” in the description.

Please note that if a cryptocurrency contribution is made and valued at \$1,000 or more to a single candidate or ballot measure committee in the 90 days prior to or on the date of an election for that candidate or measure, the committee may incur additional filing obligations such as the Form 497.

For more information on cryptocurrency, please check out our [Cryptocurrency Contributions Fact Sheet](#) available on our website, www.fppc.ca.gov.

Subvendor Payments. If a payment was made to an agent or independent contractor who then made payments on behalf of the filer (subvendor payments), disclose payments made to the subvendor in addition to the payments made to the agent. Report the name and address of the agent, followed by the name and address of each subvendor paid \$500 or more. Amounts paid to the agent are disclosed in the “Amount this Period” column and the amounts paid to a subvendor(s) are reported in the “Description of Payment” column or may be in another format as long as it is clearly identified.

5. Contributions (Including Loans, Forgiveness of Loans, and Loan Guarantees) and Expenditures Made

(If more space is needed, use additional copies of this page for continuation sheets.)

| DATE | NAME, STREET ADDRESS, CITY, STATE AND ZIP CODE OF PAYEE (IF COMMITTEE, ALSO ENTER I.D. NUMBER) | TYPE OF PAYMENT | DESCRIPTION OF PAYMENT (IF OTHER THAN MONETARY CONTRIBUTION OR LOAN) | CANDIDATE AND OFFICE, MEASURE AND JURISDICTION, OR COMMITTEE | AMOUNT THIS PERIOD | CUMULATIVE AMOUNT RELATED TO THIS CANDIDATE, MEASURE, OR COMMITTEE |
|---------|---|--|---|---|--------------------|--|
| 5/28/XX | AMCD Political Consulting \$30,000 444 Main Street Sacramento, CA 95826 | <input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input checked="" type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure | Mailing - subvendor Joe's Printing, 222 Front St, Sac CA 95811 \$10,000 | Proposition A, Sacramento County <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | 10,000 | 40,000 |
| 6/3/XX | AMCD Political Consulting (continued) Subvendor: KKPP radio, 444 St, Sacramento, CA 95814 (\$15,000) | <input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input checked="" type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure | Radio Ads | Proposition B, Sacramento County <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | 15,000 | 15,000 |

QUICK TIP: When reporting an expenditure made by an agent or independent contractor to an individual for conducting signature gathering, door-to-door solicitations, or canvassing, the committee and the agent or independent contractor are not required to report the name of the individual. See Regulation 18431(e).

Staff Time. If an employee spends more than 10 percent of ~~his or her~~ **their** compensated time in any one month engaged in campaign activities that expressly advocate the support of or opposition to a candidate or measure (e.g., phone banks or precinct walking), the employer must report the payments as nonmonetary contributions. The names, addresses, and the specific salaries of the employees are not required to be disclosed.

Candidate's Contributions. A candidate's contributions to ~~his or her~~ **their** own committee ~~do~~ **es** not trigger the requirement to file Form 461. However, a candidate filing a Form 461 disclosing personal contributions made to other candidates or committees must also disclose personal contributions made to ~~his or her~~ **their** own controlled committees.

Intermediary. If a contribution is made through an intermediary, list the name and address and committee number, if applicable, of the intermediary.

Software Programs. This manual provides reporting examples. Some software programs may vary the display of data. As long as voters may easily identify the required information, this is permissible. This is also true for a filer submitting a paper report.

D. Additional Reports

In addition to the Form 461 and Form 497, other reports may be required depending on a committee's activity, including:

- Paid Spokesperson Report (Form 511)
- Report of Communications Identifying State Candidates (Form E-530)
- **Limited Liability Company (LLC) Statement of Members (Form 409)**

A major donor that makes independent expenditures must report such payments on Form 461 and also on the following forms. See Manual 6 for guidance and examples on how to complete the following forms:

- Verification of Independent Expenditures (Form 462)
- 24-Hour/10-Day Independent Expenditure Report (Form 496)

FPPC Reporting Forms for Major Donors

| | File |
|--|---------------------|
| Makes contribution(s) totaling \$10,000 or more to support or oppose state and local candidates, measures, or committees | Form 461 |
| Makes independent expenditures totaling \$1,000 or more to support or oppose a single candidate or ballot measure | Form 461, Form 462 |
| Makes independent expenditures totaling \$1,000 or more to support or oppose a single candidate or measure during the 90 days before the candidate's or measure's election, or on the date of the election | Form 496 |
| Makes independent expenditures totaling \$5,000 or more to support or oppose the qualification of a single local measure | Form 496 |
| Makes contributions totaling \$1,000 or more to a single candidate or primarily formed ballot measure or candidate committee during the 90 days before the candidate's or measure's election, or on the date of the election | Form 497 |
| Makes contributions totaling \$1,000 or more to a political party (including central committees) during the 90 days before a state election, or on the date of the election | Form 497 |
| Makes contributions totaling \$5,000 or more to support or oppose the qualification of a single local measure | Form 497 |
| Makes expenditures of \$5,000 or more for an individual to appear in a ballot measure advertisement | Form 511 |
| Makes an expenditure of any amount for an individual to appear in a ballot measure advertisement that states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training as a prerequisite to engage in that occupation (e.g., nurse, doctor, firefighter, scientist, engineer, lawyer) | Form 511 |
| Makes payments of \$50,000 or more to "feature" a state candidate 45 days before an election | Form E-530 |
| Limited Liability Company (LLC) qualifying as a major donor or as a sponsor of a committee | Form 409 |

Ballot Measure Ad – Paid Spokesperson Report (Form 511)

The Act requires specific disclosure when a committee pays an individual for ~~his or her~~ **their** appearance in a ballot measure advertisement. The committee must file a Paid Spokesperson Report (Form 511) and include a disclosure on the ad in the following situations:

- **\$5,000 payment to individual in ad:** The committee makes expenditures totaling \$5,000 or more to an individual for ~~his or her~~ **their** appearance in an advertisement to support or oppose the qualification, passage or defeat of a state or local ballot measure.
- **Any payment to individual in ad portraying a professional (e.g., nurse, doctor, firefighter, scientist, engineer, lawyer, etc.):** The committee makes expenditures of any amount to an individual for ~~his or her~~ **their** appearance in an advertisement to support or oppose the qualification, passage or defeat of a state or local ballot measure that states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training to engage in that occupation.

See Chapter 3 for information about the advertisement disclosure requirements.

When to File Form 511

A committee that makes an expenditure identified above must file the Form 511 within 10 days. An expenditure is made on the date the payment is made or the date the services are received, if any, whichever is earlier.

Where to File Form 511

State Committees: File Form 511 with the Secretary of State. Committees required to E-file must also file a paper version. Effective January 1, 2023, filers required to file a report or statement by paper with the Secretary of State may instead file the paper report or statement by email. All statements must be signed using a verified digital signature. Please access the Secretary of State's [website](#) for more information on how to file with a digital signature.

Local Committees: File Form 511 in the same location the committee files its regular campaign statements (i.e., Form 461).

Paid Spokesperson Report

Type or print in ink. Amounts may be rounded to whole dollars.

Date Stamp

CALIFORNIA FORM 511

For Official Use Only

NAME OF FILER

Hart Corporation (including aggregated contributions and independent expenditures)

ID # (if required)

AREA CODE/PHONE NUMBER

(916) 876-5023

E-MAIL (Optional)

howard.hart@sbcglobal.net

Amendment (explain)

STREET ADDRESS

4300 Industrial Park West

CITY

Sacramento

STATE

CA

ZIP CODE

95817

Payments Made Attach additional information on appropriately labeled continuation sheets.

| DATE | NAME AND ADDRESS OF SPOKESPERSON (OCCUPATION MAY BE REQUIRED - SEE INSTRUCTIONS) | BALLOT MEASURE SUPPORTED OR OPPOSED (INCLUDE BALLOT NUMBER OR LETTER AND JURISDICTION) | AMOUNT |
|---------|---|---|--------|
| 10/1/XX | Judy Sanchez 10 Main Street Sacramento, CA 95814 (Hart Corp.) | Prop. 215, State of CA <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | 5,500 |
| 10/1/XX | Steve Fong 28 Gerber Drive Sacramento, CA 95814 (Kline Ltd.) | Prop. 215, State of CA <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | 7,000 |
| | | <input type="checkbox"/> Support <input type="checkbox"/> Oppose | |

Verification

I have used all reasonable diligence in preparing this report. I have reviewed the report and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 10/5/XX DATE

By _____ [Signature Required]
SIGNATURE OF TREASURER/ASSISTANT TREASURER/FILER

Paid Spokesperson Report

Type or print in ink. Amounts may be rounded to whole dollars.

Date Stamp

CALIFORNIA
FORM 511

For Official Use Only

NAME OF FILER

ID # (If required)

Hart Corporation (including aggregated contributions and independent expenditures)

AREA CODE/PHONE NUMBER

EMAIL (Optional)

(916) 876-5023

howard.hart@sbcglobal.net

Amendment (explain)

STREET ADDRESS

4300 Industrial Park West

CITY

STATE

ZIP CODE

Sacramento

CA

95817

Payments Made *Attach additional information on appropriately labeled continuation sheets.*

| DATE | NAME AND ADDRESS OF SPOKESPERSON (OCCUPATION MAY BE REQUIRED - SEE INSTRUCTIONS) | BALLOT MEASURE SUPPORTED OR OPPOSED (INCLUDE BALLOT NUMBER OR LETTER AND JURISDICTION) | AMOUNT |
|---------|---|---|--------|
| 10/1/XX | Judy Sanchez 10 Main Street Sacramento, CA 95814 (Hart Corp.) | Prop. 215, State of CA <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | 5,500 |
| 10/1/XX | Steve Fong 28 Gerber Drive Sacramento, CA 95814 (Kline Ltd.) | Prop. 215, State of CA <input checked="" type="checkbox"/> Support <input type="checkbox"/> Oppose | 7,000 |
| | | <input type="checkbox"/> Support <input type="checkbox"/> Oppose | |

Verification

I have used all reasonable diligence in preparing this Report. I have reviewed this Report and, to the best of my knowledge, the information contained in it is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 10/5/XX
DATE

By _____
[Signature Required]
SIGNATURE OF TREASURER/ASSISTANT TREASURER/FILER

How to Complete Form 511

Payments Made

In the first column, provide the date the payments were made or the services were received, whichever is earlier. In the second column, indicate the name and address of the individual who was paid to appear in the advertisement. In addition, the occupation of a spokesperson is required when an expenditure of any amount is paid to an individual for **his or her** **their** appearance in an advertisement that supports or opposes the qualification, passage, or defeat of a state or local ballot measure and the advertisement states or suggests that the individual is a member of an occupation that requires licensure, certification, or other specialized, documented training as a prerequisite to engage in that occupation.

In the third column, provide the name, number or letter, and jurisdiction of the ballot measure supported or opposed by the advertisement. Finally, in the last column, indicate the total amount of the expenditure.

Ex 4.9 – A corporation pays \$30,000 for a public relations firm to produce a television advertisement supporting Measure B. A celebrity is paid \$5,000 or more to appear in the ad. The corporation must file the Form 511. In addition, the ad must state that the individual was paid to appear.

Verification

The Form 511 is not considered filed if it is not signed.

Amendments

To amend a previously filed Form 511, file another Form 511 with the corrected information. Check the “Amendment” box and give a brief description of the amendment. Like the original, the amendment must be signed and dated. There is no deadline for filing amendments. However, amendments should be filed prior to the respective election, or as soon as practicable. File the amendment in the same location(s) as the original.

Ex 4.10 – The Temple Company purchased billboard space up and down Interstate 5 stating, “Thank You, Governor Romez, for Supporting Assembly Bill 1 Helping California’s Children.” The billboard space was rented for the 30 days prior to the Governor’s election. The total cost for design, printing, placement, and space rental was \$65,000 and was paid on October 6. By October 8, the company must file the Form E-530 electronically with the Secretary of State.

Communications Identifying State Candidates (Form E-530)

A major donor committee that spends \$50,000 or more for a communication disseminated during the 45 days before an election that clearly identifies a state candidate appearing on the ballot, but does not expressly advocate the election or defeat of that candidate, must file Form E-530 electronically with the Secretary of State within 48 hours of making payments, or promising to make payments, totaling \$50,000 or more. The report must disclose the amount and date of the payment(s), and the name of and office sought by the candidate identified in the communication. A separate report must be filed for each state candidate identified in the communication.

The report must be verified by a written “electronic filing declaration,” signed, dated, and verified on the same date that the report is transmitted to the Secretary of State. This declaration must be retained in the committee’s records for five years following the date that the campaign report to which it relates is filed. The statement must include the following language:

“I have used all reasonable diligence in preparing this report and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.”

Form E-530 must be filed in addition to any semi-annual campaign statements the committee is required to file.

How to File Form E-530

There is no paper version of the Form E-530. To access the online form, go to the Secretary of State's website (www.sos.ca.gov) and click on "For Filers Only" under Campaign Finance. You must apply for a Filer ID and password using the form provided. Then, from the same location on the website, you can click on the E-530 link to access the form. **The E-530 is filed, online or electronically, with the Secretary of State (www.sos.ca.gov).**

Committees Reporting Top Contributors

The FPPC publishes information for voters on its website that identifies major funding sources of state campaigns. Specifically, state ballot measure committees that raise \$1,000,000 or more for an election must file a report (Form T-10) with the FPPC and identify the current top 10 contributors of \$10,000 or more to the committee. Similar reports are also filed by committees primarily formed to support or oppose state candidates. A major donor committee may be identified on these reports.

Committees Reporting Limited Liability Company (LLC) Statement of Members (Form 409)

The Act requires specific disclosure if a limited liability company (LLC) qualifies as a major donor committee or as a committee sponsor. The LLC must file a Form 409 Statement of Members disclosing all members who have a membership interest in the LLC of at least 10% and/or who have made a cumulative capital contribution of at least \$10,000 to the LLC within the 12 months prior to qualification as a committee or sponsor of a committee. The Form 409 must also identify an individual who is the responsible officer or principal officer of the LLC.

There are specific rules discussed in this chapter and in the Form 409 instructions regarding whether certain capital contributions to the LLC qualify as contributions to a committee, and how contributions may need to be aggregated among individuals/entities.

A capital contribution or other payment made to a LLC that qualified as a committee or sponsor of a committee that is earmarked, in whole or in part, for political purposes is deemed a contribution to the committee.

Contributions from a member of a LLC identified in a statement of members must be **aggregated** with contributions from the LLC pursuant to Section 82015.5:

- If an individual directs or controls an entity's contributions, the entity's contributions shall be aggregated with contributions made by that individual and any other entity whose contributions that individual directs or controls.
- If two or more entities make contributions that are directed or controlled by a majority of the same persons, the contributions of those entities shall be aggregated.
- Contributions made by entities that are majority owned by a 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 contribution-making decisions.

When to File Form 409

Generally, the Form 409 is due within **10 days** of the LLC qualifying as a committee or sponsor of a committee.

However, the Form 409 is due within **24 hours** of the LLC qualifying as a committee or sponsor of a committee if it qualifies within **30 days** of an election and the LLC has made a contribution to, or an independent expenditure supporting or opposing, a candidate or ballot measure on the ballot in that election, or made a contribution to a committee that made a contribution to, or an independent expenditure supporting or opposing a candidate or ballot measure on the ballot in that election.

Where to File Form 409

File Form 409 with the Secretary of State via email at Form409@sos.ca.gov.

How to Complete Form 409

| | | | | | |
|---|---|--|---|--|--|
| Limited Liability Company (LLC) Statement of Members <small>(Government Code Section 84109)</small> | | Type or Print in Ink. | Amendment <input type="checkbox"/> Check box if an Amendment # _____ Date qualification threshold met (Month, Day, Year) | Date Stamp | CALIFORNIA FORM 409 <small>For Official Use Only</small> |
| 1 LLC Information | | | | | |
| LEGAL NAME OF LIMITED LIABILITY COMPANY: ShieldCorp, LLC | | NAME OF RESPONSIBLE OFFICER OR PRINCIPAL OFFICER: Jane Doe | | PRINCIPAL/RESPONSIBLE OFFICER PHONE #: 123-456-7890 | PRINCIPAL/RESPONSIBLE OFFICER EMAIL: jane.doe@shieldcorp.com |
| LLC STREET ADDRESS: 2900 S Street | | CITY: Sacramento | STATE: CA | ZIP CODE: 95816 | LLC MAILING ADDRESS (IF DIFFERENT): CITY: STATE: ZIP CODE: |
| NAME OF COMMITTEE: ShieldCorp, LLC | | COMMITTEE ID: 0000000 | COMMITTEE PHONE NUMBER: 123-456-7890 | COMMITTEE EMAIL ADDRESS: jane.doe@shieldcorp.com | |
| COMMITTEE STREET ADDRESS: 2900 S Street | | CITY: Sacramento | STATE: CA | ZIP CODE: 95816 | COMMITTEE MAILING ADDRESS (IF DIFFERENT): CITY: STATE: ZIP CODE: |
| 2 Members (If any members are other LLCs, further disclosure is required in Part 3.) | | | | | |
| FULL NAME | MEMBERSHIP TYPE | DATE(S) OF CAPITAL CONTRIBUTION <small>(ONLY COMPLETE IF MEMBER HAS MET CAPITAL CONTRIBUTION THRESHOLD)</small> | CUMULATIVE CAPITAL CONTRIBUTIONS TO LLC | PERCENTAGE OWNERSHIP INTEREST | |
| Jane Doe | <input checked="" type="checkbox"/> MEMBERSHIP 10% OR GREATER <input type="checkbox"/> CAPITAL CONTRIBUTIONS \$10,000 OR MORE | | | 80% | |
| James Smith | <input checked="" type="checkbox"/> MEMBERSHIP 10% OR GREATER <input checked="" type="checkbox"/> CAPITAL CONTRIBUTIONS \$10,000 OR MORE | xx/xx/xxxx | \$100,000 | 10% | |
| John Johnson | <input type="checkbox"/> MEMBERSHIP 10% OR GREATER <input checked="" type="checkbox"/> CAPITAL CONTRIBUTIONS \$10,000 OR MORE | xx/xx/xxxx | \$50,000 | | |
| | <input type="checkbox"/> MEMBERSHIP 10% OR GREATER <input type="checkbox"/> CAPITAL CONTRIBUTIONS \$10,000 OR MORE | | | | |
| 3 Names of Member LLCs Listed in Part 2 | | | | | |
| NAME OF LLC LISTED IN PART 2 | | | FULL NAMES OF MEMBERS | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 4 Verification | | | | | |
| I have used all reasonable diligence in preparing this Statement. I have reviewed this Statement and, to the best of my knowledge, the information contained in it is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. | | | | | |
| Executed on <u>xx/xx/xxxx</u> <small>DATE</small> | | By <u>Jane Doe</u> <small>SIGNATURE</small> | | | |
| <small>Attach additional information on appropriately labeled continuation sheets.</small> | | Print | Clear | <small>FPPC Form 409 (Nov/2021) FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)</small> | |

1 LLC Information

Enter the full name of the LLC filing the statement. Identify the name, street address, email, and telephone number of the LLC. Enter the mailing address as well if different from the street address. Enter the name, phone number, and email address of the LLC's responsible officer or principal officer.

- The "responsible officer" of an LLC that qualifies as a committee under Sections 82013(b) or (c) is the individual primarily responsible for approving the political activity of the LLC including, but not limited to: authorizing expenditures, including contributions, on behalf of the LLC, and/or developing or approving campaign strategy on behalf of the LLC. (See Regulation 18402.2.)

- The “principal officer” of a committee is the individual primarily responsible for approving the political activity of the committee including, but not limited to, the following activities: (1) Authorizing the content of the communications made by the committee. (2) Authorizing expenditures, including contributions, on behalf of the committee. (3) Determining the committee’s campaign strategy. (See Regulation 18402.1.)

Enter the name and street address of the LLC’s committee or sponsored committee. For major donors, the “committee name” will be the same name the LLC files under on the Major Donor Committee Campaign Statement (Form 461). Enter the mailing address if different from the street address. Provide, if applicable, the committee’s ID number. The address for the committee should be the same as the address reported on the Major Donor/Independent Expenditure Report (Form 461). If more than one committee needs to be listed, attach an appropriately labeled continuation sheet.

2 Member Information

The LLC is required to list all persons who:

1. Hold a membership interest in the LLC equal to or greater than 10% of the total outstanding membership interests.
2. Made a cumulative capital contribution of \$10,000 or more to the LLC after it qualified as a committee or sponsor of a committee, or within the preceding 12 months before it qualified.

Include the full legal name of each member that meets one or both of the definitions above. Then, check the boxes to indicate how the member qualifies. A member may meet one or both definitions. For those members qualifying because of meeting the \$10,000 capital contribution threshold, enter the dates of each capital contribution made since qualification and in the preceding 12 months. For each member listed, enter the total amount of cumulative capital contributions to the LLC. For each member listed, enter the total percentage ownership interest in the LLC. If more space is needed, attach appropriately labeled continuation sheets.

3 Member LLC Information

If a member listed on the statement of members under Part 2 above is a LLC, then in Part 3, list all members of that LLC who would be listed on a statement of members if the member LLC qualified as a committee or sponsor of a committee.

4 Verification

If the filer is an individual, the verification statement must be signed by the individual. If the filer is an entity or other organization, a responsible officer of the entity or organization, or an attorney or certified public accountant acting as the entity's or organization's agent, must sign the verification statement.

This statement must be signed using a secure electronic signature, which may be effectuated with a "digital signature" consistent with FPPC Regulation 18104(b) (2). Conforming digital signatures can be created through services such as Adobe Acrobat Reader DC.

Amendments

Generally, a LLC must file an amended statement within **10 days** if it receives a capital contribution of \$10,000 or more after qualifying as a committee or sponsor of a committee.

However, a LLC is required to file an amended Form 409 within **24 hours** of receiving the additional capital contribution if the LLC receives that contribution within **90 days** of an election and the LLC has made a contribution to, or independent expenditure supporting or opposing, a candidate or ballot measure on the ballot in that election.

If specified information reported on an initial statement of members changes, mark the check box for "Amendment".

Answering Your Questions

A. Major Donor Committees automatically terminate at the end of each calendar year. If an LLC no longer qualifies as a committee or sponsor of a committee during the subsequent calendar year, is a Form 409 amendment required?

No. If a LLC is no longer a committee or sponsor of a committee as defined by the Act, no amendment is required.

B. ShieldCorp, LLC qualified as a committee in the prior calendar year and filed a Form 409 within 10 days of qualifying. Is ShieldCorp, LLC required to file a Form 409 each time it qualifies as a committee or a sponsor of a committee?

No. ShieldCorp, LLC is not required to file a new Form 409 each time it qualifies as a committee or a sponsor of a committee. If additional capital contributions of \$10,000 or more are received, a Form 409 amendment would be required to be filed.

C. ABC Construction and Affiliated Entities is a Major Donor Committee that consists of five affiliated LLCs. Two of the five affiliated LLCs, EasyAs123, LLC, and Nuts & Bolts, LLC, each qualify as “sponsors” of separate committees. The other three LLCs did not have any political activity. Is ABC Construction and Affiliated Entities required to aggregate contributions of all five of the affiliated LLCs to determine if a Form 409 is triggered?

No. Each individual LLC will trigger separately the filing of the Form 409 if requirements under Section 84109 are met. Therefore, EasyAs123, LLC and Nuts & Bolts, LLC each separately would be required to file the Form 409 since they each qualified as a sponsor of a committee.

Authority

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

Government Code Sections

| | |
|---------|---|
| 81004 | Reports and Statements; Perjury; Verification. |
| 81004.5 | Reports and Statements; Amendments. |
| 81005 | Reports and Statements; Filing Deadline on Weekend or Holiday. |
| 82015 | Contribution. |
| 82025 | Expenditure. |
| 82027.5 | General Purpose Committee. |
| 82036 | Late Contribution. |
| 82036.5 | Late Independent Expenditure. |
| 82044 | Payment. |
| 82046 | Period Covered. |
| 84109 | Limited Liability Company; Member Disclosure. |
| 84200 | Semi-Annual Statements. |
| 84200.6 | Special Campaign Statements and Reports. |
| 84202.7 | Time for Filing by Committees of Odd-Numbered Year Reports. |
| 84203 | Late Contribution; Reports. |
| 84203.3 | Late In-Kind Contributions. |
| 84204 | Late Independent Expenditures; Reports. |
| 84211 | Contents of Campaign Statement. |
| 84213 | Verification. |
| 84215 | Campaign Reports and Statements; Where to File. |
| 84303 | Expenditure by Agent or Independent Contractor. |
| 84511 | Ballot Measure Ads; Paid Spokesperson Disclosure. |
| 84605 | Who Shall File Online. |
| 84615 | Campaign Reports and Statements - Electronic Filing for Local Agencies. |
| 85310 | Communications Identifying State Candidates. |

Title 2 Regulations

- 18215 Contribution.
- 18227.5 General Purpose Committees: State, County or City.
- 18250 Street Address.
- 18402.2 Limited Liability Companies, Responsible Officer.
- 18421.1 Disclosure of the Making and Receipt of Contributions.
- 18421.2 Cryptocurrency Contributions.
- 18421.10 Reporting Contributions from Limited Liability Companies.
- 18423 Payments for Personal Services as Contributions and Expenditures.
- 18427.5 Top Contributor Disclosure by Committees Primarily Formed for State Ballot Measures or Candidates.
- 18428 Reporting of Contributions and Independent Expenditures Required to be Aggregated.
- 18431 Reporting of Expenditures by an Agent or Independent Contractor.
- 18450.11 Spokesperson Disclosure.
- 18539.2 Reporting Payments Pursuant to Government Code Section 85310.

APPENDIX – ABOUT THE POLITICAL REFORM ACT/ HOW TO GET HELP

The Political Reform Act of 1974

The Political Reform Act (the “Act”) was a voter-approved initiative on the 1974 primary election ballot. One of the major provisions of the Act requires the truthful and accurate disclosure of campaign contributions and expenditures during elections.

The Fair Political Practices Commission

The Fair Political Practices Commission (FPPC) is the independent, nonpartisan state agency authorized to implement, interpret, and enforce the provisions of the Act. A full-time chair appointed by the Governor, and four part-time commissioners, one each appointed by the Controller, the Attorney General, the Secretary of State, and the Governor comprise the Commission. Each member serves a four-year term and no more than three members may be from the same political party. FPPC staff is composed of five divisions: Executive, Administration and Technology, Enforcement, Legal, and External Affairs and Education.

Governing Statutes

The Political Reform Act is contained in Government Code sections 81000-91014.

Regulations

Regulations interpreting the Political Reform Act are located at Title 2, Division 6 of the California Code of Regulations, beginning at Section 18110.

Opinions and Advice Letters

The FPPC periodically issues opinions interpreting provisions of the Political Reform Act. The opinions are adopted at a public meeting, with opportunity for input from interested persons.

In addition, FPPC staff issues written advice letters as to the applicability of the Act and regulations to a particular factual situation. Refer to the information on requesting written advice from the FPPC available on the FPPC website.

Contact Information for the FPPC.

Fair Political Practices Commission
1102 Q Street, Suite 30500
Sacramento, CA 95811

(916) 322-5660
(866) 275-3772 – Toll-free
www.fppc.ca.gov

X (formerly known as Twitter): @CA_FPPC
Facebook: CA FPPC

FPPC Website

Visit the FPPC website (www.fppc.ca.gov) to get copies of specific advice letters, sign up for RSS feeds, or to be put on mailing lists. The FPPC's website also contains a wealth of helpful information, including:

- The Political Reform Act and its corresponding regulations
- Commission opinions
- Advice letters
- Notices of Commission meeting dates and agendas, supporting documentation for agenda items, and meeting summaries

- Forms required by the Political Reform Act (also available at the FPPC's office, the Secretary of State's Office, and many local clerks' offices)
- Campaign filing schedules
- Manuals, fact sheets, and useful summaries of the law
- Enforcement closure letters

Additional Campaign Manuals

Additional copies of this manual, and manuals for other types of campaign committees, are available from the FPPC, the Secretary of State, and many city clerks or county registrars.

Manuals are available for:

- State candidates and officeholders, and committees primarily formed to support/oppose candidates
- Local candidates and officeholders, and committees primarily formed to support/oppose candidates
- Ballot measure committees
- General purpose recipient committees
- Independent expenditure committees
- Slate mailer organizations

Obtaining Information Elsewhere

A subscription for regulations is available from:

Barclay's Law Publishing
P.O. Box 2006
South San Francisco, CA 94126
(800) 888-3600

Opinions and advice letters are available from these subscription services:

Westlaw (800) 328-9352
Database: "CA-ETH"
(Advice letters from 1986 to present)

Lexis-Nexis (800) 227-9597
Database: "CA Fair Political Practices
Commission"
(Advice letters from 1990 to present)

Other Resources

The Secretary of State, city clerks, and county clerks or registrars of voters are the filing officers for campaign disclosure statements. Committee statements will be filed with the Secretary of State or a local clerk or registrar depending on whether the filer is a state candidate, a candidate running for local election, or a state or local committee.

Secretary of State

The Secretary of State is also responsible for issuing campaign committee identification numbers.

(916) 653-6224
(916) 653-5045 (Fax)
www.sos.ca.gov

Federal Election Commission

The Federal Election Commission answers questions regarding federal elections and contributions to all candidates from national banks, national corporations, and foreign nationals.

Federal Election Commission
999 E Street, NW
Washington, DC 20463
(800) 424-9530
www.fec.gov

Franchise Tax Board

The Franchise Tax Board is responsible for responding to questions regarding tax status, tax-deductibility of political contributions, 501(c)(3) groups, audits, or any tax-related questions.

(800) 852-5711 or (800) 338-0505
www.ftb.ca.gov

Internal Revenue Service

The Internal Revenue Service provides assistance regarding federal tax laws and obtaining a taxpayer identification number.

(877) 829-5500 (located in Washington, D.C.)
(800) 829-3676 (taxpayer ID number)
www.irs.gov

Federal Communications Commission

The Federal Communications Commission can answer questions regarding rates for purchasing broadcast time and equal access to broadcast media.

(888) 225-5322 (located in Washington, D.C.)
www.fcc.gov
email: fccinfo@fcc.gov

Local Ordinances

A city or county officeholder, candidate, or committee may be subject to additional reporting or other requirements such as electronic filing. For example, there may be contribution limits or lower itemization thresholds. A city or county campaign ordinance may never preempt state law. On January 1, 2021, a default state campaign contribution limit went into effect for city and county candidates where the city or county has not already enacted a contribution limit on such candidates.

Privacy Information Notice

Information required on all FPPC forms is used by the FPPC to administer and enforce the Political Reform Act (Government Code sections 81000-91014 and California Code of Regulations sections 18109-18997). All information required by these forms is mandated by the Political Reform Act. Failure to provide all of the information required by the Act is a violation subject to administrative, criminal, or civil prosecution. All reports and statements provided are public records open for public inspection and reproduction.

If you have any questions regarding this Privacy Notice please contact the FPPC at:

General Counsel
1102 Q Street, Suite 30500
Sacramento, CA 95811
(916) 322-5660

Enforcement

The Fair Political Practices Commission, the Attorney General, county district attorneys, and elected city attorneys of charter cities have enforcement authority under the Act. Failure to provide all or any part of the information required by the Political Reform Act is a violation subject to:

- An administrative enforcement proceeding before the Fair Political Practices Commission;
- A criminal misdemeanor proceeding;
- A civil action; and
- Levying of late penalties by filing officers.

Penalties of up to \$5,000 per violation may be imposed for not filing campaign statements.