



# INDEPENDENT EXPENDITURE COMMITTEES

## CAMPAIGN DISCLOSURE **MANUAL 6**

# CONTENTS

Introduction Introduction –1

Chapter 1 – Committee Qualification . . . . . Chapter 1.1

Chapter 2 – Advertisement Disclosures . . . . . Chapter 2.1

Chapter 3 – Reporting Requirements. . . . . Chapter 3.1

Appendix – About the Political Reform Act / How to Get Help . . . . . Appendix –1

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# INTRODUCTION

## Who Should Use this Manual?

Individuals and entities using their own funds to make independent expenditures on candidates or measures should use this manual. Individuals and entities, including corporations, firms, businesses, and proprietorships, making independent expenditures of \$1,000 or more in a calendar year qualify as a committee under the Act and must file reports of the independent expenditures.

Other political committees, including PACs, sponsored committees, general purpose committees, ballot measure committees, and so-called "independent expenditure only" committees also make independent expenditures using funds raised from contributors. However, this manual is not intended for those recipient committees.

## Purpose of this Manual

California's Political Reform Act (the "Act") requires receipts and expenditures in election campaigns to be disclosed fully and truthfully. In recent years, California has experienced huge growth in the amount of independent expenditures made at both the state and local levels. Typically, independent expenditures increase when contribution limits encourage campaign spending by persons who are neither candidates nor political parties. 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 an independent expenditure must be disclosed and may not be hidden. Strict rules are in place for multi-purpose organizations and nonprofits (including 501(c)(3) and 501(c)(4) organizations) that make political expenditures to ensure that accurate information is disclosed on campaign reports and in political communications such as television ads and electronic messages.

Since 1974, there have been over 200 amendments to the Act's campaign disclosure provisions. This manual has been prepared to assist persons making independent expenditures 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](http://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...

- Each independent expenditure of \$1,000 or more on behalf of a candidate or ballot measure triggers the filing of campaign reports: Form 462, Form 461 and Form 496. Filing deadlines and requirements are reviewed in this manual.
- Filing locations for the Form 496 are sometimes different from where the independent expenditure committee files the Form 461.

# COMMITTEE QUALIFICATION

## A. What is an Independent Expenditure Committee?

An individual or entity (e.g., corporation, firm, business, or proprietorship) that makes one or more independent expenditures to pay for a communication (e.g., mailing, lawn signs, newspaper ads) totaling \$1,000 or more in a calendar year that is not coordinated with the affected candidate or committee qualifies as a committee and must file reports under the Act. Section C reviews when a multi-purpose organization may qualify as an independent expenditure committee.

**QUICK TIP:** This manual is for individuals or entities making independent expenditures from their own funds. If an individual or entity receives contributions totaling \$2,000 or more in a calendar year for the purpose of making contributions or independent expenditures in connection with California candidates or ballot measures, a recipient committee is formed, and different reporting applies. This includes instances when two or more individuals or entities make separate payments totaling \$2,000 or more for a single communication, they also may qualify as a recipient committee.

## What is an Independent Expenditure?

An “independent expenditure” is a payment for a communication that **expressly advocates** the election or defeat of a **clearly identified** California state or local candidate or the qualification, passage, or defeat of a clearly identified state or local ballot measure, **and** the communication is **not coordinated** with or “made at the behest” of the affected candidate or committee. The following information provides an overview of how to determine if the three factors are met for a communication to be considered an independent expenditure. Whether or not a communication does in fact expressly advocate a clearly identified candidate or measure will always depend upon the words and message. The FPPC can offer guidance if a sample communication is provided.

## Express Advocacy

A communication *expressly advocates* support or opposition of a clearly identified candidate or ballot measure under the following scenarios:

- The communication uses words such as “vote for,” “elect,” “cast your ballot,” or “defeat.”
- The communication is made within 60 days prior to an election and the communication refers to a clearly identified candidate or ballot measure so that when taken as a whole, unambiguously, suggests only one meaning which is to urge a particular result in an election. The message must not be susceptible to any reasonable interpretation other than as an appeal to vote for or against a specific candidate or ballot measure. Examples include: “Smith’s the One,” or “Only Nancy Brown can clean up City Hall.”

A communication does not expressly advocate if it does not mention an election, candidacy, or the merits of a measure, and it focuses on a legislative, executive or judicial matter. An example may be “Thank you Supervisor Smith for continuing to support our farmers.”

**Ex 1.1** - In May, Sandra Farmer paid \$4,000 for a mailing that included the statement “Vote No on Measure A.” Sandra, acting on **her** **their** own, paid for the mailing with **her** personal funds and qualified as an independent expenditure committee.

In October, MBI Development Corporation paid for a series of automated telephone calls to voters in Southern California that said “Vote for Smith for Governor.” The corporation, acting independently of the candidate’s committee, paid \$12,000 for the calls. The corporation qualified as an independent expenditure committee.



## Clearly Identifies

A communication *clearly identifies* a candidate or measure when the candidate's name, photograph, or status as a candidate or officeholder is used, or the measure's name, popular title, or official title is used. Some flyers may mention a group of candidates by some well-defined characteristic of the group. Even if no specific names are used, these, too, may be communications which *clearly identify* candidates.

## Is the Expenditure Independent or Coordinated with the Campaign?

An independent expenditure committee must be aware that the communication cannot be coordinated with the affected candidate or measure committee. If there is coordination, the payments are reported as contributions, and, among other things, may be subject to contribution limits.

**Ex 1.2** - Several individuals contributed funds, and the pooled funds exceeded \$2,000, to a political consultant to develop newspaper ads that will state Vote Yes on Measure C. In this example, the ad may be an independent expenditure but because the individuals pooled their funds for the communication, the group qualified as a primarily formed ballot measure recipient committee to oppose the measure. In these circumstances, use Manual 3 for campaign filing requirements and not this manual.

An expenditure is **not considered independent** of a candidate or committee if:

- It is made at the request, suggestion, or direction of, or in cooperation, consultation, or coordination with the candidate or committee for whose benefit the expenditure is made.
- The candidate or committee or their agents have made or participated in making any decision about the content, timing, location, mode, intended audience, distribution, or frequency of placing the communication.



- The creator, producer or distributor of the communication, or the person paying for the communication has had discussion and agreement with the candidate or committee, or their agents, regarding the content, timing, location, mode, intended audience, distribution, or placement of the communication.

**There is a rebuttable presumption that an expenditure is coordinated with** or “made at the behest of” a candidate or committee under the following circumstances:

- **Committee’s Needs.** It is based on information about the candidate’s or committee’s campaign needs or plans provided to the expending person by the candidate or committee, such as information concerning campaign messaging, planned expenditures, or polling data.
- **Agent.** It is made by or through any agent of the candidate or committee in the course of the agent’s involvement in the current campaign. “Current campaign” means the period beginning 12 months prior to the date of the primary or special election in which the candidate is on the ballot for an elective office and ending on the date of the general or special runoff election for that office. For a measure, “current campaign” means the period beginning 12 months prior to the date of the election in which the measure is on the ballot.
- **Common Consultants.** The person making the expenditure retains the services of a person who provides either the candidate or the committee supporting or opposing the ballot measure with professional services related to campaign or fundraising strategy for the current campaign.
- **Republication.** The communication reproduces, republishes, or disseminates, in whole or in substantial part, a communication designed, produced, paid for, or distributed by the candidate or committee.
- **Fundraising.** The committee making the expenditure is primarily formed to support the candidate or oppose their opponent and in the course of the current campaign, the candidate who benefits from the expenditure solicits funds for or appears as a speaker at a fundraiser for the committee making the expenditure.

- **Former Staff.** The person making the expenditure is established, run, or staffed in a leadership role, by an individual who previously worked in a senior position or advisory capacity on the candidate's or officeholder's staff within the current campaign.
- **Candidate's Family.** The person making the expenditure is established, run or staffed in a leadership role, or principally funded by an individual who is an immediate family member of the candidate.

## Coordination Results in Contribution

When a communication is coordinated with or "made at the behest of" the candidate or committee, the payment for the communication will qualify as a contribution.

However, an expenditure will not be considered to be coordinated with a candidate merely because:

- **Interview.** The person making the expenditure interviews the candidate on issues affecting the person making the expenditure.
- **Photograph or Press Release.** The person making the expenditure has obtained a photograph, biography, position paper, press release, or similar material from the candidate or the candidate's agent.
- **General Request for Support.** The person makes the expenditure in response to a general, non-specific request for support by a candidate or committee, provided that there is no discussion with the candidate or committee prior to the expenditure relating to details of the expenditure.
- **Meeting with Members or Employees.** The person making the expenditure has invited the candidate or committee to make an appearance before the person's members, employees, shareholders, or the families thereof, provided that there is no discussion with the candidate or committee prior to the expenditure related to details of the expenditure.

- **Prior Contribution.** The person making the expenditure has made a contribution to the candidate or committee.
- **Informed after the Expenditure is Made.** A person informs a candidate or committee that the person has made an expenditure, provided that there is not exchange of information, not otherwise available to the public, relating to details of the expenditure.
- **Expenditure Benefits Another Candidate or Committee.** The expenditure is made at the request or suggestion of the candidate or committee for the benefit of another candidate or committee.
- **Hyperlink.** The communication includes a hyperlink to the Internet website or other social media page of a candidate or ballot measure committee.

FPPC Regulations 18225.7 and 18550.1, summarized above, specify when a communication is considered independent or made at the behest of a candidate or committee. Because the determination is based on specific facts, persons may contact the FPPC for guidance.

**Ex 1.3** – In May, Ellen Gomez attended a fundraiser for a candidate and used her personal funds to pay for the \$500 ticket. 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 committee and must disclose her personal contributions as well as the independent expenditures made from her Ellen's business.

## B. Affiliated and Non-Affiliated Committees

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

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.

Affiliated individuals and entities will qualify as a single independent expenditure committee, if, together, their independent expenditures total \$1,000 or more, in a calendar year.

The following payments are aggregated:

- Contributions or independent expenditures made from an individual’s personal funds and from funds ~~he or she~~ they directs and controls
- Contributions or independent expenditures made by two or more entities that 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.

The examples in this manual provide general guidance. Every case is unique and we encourage you to contact the FPPC for advice.

**Ex 1.4** – 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, made an independent expenditure of \$7,000 to support a local candidate. Because Global Software, Inc. did not act independently, the companies qualify as a single committee and will file a single Form 461 listing both contributions and independent expenditures.

**Ex 1.5** – 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, made independent expenditures of \$1,000 or more. Southwest Telecom made an independent expenditure in connection with a state ballot measure, while American Telecom made independent expenditures in connection with a local ballot measure. Because Southwest Telecom and American Telecom acted completely independently in their decisions, a Form 461 would be filed separately by each company listing only that company's expenditures.

## C. Multi-Purpose Organizations

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

### Independent Expenditure 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 independent expenditures in California will qualify as an independent expenditure committee if the organization makes independent expenditures in a calendar year between \$1,000 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.

**Non-Donor Funds.** A nonprofit or other multi-purpose organization that uses only non-donor funds for independent expenditures in California will qualify as an independent expenditure committee in each calendar year that the organization's independent expenditures total \$1,000 or more. Examples of non-donor income include interest payments and sales revenue.

A multi-purpose organization that qualifies as an independent expenditure committee is subject to the same campaign disclosure provisions reviewed in this manual as a business entity, including the filing of Form 496 (24-Hour/10-Day Contribution Report), Form 462 (Verification of Independent Expenditures), and Form 461 (Major Donor/Independent Expenditure Report).

**QUICK TIP:** If your 501(c)(4) nonprofit organization makes independent expenditures from general funds of \$50,000 or less in a 12-month period to support or oppose a candidate or ballot measure, even though it does not qualify as a recipient committee that reports donors, the organization must file independent expenditure reports.

## Recipient Committee Reporting

A multi-purpose organization that solicits and receives payments from donors totaling at least \$2,000 in a calendar year for the purpose of making contributions or expenditures in California will not qualify as an independent expenditure committee, but will instead qualify as a recipient committee.

**QUICK TIP:** The FPPC website has information about the reporting requirements for multi-purpose organizations.

**QUICK TIP:** A federal or out-of-state political action committee qualifies as a recipient committee when \$2,000 or more in a calendar year is used for expenditures and contributions in California.

A multi-purpose organization will also qualify as a recipient committee if the organization:

- Accepts payments from donors totaling at least \$2,000 subject to an agreement or understanding with the donor that all or a portion of the funds will be used for making contributions or expenditures in California;

- Has existing funds and a subsequent agreement or understanding is reached with the donor that \$2,000 or more of the funds will be used for contributions or expenditures in California; or
- Makes contributions or expenditures in California totaling more than \$50,000 in a 12-month period or more than \$100,000 in four consecutive calendar years using general treasury funds or membership dues.

See information on the FPPC website for recipient committee filing requirements, which are distinctly different from the filing requirements for independent expenditure committees.

**Ex 1.6** – A multi-purpose organization provides a variety of services to its members, including insurance services, that result in income to the organization. The organization makes political expenditures from the income producing account and not from its membership dues account. Therefore, the organization does not qualify as a recipient committee. The organization is required to file reports as an “independent expenditure” committee if it makes, in a calendar year, \$1,000 or more in independent expenditures.

**Ex 1.7** – A trade association of city businesses raises money for charitable events in the community. One year, the association makes a \$45,000 independent expenditure, 30 days before the election, to oppose a city tax measure on the ballot. 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. The association qualifies as an independent expenditure committee and must file the following reports: Form 496, Form 462, and Form 461. If the association had made an independent expenditure of more than \$50,000, it must register as a recipient committee, file related reports and identify donors whose membership dues were used to make the independent expenditures.



## D. Other Types of Payments

An entity that makes independent expenditures in California should be aware of the following types of payments that are addressed in the Political Reform Act.

### Internet Activity – Uncompensated Individuals

When an individual or group of individuals sends communications that expressly advocate a candidate or measure conducted over or related to the Internet, such as emails, social networking, blogging, website postings, and hyperlinks, this is not reportable activity so long as the individual sending the communication is uncompensated.

**Ex 1.8** – If a candidate’s neighbor sends emails to his their family and friends and posts on his their personal social networking site communications supporting the campaign, the communications are not reportable even though the candidate may have provided the neighbor with campaign materials.

### Electioneering Communications Identifying State Candidates (No Express Advocacy)

An individual or business entity 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 the candidate’s election, is required to file Form E-530. (See Chapter 3.)

### 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 independent 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 1.9** – 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 and is also not considered an independent expenditure. The mailing does not trigger disclosure reports.

## Local Agency Formation Commission (LAFCO) Proposals

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

## CalPERS/CalSTRS Candidates

An individual or business entity that makes independent expenditures of \$1,000 or more in a calendar year to support or oppose candidates seeking certain offices for the California Public Employees’ Retirement System or the California Teachers’ Retirement System will qualify as an independent expenditure committee.

## Government Agency Communications

A state or local agency making payments for campaign activities may become a committee subject to reporting if the payments qualify as contributions or independent expenditures.

Governmental agencies must refer to FPPC Regulation 18420.1 concerning payments for communications that expressly advocate the election or defeat of a clearly identified candidate or measure, or taken as a whole and in context, unambiguously urge a particular result in an election. The rules are somewhat different from those provided for non-governmental entities. For example, the factors a governmental entity will use to determine if a communication unambiguously urges a particular result in an election include either of the following: 1) The agency prepared campaign material such as bumper stickers or television or radio spots; or 2) The style, tenor and timing of the communication can be reasonably characterized as campaign material and is not a fair presentation of facts serving only an informational purpose.

Agencies should refer to FPPC Regulation 18420.1 if there is a question as to whether a communication is considered a campaign communication as the determination will always be based upon the words used in the particular communication. Note: Laws outside the Act generally prohibit the use of public moneys for campaign activities by a governmental agency.

## Payments for Governmental, Legislative, or Charitable Purposes

**Behested Payments.** This term refers to payments made by a person for a governmental, legislative, or charitable purpose, such as a job or health fair, a charity fundraiser, or a conference on educational issues, when the payment was coordinated or requested by an elected official. This includes payments behested by the official or by ~~his or her~~ **their** agent or employee on the official's behalf.

The source of the behested payment is not required to file a FPPC report. However, the official must disclose the payments on Form 803 if they total \$5,000 or more in a calendar year. The FPPC posts payments made at the behest of state elected officials and members of the Public Utilities Commission on its website.

**Ex 1.10** – At Councilmember Stark's request, Diamond Dairy made a \$10,000 donation to the Boys' and Girls' Club. Councilmember Stark will file a Form 803 with the city clerk disclosing the donation and donor's name and address. Diamond Dairy is not required to report the payment.

## Answering Your Questions

**A. May corporations make independent expenditures in California?**

Yes. The Act does not ban independent expenditures by corporations. However, there are restrictions for foreign corporations. See Government Code Section 85320.

**B. May a candidate or officeholder make independent expenditures out of personal funds to support or oppose other candidates?**

Yes.

**C. A property development company has offered to pay the costs of placing an advisory measure on the ballot concerning a new city residential development. The company is not coordinating the expenditures with any other committee. Will the company incur any reporting obligations?**

Yes. Payments of \$1,000 or more made to the city to defray the costs of an election are reportable independent expenditures.

**D. A multi-purpose organization will use its income producing funds that are held in its general treasury to make a series of independent expenditures in connection with a candidate election. Is a separate bank account required?**

No. However, the organization must make the independent expenditures from the income producing funds. The organization must maintain clear records.

## 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.
82013	Committee.
82015	Contribution.
82031	Independent Expenditure.
82041.3	Made at the Behest of.
84224	Behested Payment Disclosure.
85310	Communications Identifying State Candidates.
85312	Communications to Members of an Organization.

### Title 2 Regulations

18215	Contribution.
18215.2	Uncompensated Internet Activity by Individuals that is not a Contribution or Expenditure.
18225.4	Independent Expenditures; When Aggregated.
18225.7	Made at the Behest of.
18420	Reporting of Campaign Contributions and Expenditures by 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.
18531.7	Payments for Communications—Section 85312.
18531.10	Communications Identifying State Candidates.
18550.1	Independent and Coordinated Expenditures.

# ADVERTISEMENT DISCLOSURES

Those making independent expenditures must put notices on mailings and advertisements. Information about who paid for the communication is required on mailers, billboards, emails and other print ads as well as television, radio, and Internet ads. There are specific rules for ensuring that the public can determine the source of a political mail piece or advertisement. Disclosure requirements vary depending upon the medium.

## A. Advertisement Disclosures

Advertisements paid for by an independent expenditure which support or oppose either candidates or ballot measures, must identify the committee making the independent expenditure. The disclosure must be presented in a clear manner to give the reader or listener adequate notice of the identity of the committee. Broadcast information also must be appropriately conveyed to the hearing impaired.

The advertising disclosure rules for independent expenditures supporting or opposing candidates and ballot measure are illustrated in the charts **discussed** below.

**QUICK TIP:** Identify the legal name of the entity or individual who is paying for a mailing or other advertisement. For example, if ABC Development Company qualifies as an independent expenditure committee and pays for a mailing or other advertisement, ABC Development Company is the name that must be identified.

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.

### **Not Authorized by Candidate**

An advertisement supporting or opposing a candidate that is paid for by an independent expenditure must include a statement that the advertisement was not authorized by a candidate or a committee controlled by a candidate.



## Political Advertising Disclosures – Independent Expenditure Ads on Candidates

When an independent expenditure committee pays for an advertisement that is an independent expenditure supporting or opposing 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.

Communication	Disclosure and Manner of Display
<p><b>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</b> (buttons 10 inches in diameter or larger and stickers 60 square inches or larger)</p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by [committee’s name]”*</b> (on file with Form 461) (Note: a printed letter ad may use “Paid for by” instead of “Ad paid for by”).</li> <li>• <b>A statement that the advertisement was not authorized by a candidate or a committee controlled by a candidate:</b></li> <li>• <b>Disclosure Format:</b> 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.               <ul style="list-style-type: none"> <li>◦ The <b>“Not authorized by”</b> disclosure may not appear in all capital letters.</li> </ul> </li> </ul>
<p><b>Print ads larger than those designed to be individually distributed, such as billboards and signs (including yard signs)</b></p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by [committee’s name]”</b> (on file with Form 461).</li> <li>• <b>A statement that the advertisement was not authorized by a candidate or a committee controlled by a candidate:</b></li> <li>• <b>Disclosure Format:</b> All text must be in contrasting color and 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. The text in the disclosure area may be adjusted so it does not appear on separate lines, but top contributors’ names must be separated by commas.               <ul style="list-style-type: none"> <li>◦ The <b>“Not authorized by”</b> disclosure may not appear in all capital letters.</li> </ul> </li> </ul>
<p><b>Radio ads, telephone calls and audio only electronic media ads</b></p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by [committee’s name]”</b> (on file with Form 461).</li> <li>• <b>A statement that the advertisement was not authorized by a candidate or a committee controlled by a candidate:</b></li> <li>• <b>Disclosure Format:</b> 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.</li> </ul>

Communication	Disclosure and Manner of Display
<p>Television and video ads (including those disseminated over the Internet)</p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by [committee’s name]”</b> (on file with Form 461);</li> <li>• <b>A statement that the advertisement was not authorized by a candidate or a committee controlled by a candidate:</b></li> <li>• <b>Disclosure Format:</b> All text must be centered horizontally in the disclosure area, in a contrasting color, in Arial-equivalent type.</li> </ul> <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> <p>The <b>“Not authorized by”</b> disclosure must appear below all other text in no less than 2.5 percent of the height of the display screen. If this causes the disclosures to exceed one-third of the display screen then it may be printed immediately above the background with sufficient contrast that is easily readable and is not required to be underlined.</p> <p>The <b>“Not authorized by”</b> disclosure may not appear in all capital letters.</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"> <li>• <b>“Who funded this ad?” or “Paid for by” or “Ad paid for by”</b> 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.*</li> <li>• Must link to a website containing the <b>“Ad paid for by”</b> and <b>“Not authorized by”</b> disclosures in a contrasting color and in no less than 8-point font.</li> <li>• <b>“Not authorized by”</b> disclosure may not appear in all capital letters.</li> <li>• 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.</li> </ul>
<p>Social media ads</p>	<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> <ul style="list-style-type: none"> <li>• <b>“Ad paid for by”</b> and <b>“Not authorized by”</b> 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; disclosures are not required on each individual post or comment.</li> <li>• The disclosures 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 <b>“Ad paid for by”</b> and <b>“Not authorized by”</b> disclosures is permissible.</li> <li>• The <b>“Not authorized by”</b> disclosure may not appear in all capital letters.</li> <li>• 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 ads under the Act.</li> </ul>
<p>Website and email</p>	<ul style="list-style-type: none"> <li>• <b>“Paid for by”</b> and <b>“Not authorized by”</b> disclosures 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 every publicly accessible page of the website.</li> <li>• <b>“Not authorized by”</b> disclosure may not appear in all capital letters.</li> </ul>
<p>Electronic media ads that are audio only</p>	<ul style="list-style-type: none"> <li>• See disclosure requirements for radio ads above.</li> </ul>

Communication	Disclosure and Manner of Display
<p><b>Text messages sent using mass distribution technology</b></p>	<ul style="list-style-type: none"> <li>• <b>“Paid for by” or “With”</b> followed by the name of the committee, or followed by a hyperlink or URL for an internet website containing the following disclosures: <ul style="list-style-type: none"> <li>◦ <b>“Paid for by” or “With” [committee’s name]</b> (on file with Form 461).</li> <li>◦ <b>A statement that the advertisement was not authorized by a candidate or a committee controlled by a candidate.</b></li> <li>◦ 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.</li> </ul> </li> <li>• If <b>“With”</b> is used: <ul style="list-style-type: none"> <li>◦ The individual sending the text shall identify themselves by including: “(name of the individual) <b>with</b> (name of committee or hyperlink or URL).”</li> <li>◦ A disclosure using <b>“With”</b> 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.</li> </ul> </li> <li>• An internet website that is hyperlinked shall remain online and available to the public until 30 days after the election.</li> <li>• 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.</li> </ul> <p>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.</p>

## Political Advertising Disclosures – Independent Expenditure Ads on Ballot Measures

When an independent expenditure committee pays for an advertisement that is an independent expenditure supporting or opposing 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.

Communication	Disclosure and Manner of Display
<p><b>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</b> (buttons 10 inches in diameter or larger and stickers 60 square inches or larger)</p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by [committee’s name]”</b> (on file with Form 461) (Note: a printed letter ad may use “Paid for by” instead of “Ad paid for by”).</li> <li>• <b>Disclosure Format:</b> 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.</li> </ul>
<p><b>Print ads larger than those designed to be individually distributed, such as billboards and signs (including yard signs)</b></p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by [committee’s name]”</b> (on file with Form 461).</li> <li>• <b>Disclosure Format:</b> All text must be in contrasting color and 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.</li> </ul>
<p><b>Radio ads, telephone calls and audio only electronic media ads</b></p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by [committee’s name]”</b> (on file with Form 461).</li> <li>• <b>Disclosure Format:</b> 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.</li> </ul>
<p><b>Television and video ads (including those disseminated over the internet)</b></p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by [committee’s name]”</b> (on file with Form 461).</li> <li>• <b>Disclosure Format:</b> All text must be centered horizontally in the disclosure area, in a contrasting color, in Arial equivalent type.</li> <li>• 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.</li> <li>• Disclosure must appear on a solid black background on the entire bottom one-fourth of the display screen.</li> </ul>

Communication	Disclosure and Manner of Display
<p><b>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)</b></p>	<ul style="list-style-type: none"> <li>• <b>“Who funded this ad?” or “Paid for by” or “Ad paid for by”</b> 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"> <li>◦ Must link to a website containing the <b>“Ad paid for by”</b> disclosure in a contrasting color and in no less than 8-point font.</li> <li>◦ 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.</li> </ul> </li> </ul> <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><b>Social media ads</b></p>	<ul style="list-style-type: none"> <li>• <b>“Ad paid for by”</b> disclosure 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; disclosures are not required on each individual post or comment. <ul style="list-style-type: none"> <li>◦ 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 <b>“Ad paid for by,”</b> disclosure is permissible.</li> <li>◦ 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.</li> </ul> </li> </ul>
<p><b>Website and email</b></p>	<ul style="list-style-type: none"> <li>• <b>“Paid for by”</b> 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 every publicly accessible page of the website:</li> </ul>
<p><b>Electronic media ads that are audio only</b></p>	<p>See disclosure requirements for radio ads above.</p>

Communication	Disclosure and Manner of Display
<p><b>Paid Spokesperson:</b> Payment of \$5,000 or more to an individual for individual's appearance in a ballot measure ad</p> <p><b>Paid Spokesperson:</b> 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"> <li>In addition to other disclosures include: <b>“(spokesperson’s name) is being paid by this campaign or its donors.”</b></li> <li>Printed, televised or video ad: shown continuously in highly visible font except when the disclosure for television and video ads above is being shown.</li> <li>Radio broadcast or phone message: spoken in clearly audible format.</li> </ul> <ul style="list-style-type: none"> <li>In addition to the disclosure above, include: <b>“Persons portraying members of an occupation in this advertisement are compensated spokespersons not necessarily employed in those occupations.”</b></li> <li>Printed or televised ad: shown continuously in highly visible font.</li> <li>Radio broadcast or phone message: spoken in clearly audible format.</li> </ul>



Communication	Disclosure and Manner of Display
Text messages sent using mass distribution technology	<ul style="list-style-type: none"> <li>• <b>“Paid for by” or “With”</b> 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"> <li>◦ <b>“Paid for by” or “With” [committee’s name]”</b> (on file with Form 461).</li> <li>◦ 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.</li> </ul> </li> <li>• <b>If “With” is used:</b> <ul style="list-style-type: none"> <li>◦ The individual sending the text shall identify themselves by including: “(name of the individual) <b>with</b> (name of committee or hyperlink or URL).”</li> <li>◦ A disclosure using <b>“With”</b> 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.</li> </ul> </li> <li>• An internet website that is hyperlinked shall remain online and available to the public until 30 days after the election.</li> <li>• 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.</li> <li>• 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.</li> </ul>

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

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

## Ballot Measure Ad – Paid Spokesperson

When an independent expenditure committee pays an individual for ~~his or her~~ **their** appearance in a ballot measure advertisement, the committee must include the disclosure as noted in the chart on the previous page 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.

**Ex 2.1** - “Paid for by ABC Development Company. Jane Miller is being paid by this campaign or its donors.”

- **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. However, if the individual in the ad is actually a member of the occupation portrayed, the committee may omit this disclosure and shall maintain documentation of the individual’s license or certification for the occupation. Upon request from the FPPC, documentation of an individual’s occupation must be provided by electronic means within 24 hours.

In addition, the committee must file the Paid Spokesperson Report (Form 511) as described in Chapter 3.

## Updating a Disclosure

In the event an advertisement disclosure must be revised due to a name change, television, radio, electronic media, or robocalls must be amended within five calendar days. Print media, mass mailings, or other tangible items must be amended every time an order to reproduce is placed.

## Advertisements in Languages Other than English

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

## Advertisement Disclosure Exceptions

A disclosure is not required on regular-size campaign buttons, pins, bumper stickers, or magnets. It is not required on pens, pencils, rulers, mugs, potholders, key tags, golf balls and similar small campaign promotional items where a disclosure cannot be conveniently printed. The disclosure is not required on t-shirts, caps, hats, and other articles of clothing; skywriting and airplane banners; or committee checks and receipts.

## Penalties

The penalty for failing to comply with the Act's disclosure requirements is a fine of up to \$5,000 per violation. In addition, any person who violates the disclosure requirements concerning ballot measure and independent expenditure advertisements may be liable for a fine of up to three times the cost of the advertisement, including placement costs.

## Authority

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

### Government Code Sections

82031	Independent Expenditure.
82041.5	Mass Mailing.
84305	Requirements for Mass Mailing.
84310	Identification Requirements for Telephone Calls.
84501	Advertisement.
84502	Disclosure; Committee Name.
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.
84505	Avoidance of Disclosure.
84506.5	Disclosure; Independent Expenditure Ads; Not Authorized by Candidate.
84509	Amended Disclosures.
84510	Fines.
84511	Ballot Measure Ads; Paid Spokesperson Disclosure.

### Title 2 Regulations

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.
18450.5	Amended Advertisement Disclosure.
18450.11	Spokesperson Disclosure.



# REPORTING REQUIREMENTS

## A. Overview

Individuals and entities making independent expenditures must file timely disclosure reports showing amounts paid and the candidates and ballot measures supported and opposed. The Act requires reporting of independent expenditures at specific times so that voters are fully informed and the true source of those paying for the independent expenditures is disclosed. In general, an independent expenditure of \$1,000 or more is reported on each of the forms listed below. Form 462 is signed by a principal officer stating that a communication reported as an independent expenditure meets the legal standards and there has been no reimbursement.

This chapter reviews when and where campaign statements that disclose independent expenditures must be filed:

- **Form 461**- Major Donor and Independent Expenditure Committee Campaign Statement
- **Form 462** - Verification of Independent Expenditures
- **Form 496** - 24-Hour/10-Day Independent Expenditure Report

In addition to the Forms listed above, this chapter also discusses other reports that may be required depending on a committee's activity:

- **Form 497** - 24-Hour/10-Day Contribution Report
- **Form 511** - Paid Spokesperson Report
- **Form E-530** - Report of Communications Identifying State Candidates
- **Form 409** – Limited Liability Company (LLC) Statement of Members

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 required to be 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 the statement is late.
- State electronic filers may be fined for a late filed paper and electronic form resulting in a \$20/day fine.
- Failure to file a statement may result in additional penalties.

## B. Where to File

### Filing Locations

For purposes of determining where to file, an independent expenditure committee qualifies anew each year and counts only the independent expenditures made to support or oppose candidates or measures during the current calendar year.

The Form 496 is always filed in the same location the candidate or measure being voted upon files. The FPPC receives the Form 462 which verifies that independent expenditures were not coordinated with the affected candidate or committee. The Form 461 is filed with the Secretary of State unless the committee qualifies as a city or county committee.

### Form 461- Major Donor/Independent Expenditure Report

When an individual or entity qualifies as an independent expenditure committee it must file the Form 461 as a state, county or city committee.

**State Committee:** A person that makes an independent expenditure to support or oppose a state measure/candidate. The committee will also qualify as a state committee if it does not qualify as county or city committee. A committee will file as a state committee if it makes a single independent expenditure supporting or opposing a state candidate or committee. When a committee is not making payments in connection with state committees, it will file reports with a local filing officer as described below.

**QUICK TIP:** A committee that makes one IE in connection with a state candidate/measure will file the Form 461 with the Secretary of State. This is true no matter how many other IEs are made in connection with local elections.

**County Committee:** A person that makes more than 70% of its independent expenditures to support or oppose candidates and measures in only one county, or in more than one jurisdiction within one county.

**City Committee:** A person that makes more than 70% of its independent expenditures to support or oppose candidates and measures in only one city (including the consolidated city/county of San Francisco).

**Calendar Year Determination:** A person qualifies as an independent expenditure committee anew each year and counts independent expenditures only during the current calendar year.

**Quarterly Review:** It is common for payments to be made 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 persons must file in multiple jurisdictions.

Regulation 18227.5 addresses this issue by requiring an assessment of 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 persons that spend money in both state and local California elections. Many persons prefer to file at the state level; thus the regulation allows for filing with the Secretary of State when only a single contribution or independent expenditure is made. Committees that give locally will remain local committees.

Committees that change filing locations must file reports with both filing officers through the calendar year.

Exceptions:

- A person 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.

Note: FPPC rules require that persons shall not knowingly file in an incorrect jurisdiction with the intention of avoiding the appropriate legal disclosure to the public. The FPPC may provide compliance advice.

## Form 496 (24-Hour/10-Day Independent Expenditure Report)

A committee making independent expenditures must file the Form 496 in the same jurisdiction as the candidate or measure that is supported or opposed by the independent expenditure. This is so the voters in that jurisdiction have access to information about all payments, both contributions and independent expenditures, made in connection with the particular election.

**QUICK TIP:** Although there are several campaign statements for each IE, the statements are simple to complete. The Form 461 is a two-page form and Forms 496 and 462 are one-page forms.

## Form 462 (Verification of Independent Expenditures)

The Form 462 is filed with the FPPC at [form462@fppc.ca.gov](mailto:form462@fppc.ca.gov).

The following examples provide guidance on where to file the Forms 461, 462, and 496.

- A. A corporation made a single independent expenditure of \$30,500 for a newspaper ad supporting a candidate for Insurance Commissioner. The ad is released 70 days before the candidate's election. The filings are as follows:
- Form 496 within 24 hours of the release of the ad (no Saturday, Sunday, or state holiday extension applies).
  - Form 462 within 10 days of making the independent expenditure.
  - Form 461 after the election.

The Forms 461 and 496 are filed with the Secretary of State. The Form 462 is emailed to the FPPC. Refer to filing schedules for deadlines and form instructions for filing requirements.

B. An individual made two independent expenditures 14 days before the November election. The expenditures were made on the same day; one for \$30,000 to support a state ballot measure; the second expenditure was \$2,000 to oppose a city ballot measure. **The individual must file:**

- Form 496 within 24 hours with the Secretary of State disclosing the \$30,000 expenditure.
- Form 496 within 24 hours with the city clerk disclosing the \$2,000 expenditure.
- Form 462 must be emailed to the FPPC within 10 days.
- Form 461 must be filed with the Secretary of State disclosing both expenditures by January 31.

C. A business made two independent expenditures, each \$5,000, to oppose a county ballot measure. The first independent expenditure was made 45 days before the election; the second independent expenditure was made five days before the election. No other expenditures or contributions were made.

**The business must file the following:**

- Form 496 within 24 hours of each of the independent expenditures.
- Form 462 must be emailed to the FPPC within 10 days of making the first independent expenditure. No other Form 462 must be filed in connection with this ballot measure.
- Form 461 at the semi-annual filing deadline following the election to disclose both independent expenditures.

Except for Form 462, the above reports are filed with the county. Refer to filing schedules for deadlines and form instructions for filing requirements.

## Electronic Filing

State committees are required to file Form 461 electronically with the Secretary of State if cumulative independent expenditures or contributions made during the calendar year total \$25,000 or more. The cumulative totals include expenditures a state committee makes in connection with a local election. Independent expenditure committees need not file electronically in any calendar year in which they have not reached the \$25,000 threshold.

For information about state electronic filing requirements, contact the Secretary of State's office at (916) 653-6224 or visit [www.sos.ca.gov](http://www.sos.ca.gov).

**QUICK TIP:** State committees must file the Form 461 in paper format with the Secretary of State even if the committee must also file reports electronically. Late fines may be assessed for both the paper and electronic form.

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.

Depending on when a committee qualifies, its first electronic filing may be a 24-Hour/10-Day independent expenditure report, or a semi-annual report. Some local jurisdictions may require campaign forms to be filed electronically. Contact the local jurisdiction for information.

## State Filers

Paper Filers	Electronic Filers
461: Paper	Paper and Electronic
462: Email only	Email only
496: Electronic only	Electronic only
497: Electronic only	Electronic only

## C. Form 461 – Committee Campaign Statement

The Form 461 is used to report independent expenditures made to support or oppose California state and local candidates, officeholders, and ballot measures. If a committee makes contributions to state or local candidates or committees, they must also be disclosed. The report provides the public with information regarding the nature and interests of the person making the payments as well as a complete review of all independent expenditures made during the applicable reporting period. Independent expenditure committees terminate automatically at the end of each calendar year.

### When to File Form 461

#### Semi-Annual Statements

##### 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 independent expenditures or contributions 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 or independent expenditures 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.



## Semi-Annual Statement - Early Filing

An independent expenditure committee may file campaign statements before the deadline. For example, if a committee knows it will only make one independent expenditure of \$1,000 or more, it may file the Form 461 at any time before the deadline.

## 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. Like the original, the amendment must be signed and dated. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable.

## Where to File Form 461

<b>State Committees</b> Original & 1 Copy	<b>Secretary of State</b> Political Reform Division P.O. Box 1467 1500 11th Street, Room 495 Sacramento, CA 95814 Fax (916) 653-5045 <a href="http://www.sos.ca.gov">www.sos.ca.gov</a>  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 <a href="#">website</a> for more information on how to file with a digital signature.  Note: A copy is required, when applicable, with CalPERS or CalSTRS offices.
<b>County Committees</b> Original & 1 Copy	<b>County Election Office</b> Note: Includes most LAFCO proposals and LAFCO may require a copy.
<b>City Committees</b> Original & 1 Copy	<b>City Clerk</b>

**Major Donor and Independent Expenditure Committee Campaign Statement**

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

**A** Statement covers period  
 from 1/X/XX  
 through 12/X/XX

Date of election if applicable:  
 (Month, Day, Year)

**1** Name and Address of Filer

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
 New Ventures, Inc.

RESIDENTIAL OR MAILING ADDRESS (NO. AND STREET)  
 345 Stone Way

CITY STATE ZIP CODE  
 Sacramento CA 95826

RESPONSIBLE OFFICER (If filer is other than an individual)  
 Jeffrey Stone

AREA CODE/DAYTIME PHONE  
 916-333-3333

**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

Developer

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.)	\$ 30,000
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.)	<b>SUBTOTAL \$ 30,000</b>
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.)	<b>TOTAL \$ 30,000</b>

**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 12/15/XX By [Signature Required]

DATE SIGNATURE OF INDIVIDUAL DONOR OR RESPONSIBLE OFFICER, IF OTHER THAN AN INDIVIDUAL

Amendment (Explain): \_\_\_\_\_

**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 of a related entity that must be aggregated and reported on Form 461, (e.g., a subsidiary or a majority shareholder of a corporation) list as the “Name of Filer” the name of the individual or entity that directs and controls the making of the contributions and independent expenditures. Enter the email address of an entity or organization filing the statement. A limited liability company (LLC) that qualifies as an independent expenditure committee must also include in the “Name of Filer” field 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 3.1** – 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 made a \$5,000 independent expenditure opposing a local candidate in February from the other business entity. Hector will file the Form 461 under the name “Hector Flores (including aggregated contributions and independent expenditures).” The Form 461 will identify each payment and the business entity that made each payment.

In addition:

- **Multiple Entities.** Indicate that the campaign statement includes the contributions and independent expenditures of other entities. For example, “ABC Corporation, including aggregated contributions/ independent expenditures.”

- **New Entities.** 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.
- **New Names.** Identify both names if the “Name of Filer” listed on a previous report filed for the current calendar year is different than the name identified on this report. For example, “Tim Lewis, formerly Lewis Construction.”
- **Officer.** 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 described in the appropriate space. 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 calendar year covered by the report.

## 4 Verification

An attorney, a certified public accountant, or a responsible officer of an entity or an entity filing jointly with any number of affiliates may sign the verification on behalf of the entity or entities. However, 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.

**Major Donor and Independent Expenditure Committee Campaign Statement**

Amounts may be rounded to whole dollars.

Statement covers period	<b>CALIFORNIA FORM 461</b>
from 1/X/XX	Page 2 of 2
through 12/X/XX	

SEE INSTRUCTIONS ON REVERSE

NAME OF FILER  
New Ventures, Inc.

**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
10/X/XX	Sacramento Bee 2100 Q Street Sacramento, CA 95819	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input checked="" type="checkbox"/> Independent Expenditure	Ad	Proposition 33, State or Clean energy Measure  <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	10,000	30,000
10/X/XX	Media Services 10 I Street Folsom, CA 59811  Subvendors:	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input checked="" type="checkbox"/> Independent Expenditure	Television and radio ads	Proposition 33, State or Clean Energy Measure  <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	20,000	30,000
10/X/XX	KCRA Television (\$9,000) 1150 9th Street, Modesto, CA 95350  KFBK Radio (\$5,000) 1400 Ethan Way, Sacramento, CA 95825	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure		  <input type="checkbox"/> Support <input type="checkbox"/> Oppose		
10/X/XX	Frank Soto (\$6,000) 124 Salem Dr., Sacramento, CA 95816	<input type="checkbox"/> Monetary Contribution <input type="checkbox"/> Loan <input type="checkbox"/> Non-Monetary Contribution <input type="checkbox"/> Independent Expenditure		  <input type="checkbox"/> Support <input type="checkbox"/> Oppose		
<b>SUBTOTAL \$</b>					30,000	

**5 Contributions and Expenditures Made**

Disclose the dates of the contributions or independent expenditures made during the period. A monetary contribution is made on the date it is mailed, delivered, or otherwise transmitted to the candidate or committee. A nonmonetary contribution is made on the earlier of the following: the date the expenditure is made for the goods or services; or the date the candidate, committee, or an agent obtains possession, control, or the benefit of the goods or services.

For purposes of disclosure on the Form 461, a payment made in connection with the development, production, or dissemination of a communication that is an independent expenditure must be reported no later than the date the communication is mailed, broadcast, or otherwise disseminated to the public. Even if the payment was previously reported on the Form 496 (24-Hour/10-Day Independent Expenditure Report), it must be reported on the subsequent Form 461.

**QUICK TIP:** If the communication is never disseminated to the public, the independent expenditure need not be reported.

- Itemize each payment of \$100 or more. 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.
- 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 or ballot measure, disclose the name of the candidate and the office sought or held, or the name and jurisdiction of the ballot measure. For each candidate or measure listed, indicate whether the payment was made to support or oppose the candidate or measure. If a nonmonetary contribution was made to a general purpose committee, enter the name of the committee.
- Provide the amount of contributions or independent 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.
- **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.

**Software Programs:** Software programs may be purchased and may vary the display of data.

## Valuing Mailings

**Multiple candidates/measures:** If a mass mailing supports or opposes more than one candidate or measure, the 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.

## Additional Rules

**Affiliated Entities:** When contributions or expenditures from affiliated entities are itemized on one statement, identify the entity that made each payment. In addition, the statement must identify the addition or deletion of any entity for which contributions and expenditures are aggregated together.

**Agents and Contractors:** 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) may be reported in the “Name of Payee” or the “Description of Payment” column.

**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).

**Employee Time:** If an employee spends more than 10 percent of ~~his~~ ~~or her~~ ~~their~~ compensated time in any one month engaged in campaign activities (e.g., phone banks or precinct walking), the employer must report the payments. The names, addresses, and the specific salaries of the employees are not required to be disclosed. The amount is the prorata portion of the gross salary attributed to political activity.

If the committee makes contributions totaling \$10,000 or more in a calendar year, consult Campaign Disclosure Manual 5 for Major Donor Committees. The Form 461 is used by business entities and individuals to report contributions and independent expenditures. Information related to contributions is provided in Manual 5.

## D. Form 462 - Verification of Independent Expenditures

The Form 462 identifies the individual who is a principal officer of a committee that has made an independent expenditure. This individual acknowledges, under penalty of perjury, the committee's independent expenditures were not coordinated with the listed candidate (or the candidate's opponent) or measure committee and that the committee will report all contributions and reimbursements as required by law.

### Who is the Principal Officer?

A principal officer is the individual primarily responsible for approving the political activity of the committee such as:

- Authorizing the content of communications
- Authorizing independent expenditures
- Determining the committee's campaign strategy

In the case of a business entity that is making independent expenditures, if more than one individual shares primary responsibility for approving political activities, each individual is a principal officer.

An individual using ~~his~~ ~~or her~~ ~~their~~ personal funds to make independent expenditures is considered the principal officer.



## When to File Form 462

File Form 462 within 10 days from the date an independent expenditure is made that totals, in the aggregate, \$1,000 or more to support or oppose a candidate or measure in a calendar year. A candidate or measure is listed only once for each election. Once a candidate or measure is listed on Form 462, no further filings are required for that candidate or measure for that election.

Examples:

- A committee made independent expenditures to support a candidate in the primary election. A Form 462 is required for that election. An additional Form 462 is required if the committee later decides to make independent expenditures for the candidate in the general election.
- A committee filed a Form 462 listing a candidate. Several days later the committee made an independent expenditure in connection with a measure on the same ballot. The committee must file another Form 462.

## Where to File Form 462

The Form 462 must be filed via email with the FPPC at [form462@fppc.ca.gov](mailto:form462@fppc.ca.gov). The original form must be maintained with the committee's records for four years.

**Form 462**  
**Verification of Independent Expenditures**

**CALIFORNIA**  
**FORM 462**

This verification form identifies the individual responsible for ensuring that a campaign committee's independent expenditures were not coordinated with the listed candidate (or the opponent) or measure committee and that the committee will report all contributions and reimbursements as required by law. An independent expenditure is not subject to state or local contribution limits.

Amendment (Explain)

**1 Name of Committee:**

NAME OF RECIPIENT COMMITTEE, ENTITY OR INDIVIDUAL COMMITTEE ID #

New Ventures, Inc. 0012453

STREET ADDRESS CITY

345 Stone Way Sacramento

STATE ZIP CODE E-MAIL TELEPHONE NUMBER

CA 95826 Ann@LALNPAC.web ( 916 ) 333-3333

**2 Candidate or Measures:**

This committee has reported an independent expenditure(s) to support or oppose the candidate(s) or measure(s) listed on a ballot for the election date identified below. (Note: The reporting of an independent expenditure may occur after this form is filed if an independent expenditure is made before the 90 day, 24-hour reporting period of Government Code Sections 84204 and 85500.)

NAME OF CANDIDATE (First/Last) OR BALLOT MEASURE	SUPPORT	OPPOSE	OFFICE SOUGHT OR HELD/ BALLOT NO./LETTER	JURISDICTION AND DISTRICT, IF ANY	ELECTION DATE
John Hardy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Mayor	Los Angeles	5/21/20XX
NAME OF CANDIDATE (First/Last) OR BALLOT MEASURE	<input type="checkbox"/>	<input type="checkbox"/>	OFFICE SOUGHT OR HELD/ BALLOT NO./LETTER	JURISDICTION AND DISTRICT, IF ANY	ELECTION DATE
NAME OF CANDIDATE (First/Last) OR BALLOT MEASURE	<input type="checkbox"/>	<input type="checkbox"/>	OFFICE SOUGHT OR HELD/ BALLOT NO./LETTER	JURISDICTION AND DISTRICT, IF ANY	ELECTION DATE
NAME OF CANDIDATE (First/Last) OR BALLOT MEASURE	<input type="checkbox"/>	<input type="checkbox"/>	OFFICE SOUGHT OR HELD/ BALLOT NO./LETTER	JURISDICTION AND DISTRICT, IF ANY	ELECTION DATE

**3 Verification:**

I have not received any unreported contributions or reimbursements to make these independent expenditures. I have not coordinated any expenditure made during this reporting period with the candidate or the opponent of the candidate who is the subject of the expenditure, with the proponent or the opponent of the state measure that is the subject of the expenditure, or with the agents of the candidate or the opponent of the candidate or the state measure proponent or opponent. I certify under penalty of perjury under the laws of the State of California that the following is true and correct.

Signature (Signature Required) Printed Name (Name of Principal Officer) Signed on (Date)  
(month, day, year)

(Check One):  Principal Officer  Candidate/Officeholder  State Ballot Measure Proponent

**How to Complete Form 462**

**1 Name of Committee**

Identify the name and street address of the committee that is making the independent expenditure(s). The address should be the same as the address reported on the Form 461 Major Donor/Independent Expenditure Report.

**2 Independent Expenditures**

List the candidate(s) and measure(s) supported or opposed. If the committee files this form and later makes independent expenditures in connection with other candidates or measures, subsequent forms do not need to repeat the previously identified candidates and measures.

### **3** Verification

The verification must be signed by a principal officer. An individual who is making independent expenditures is the principal officer. In the case of a business entity making independent expenditures and more than one individual qualifies as a principal officer, only one individual must sign the Form 462.

Note: This individual acknowledges, under penalty of perjury, the committee's independent expenditures were not coordinated with the listed candidate (or the candidate's opponent) or measure committee and that the committee will report all contributions and reimbursements as required by law.

#### **FE. Form 496 – 24-Hour/10-Day Independent Expenditure Report**

The 24-Hour/10-Day reports are the most important of the independent expenditure disclosure reports because they provide real-time information before the election about who is spending to influence the outcome of an election. The Form 496 must be filed in addition to any required semi-annual campaign statements.

Independent expenditures also must be disclosed on the committee's next campaign statement (Form 461).

A Form 496 must be filed for each independent expenditure of \$1,000 or more. For example, if a Form 496 was filed reporting a \$5,000 independent expenditure in support of a candidate, a second Form 496 is required when subsequent independent expenditures reach \$1,000 or more.

## State Committees

**Form 496 - 24-Hour/10-Day Report:** All state committees that make independent expenditures totaling \$1,000 or more to support or oppose a single state candidate or a single state ballot measure during the candidate's or measure's 90 day election cycle must file a separate Form 496 for each candidate or ballot measure supported or opposed. Form 496 must be filed electronically with the Secretary of State within 24 hours of making the expenditure. This is true even if the committee has not met the \$25,000 threshold that requires regular campaign reports to be filed electronically. The report must be filed within 24 hours of making a late independent expenditure regardless of the day of the week.

**Ex 3.3** – A corporation made an independent expenditure supporting the Insurance Commissioner on May 1 of an even-numbered year, less than 90 days before the state primary election. The corporation is required to file the Form 496 electronically with the Secretary of State within 24 hours of making the expenditure (no Saturday, Sunday, or state holiday extension applies). This report is not required to be filed on paper.

A state committee that makes independent expenditures of \$1,000 or more to support or oppose a local candidate or measure during the 90 days before the election, or on the date of the election, must also file the Form 496 within 24 hours. The report is filed with the local filing officer.

## Local Committees

**Form 496 – 24-Hour/10-Day Report:** This form must be filed if an independent expenditure of \$1,000 or more is made to support or oppose a single candidate or a single ballot measure during the 90 days prior to the local candidate's or measure's election, or on the date of the election. A separate report must be filed for each candidate or measure supported or opposed by fax, guaranteed overnight delivery, or personal delivery. Regular mail may not be used. Check with the local jurisdiction for electronic filing requirements. The report must be filed within 24 hours of making a late independent expenditure regardless of the day of the week.

### Where to File

File the report in the same location(s) that a committee primarily formed to support or oppose the candidate or measure identified in the communication would file. This allows the voters in the jurisdiction where the election is taking place to have access to reports showing who has spent funds attempting to influence them. File a separate report for each candidate or ballot measure supported or opposed.

**Ex 3.4** – An individual living in Sacramento County makes a late independent expenditure to support a Yolo County ballot measure. **He They** will file the Form 496 with the Clerk of Yolo County, where the measure is being voted on. If the same individual makes an independent expenditure to support a city candidate in Elk Grove, **he they** will also file a Form 496 with the City Clerk of Elk Grove.

## 496 Independent Expenditure Report

Amount may be rounded to whole dollars.

<b>A</b> NAME OF FILER New Ventures, Inc. AREA CODE/PHONE NUMBER 916-333-3333 STREET ADDRESS 345 Stone Way CITY STATE ZIP CODE Sacramento CA 95826	<b>B</b> Date of This Filing 10/X/XX Report No. 1 <input type="checkbox"/> Amendment to Report No. (explain below) No. of Pages 2	Date Stamp	<b>CALIFORNIA FORM 496</b> For Official Use Only	
		<b>1</b> List Only One Candidate or Ballot Measure		
		NAME OF CANDIDATE SUPPORTED OR OPPOSED OFFICE SOUGHT OR HELD DISTRICT NO. SUPPORT OPPOSE		NAME OF BALLOT MEASURE SUPPORTED OR OPPOSED Clean Energy Measure, Yes on 33 BALLOT NO./LETTER JURISDICTION SUPPORT OPPOSE 33 State X
		<b>2</b> Independent Expenditures Made Attach additional information on appropriately labeled continuation sheets.		
DATE	DESCRIPTION OF EXPENDITURE	AMOUNT		
10/X/XX	Radio Advertisements Cumulative to date total: \$34,000	\$30,000		

## How to Complete Form 496

### A Filer Information

Enter the committee's name, street address, city, state, and zip code.

A limited liability company (LLC) that qualifies as an independent expenditure committee must also include in the "Name of Filer" field 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.

### B Date of This Filing and Report Number

Indicate the date of filing the report. Assign a unique number to each late independent expenditure report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

#### Report Number

## Amendments

To amend a previously filed report, file a new Form 496 with the corrected information, a new report number, and the “Amendment” box checked. The report number assigned to the original report being amended should be entered on the “Amendment to Report No.” line. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

**QUICK TIP:** Known amendments to the Form 496 should be filed as soon as possible before the election. Filers reporting minimal independent expenditures before an election and amending after the election to show substantial independent expenditures could be referred to Enforcement for nondisclosure.

## Number of Pages

Note the number of pages included in the report.

### **1 Name of Candidate/Ballot Measure Supported or Opposed**

Disclose the name, office sought or held, and the district number, if applicable, of the candidate supported or opposed in the communication, or the name, ballot number or letter, and jurisdiction of the ballot measure supported or opposed. Check the box indicating whether the candidate or ballot measure was supported or opposed by the independent expenditure.

### **2 Independent Expenditures Made**

Disclose the date the committee made the expenditure, a description of the expenditure, e.g., printing, postage, mail house, etc., the amount of the expenditure, and the cumulative-to-date total relating to each candidate or measure. The cumulative-to-date total must be accurate on the most recent report filed, but the committee is not obligated to amend the cumulative amount on previous reports.

The cumulative-to-date totals include independent expenditures made in connection with a candidate's or measure's upcoming election. When a committee has made independent expenditures in connection with a candidate's prior election, do not include that amount in the current report. For example, independent expenditures made in connection with a general election would not include the amount of the independent expenditures made in connection with a primary election or a prior year's election.

For purposes of disclosure on the Form 496, a payment made in connection with the development, production, or dissemination of the communication must be reported as an independent expenditure no later than the date the communication is mailed, broadcast, or otherwise disseminated to the public. If the communication is disseminated to the public within 90 days of the election, or on the date of the election, the Form 496 must be filed within 24 hours. The payment must also be reported as an independent expenditure on the subsequent Form 461. The organization must maintain records necessary to document the allocation of reportable donors and the independent expenditures reported.

### Contributions of \$100 or More Received

Part 3. This section is not applicable to businesses or individuals using business or personal funds. If you are receiving contributions, contact the FPPC for filing assistance.

**QUICK TIP:** If the communication is never disseminated to the public, it need not be reported on the Form 496 or Form 461.



## GF. Additional Reports

In addition to the Forms 461, 462, and 496, other reports may be required depending on an entity's or individual's activity, including:

- 24-Hour/10-Day Contribution Report (Form 497)
- Paid Spokesperson Report (Form 511)
- Report of Communications Identifying State Candidates (Form E-530)
- **Limited Liability Company (LLC) Statement of Members (Form 409)**

It is important to review where each report must be filed as several of the filing locations may not be the same as the committee's regular filing locations. If the committee makes contributions totaling \$10,000 or more in a calendar year, consult FPPC Campaign Disclosure Manual 5 for Major Donor Committees.

Activity	File
Makes contributions totaling \$1,000 or more to a single candidate or primarily formed ballot measure 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 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 <b>state</b> candidate in an electioneering communication 45 days before an election	Form E-530
Makes contributions totaling \$10,000 or more to <b>state</b> officeholders during the first and third quarters of an odd-numbered year	Form 461
<b>Limited Liability Company (LLC) qualifying as an independent expenditure committee or as a sponsor of a committee.</b>	<b>Form 409</b>

## 24-Hour/10-Day Contribution Report (Form 497)

A Form 497 must be filed if, during the 90 days before an election, or on the date of the election, a contribution of \$1,000 or more, or multiple contributions aggregating \$1,000 or more, are made to a single candidate or primarily formed ballot measure committee. A Form 497 must also be filed if a committee makes a contribution of \$1,000 or more to a political party (including local central committees) during the 90 days before **any** state election, or on the date of the election, including state special elections. The Form 497 must be filed in addition to any required semi-annual statements. Late contributions also must be disclosed on the committee's next campaign statement (Form 461).

**QUICK TIP:** Consult Campaign Manual 5 for reporting rules related to contributions. This manual does not address all instructions.

### When to File Form 497

A contribution is made on the date it is mailed, delivered, or otherwise transmitted to a candidate or committee. Generally, the 24-hour deadline is extended to the next business day when it falls on a Saturday, Sunday, or official state holiday; however, the Form 497 must be filed within 24 hours on the Saturday, Sunday, or an official state holiday immediately prior to an election.

## Where to File Form 497

### State Committees

State committees file the Form 497 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 regular campaign disclosure reports to be filed online.

### Local Committees

The Form 497 must be filed by fax, guaranteed overnight delivery service, or personal delivery at the same locations where the committee files its campaign statement (Form 461). **Regular mail may not be used.** Check with the local jurisdiction for electronic filing requirements.

## 497 Contribution Report

Amounts may be rounded to whole dollars.

<b>1</b> NAME OF FILER New Ventures, Inc. AREA CODE/PHONE NUMBER 916-333-3333 STREET ADDRESS 345 Stone Way CITY STATE ZIP CODE Sacramento CA 95826	<b>A</b> Date of This Filing <u>10/2/XX</u> Report No. <u>2</u> <input type="checkbox"/> Amendment to Report No. _____ (explain below) No. of Pages <u>1</u>	Date Stamp	<b>CALIFORNIA FORM 497</b> For Official Use Only	
<b>2 Contribution(s) Made</b>				
DATE MADE	FULL NAME, STREET ADDRESS AND ZIP CODE OF RECIPIENT (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CANDIDATE AND OFFICE OR MEASURE AND JURISDICTION	AMOUNT OF CONTRIBUTION	DATE OF ELECTION (IF APPLICABLE)
10/2/XX	Smith for Senate 20XX 10 I Street Sacramento, CA 95814 #13003	Jack Smith, Senate District 2	\$2,000	

## How to Complete Form 497

### 1 Filer's Information

Enter the committee's name, street address, city, state, and zip code. A limited liability company (LLC) that qualifies as an independent expenditure committee must also include in the "Name of Filer" field 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.

### 2 Contribution(s) Made

For 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);
- The date of the election, if a state committee is disclosing a late contribution to a local candidate; and
- The amount of the contribution.

**Nonmonetary Contributions:** In the field identifying the recipient's name and address, report the committee receiving the benefit of the contribution and not the vendor. For example a payment for a newspaper ad would identify "Committee to Support Measure B" as the recipient, rather than the Daily Press.

## **A** Date of This Filing

Indicate the date of filing this report.

## Report Number

Assign a unique number to each late contribution report, such as 1, 2, 3, PR-1, PR-2, PR-3, etc.

## Amendments

To amend a previously filed Form 497, file a new Form 497 with the corrected information, a new report number, and the "Amendment" box checked. The report number assigned to the original report being amended should be entered on the "Amendment to Report No." line. There is no deadline for filing amendments. However, amendments should be filed as soon as practicable. File the amendment in the same location(s) as the original.

## 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 (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.

**Ex 3.5** – 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.

See Chapter 2 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 ([www.sos.ca.gov](http://www.sos.ca.gov)). Committees required to E-file must also file a paper version.

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	<b>CALIFORNIA FORM 511</b>
	For Official Use Only

**1**

NAME OF FILER  
New Ventures, Inc.

ID # (Required)

---

AREA CODE/PHONE NUMBER  
916-333-3333

EMAIL (Required)

---

STREET ADDRESS  
345 Stone Way

---

CITY STATE ZIP CODE  
Sacramento CA 95828

**4**

Amendment (explain)

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**2** Payments Made: Attach additional information on appropriately labeled contribution slips.

DATE	NAME AND ADDRESS OF FILER/PERSON (OCCUPATION MAY BE REQUIRED - SEE INSTRUCTIONS)	BALLOT MEASURE (SUPPORTED OR OPPOSED) (INCLUDE BALLOT NUMBER OR LETTER AND JURISDICTION)	AMOUNT
5/20/08	Frank Solo 124 Salem Drive Sacramento, CA 95818	Proposition 33 - state  <input type="checkbox"/> Support <input checked="" type="checkbox"/> Oppose	6,000
		<input type="checkbox"/> Support <input type="checkbox"/> Oppose	
		<input type="checkbox"/> Support <input type="checkbox"/> Oppose	

**3** 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 5/27/08 By (Signature Required)

## How to Complete Form 511

### 1 Filer's Information

Enter the committee's name, street address, city, state, and zip code. A limited liability company (LLC) that qualifies as an independent expenditure committee must also include in the "Name of Filer" field 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.



## 2 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.

## 3 Verification

An attorney, a certified public accountant, or a responsible officer of an entity or an entity filing jointly with any number of affiliates may sign the verification on behalf of the entity or entities. However, a statement filed by an individual must be signed by the individual rather than the individual's attorney or certified public accountant. The Form 511 is not considered filed if it is not signed.

## 4 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 as soon as practicable. File the amendment in the same location(s) as the original.

### Electioneering Communications Identifying State Candidates (Form E-530)

When an independent expenditure committee makes a payment or a promise of payment totaling \$50,000 or more for a communication that clearly identifies a state candidate who will appear on the ballot of an upcoming election, but the communication does not expressly advocate the election or defeat of that candidate, and the communication is disseminated during the 45 days before the election, a Form E-530 must be filed electronically with the Secretary of State. File Form E-530 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.

**Ex 3.6** – The Temple Company purchased billboard space up and down Interstate 5 stating, “Thank You, Governor Romez, for Supporting 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.

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.”

### **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](http://www.sos.ca.gov)) and click on “Campaign Forms” 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.

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

The Act requires specific disclosure if a limited liability company (LLC) qualifies as an independent expenditure 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](mailto:Form409@sos.ca.gov).

## How to Complete Form 409

<b>Limited Liability Company (LLC) Statement of Members</b> <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	<b>CALIFORNIA FORM 409</b> For Official Use Only
<b>1 LLC Information</b>					
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: New Ventures, Inc.	COMMITTEE ID: 0012453	COMMITTEE PHONE NUMBER: 916-333-3333	COMMITTEE EMAIL ADDRESS: ann@alnpac.web		
COMMITTEE STREET ADDRESS: 345 Stone Way	CITY: Sacramento	STATE: CA	ZIP CODE: 95826	COMMITTEE MAILING ADDRESS (IF DIFFERENT):	CITY: STATE: ZIP CODE:
<b>2 Members (If any members are other LLCs, further disclosure is required in Part 3.)</b>					
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				
<b>3 Names of Member LLCs Listed in Part 2</b>					
NAME OF LLC LISTED IN PART 2			FULL NAMES OF MEMBERS		
<b>4 Verification</b>					
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 _____ DATE	By _____ SIGNATURE				
Attach additional information on appropriately labeled continuation sheets.		<b>Print</b>	<b>Clear</b>	FPPC Form 409 (Nov/2021) FPPC Toll-Free Helpline: 866/ASK-FPPC (866/275-3772)	

### 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. 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. Independent Expenditure 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.



## 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.
81007	Mailing of Report or Statement.
82015	Contribution.
82036	Late Contribution.
82036.5	Late Independent Expenditure.
82044	Payment.
82046	Period Covered.
<b>84109</b>	<b>Limited Liability Company; Member Disclosure.</b>
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.
84203.5	Supplemental Independent Expenditure Report.
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.
85500	Independent Expenditures; 24-hour Disclosure; Coordination.

## Title 2 Regulations

- 18215 Contribution.
- 18227.5 General Purpose Committees: State, County, or City.
- 18250 Street Address.
- 18402.1 Principal Officers.
- 18402.2 Limited Liability Companies, Responsible Officer.
- 18421.10 Reporting Contributions from Limited Liability Companies.
- 18423 Payments for Personal Services as Contributions and Expenditures.
- 18426 Semi-Annual Statement Early Filing.
- 18428 Reporting of Contributions and Independent Expenditures Required to be Aggregated.
- 18431 Reporting of Expenditures by an Agent or Independent Contractor.
- 18465.1 Verification of Online Filers.

# 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 Political Reform 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 Political Reform 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](http://www.fppc.ca.gov)

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

## FPPC Website

Visit the FPPC website ([www.fppc.ca.gov](http://www.fppc.ca.gov)) to get copies of specific advice letters, sign up for RSS Feeds, or to be put on mailing lists. The Commission'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 office, the Secretary of State's Office, and many local clerks' offices)
- Manuals, fact sheets, and useful summaries of the law
- Campaign filing schedules
- 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 elections offices.

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
- Major donor committees
- Slate mailer organizations

## Obtaining Information Elsewhere

A subscription for regulations is available from:

Barclay's Law Publishing  
P.O. Box 3066  
South San Francisco, CA 94083  
(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 elections offices are the filing officers for campaign disclosure statements. Committee statements will be filed with the Secretary of State or a local clerk or elections office 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 and for advice on election procedures.

(916) 653-6224  
(916) 653-5045  
[www.sos.ca.gov](http://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](http://www.fec.gov)

## Franchise Tax Board

The Franchise Tax Board is responsible for responding to questions regarding 501(c)(3) and 501(c)(4) tax status, tax-deductibility of political contributions, audits, or any tax related questions.

(800) 852-5711 or (800) 338-0505  
[www.ftb.ca.gov](http://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) 829-4933 (taxpayer ID number)  
[www.irs.gov](http://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](http://www.fcc.gov)  
email: [fccinfo@fcc.gov](mailto:fccinfo@fcc.gov)

## Local Campaign 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 18110-18997). 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  
Fair Political Practices Commission  
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 violating the Act, including not filing campaign statements.