

1 Amend 2 Cal. Code Regs., Section 18419. to read:

2 **§ 18419. Sponsored Committees.**

3 (a) The terms used in this section are defined as follows:

4 (1) “Sponsored committee” means a committee, other than a controlled committee, which  
5 has one or more sponsors.

6 (2) “Sponsor” of a committee means any person (except a candidate, proponent or other  
7 individual) to whom any of the following applies:

8 (A) The committee receives 80 percent or more of its contributions either from the person  
9 or from the person's members, officers, employees or shareholders in the preceding 24 months.

10 **[Either Option 1: A committee must make this determination at the time of filing each**  
11 **campaign statement; or Option 2 A committee must make this determination at the end of each**  
12 **calendar quarter, and anytime during the 90-day period preceding an election for which the**  
13 **committee is required to file a pre-election campaign statement pursuant to Section 84200.5;]**

14 (B) The person collects contributions for the committee by use of payroll deductions or  
15 dues from its members, officers or employees;

16 (C) The person provides, alone or in combination with other organizations, all or nearly  
17 all of the administrative services for the committee. Only one person will be deemed to provide  
18 all or nearly all of the administrative services for a committee; or

19 (D) The person sets, alone or in combination with other organizations, the policies for  
20 soliciting contributions or making expenditures of committee funds. For purposes of qualifying  
21 as a sponsor, only the person who has ultimate decision-making authority over the committee’s  
22 contributions and expenditures will be deemed to be the person who sets the policies for  
23 soliciting contributions or making expenditures. If no single person has such ultimate decision-

1 making authority, all persons with decision-making authority over setting the policies for  
2 soliciting contributions or making expenditures of committee funds are sponsors and shall be  
3 identified by name in the committee name, or in a manner consistent with the exception in  
4 subdivision (b)(1).

5 (3) “Intermediate unit” means a chapter, local, branch, unit or similar component of a  
6 sponsor that collects money from its members, officers, employees or shareholders when, at the  
7 time of the making of the payment, the donor knows or has reason to know that the payment, or  
8 funds with which the payment will be commingled, will be used to make contributions by the  
9 sponsored committee ~~within the meaning of 2 Cal. Code of Regs. section 18215(b)(1).~~

10 (4) “Member” includes a member, employee, officer, shareholder or any other person  
11 affiliated with a sponsor or an intermediate unit.

12 (5) “Member contribution” is a voluntary or mandatory payment made by a member of a  
13 sponsor or an intermediate unit when, at the time of making the payment, the donor knows or has  
14 reason to know that the payment, or funds with which the payment will be commingled, will be  
15 used to make contributions by a sponsored committee ~~within the meaning of 2 Cal. Code of~~  
16 ~~Regs. section 18215(b)(1).~~

17 (b) In the case of a sponsored committee:

18 (1) The committee shall include the name of its sponsor in the name of the committee. If  
19 the sponsored committee has more than one sponsor and the sponsors are members of ~~an~~ the  
20 same industry or other identifiable group, the name of the committee shall include a term  
21 identifying that industry or group. The term must identify the industry or group with sufficient  
22 specificity so as to accurately and fully disclose the identity, interest, or purpose of committee  
23 sponsors. The following non-exhaustive examples illustrate terms that are not sufficiently

1 specific to identify the same industry or other identifiable group of multiple sponsors:  
2 “businesses” “property owners” “taxpayers” “renters” “neighbors” “consumers.”

3 (2) The committee shall indicate on its statement of organization each sponsor’s industry.

4 (3) The sponsor shall file as a committee if it meets the thresholds set forth in  
5 ~~Government Code section~~Section 82013 except as provided in subdivisions (c) through (f).

6 (c) A sponsor is not a committee within the meaning of ~~Government Code section~~Section  
7 82013 if all of the following criteria are satisfied:

8 (1) The sponsor does not directly or indirectly make or receive a sufficient amount of  
9 contributions or independent expenditures, other than those in support of its sponsored  
10 committee, to satisfy the thresholds set forth in ~~Government Code section~~Section 82013. A  
11 sponsoring organization makes contributions and expenditures in support of its sponsored  
12 committee when it provides the committee with member contributions or money from its  
13 treasury, with the exception of establishment or administrative costs (see Regulation 2-Cal. Code  
14 ~~Regs. section~~ 18215(c)(16));

15 (2) The sponsored committee reports all contributions and expenditures made in support  
16 of the committee by the sponsor, its intermediate units, and the members of such entities. With  
17 respect to a member contribution which is channeled through the sponsor or an intermediate unit,  
18 the member is the contributor;

19 (3) The sponsored committee reports as an intermediary the sponsor and, if required by  
20 paragraph (f) of this regulation, any intermediate unit, as an intermediary, if the sponsor or  
21 intermediate unit directly or indirectly provides the committee with \$100 or more in member  
22 contributions regardless of whether any member for whom the sponsor or intermediate unit acts  
23 contributed \$100 or more; and

1 (4) A responsible officer of the sponsor, as well as the treasurer of the sponsored  
2 committee, verifies the committee's campaign statement pursuant to ~~Government Code section~~  
3 Section 81004.

4 (d) A sponsor which is a committee pursuant to ~~Government Code section~~Section 82013  
5 by virtue of making or receiving contributions or independent expenditures other than those in  
6 support of its sponsored committee:

7 (1) Need not report on its campaign statement member contributions to the sponsored  
8 committee if the committee discloses such contributions in compliance with the standards set  
9 forth in paragraphs (c)(2), (c)(3), and (c)(4) of this regulation;

10 (2) Must report contributions or payments for establishment or administrative costs it  
11 makes to the sponsored committee in the form of money from its treasury; and

12 (3) Must make a prominent reference on its campaign statement stating the name of its  
13 sponsored committee, including the committee's identification number issued by the Secretary of  
14 State's office.

15 (e) An intermediate unit is not a committee pursuant to ~~Government Code section~~Section  
16 82013 by virtue of making contributions and expenditures in support of its sponsor's sponsored  
17 committee or by virtue of acting as an intermediary pursuant to paragraph (c)(3) of this  
18 regulation. An intermediate unit which is a committee by virtue of making or receiving other  
19 contributions or independent expenditures need not disclose member contributions if the  
20 sponsored committee follows the procedures set forth in paragraph (c)(3) of this regulation for  
21 reporting the member contributions.

1 (f) An intermediate unit is reportable as an intermediary on the sponsored committee's  
2 campaign statement pursuant to paragraph (c)(3) of this regulation only if the name of the  
3 intermediate unit is substantially different from the name of the sponsor.

4 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82048.7 and  
5 84102, Government Code.