

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission (the Commission), under the authority vested in it under the Political Reform Act (the Act)¹ by Section 83112 of the Government Code, proposes to adopt, amend, or repeal regulations in Title 2, Division 6 of the California Code of Regulations. The Commission will consider the proposed regulations at a public hearing on or after **May 16, 2024** at the offices of the Fair Political Practices Commission, 1102 Q Street, Suite 3050, Sacramento, California, commencing at approximately **10:00 a.m.** Written comments should be received at the Commission offices no later than **5:00 p.m.** on **May 14, 2024**.

BACKGROUND/OVERVIEW:

A “general purpose committee” is one which is formed or exists primarily to support or oppose more than one candidate or ballot measure. (Section 82027.5.) Depending upon its level of activity, a general purpose committee files its original campaign statements and reports in one of three places: with the state, with a county, or with a city. Regulation 18227.5 provides a brightline rule for general purpose recipient committees to determine where they file. For example, during a specified time period, a committee with more than “70 percent of contributions or expenditures” made to support or oppose candidates, measures, or other committees within a city would file its original campaign statements and reports with the city.

Within the past year, the Commission has received inquiries from two local ethics agencies inquiring as to whether all expenditures by the committee are taken into account when making the determination of where to file. As the statutory language, regulatory language, regulatory history and longstanding informal advice support the interpretation that only those contributions and independent expenditures made to support or oppose candidates, measures, and other committees are taken into account when making the calculation, staff recommends codifying this advice in the Regulation. Therefore, staff proposes adding a definition of “70 percent of contributions and expenditures” for purposes of calculating the filing jurisdiction for specified general purpose committees in Regulation 18227.5.

Additionally, staff recommends amending the term “or” to “and” in calculating total contributions and expenditures made for the 70 percent threshold in paragraphs (c)(1), (c)(2), and (d)(2) of Regulation 18227.5. These paragraphs currently refer to “contributions *or* expenditures” for calculating the 70 percent threshold, potentially implying that a total of either could be used. But based upon the previous regulatory language, and longstanding interpretation, the calculation should include “contributions *and* expenditures.”

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

REGULATORY ACTION:

Amend 2 Cal. Code Regs., Section 18227.5 – General Purpose Committees: State, County or City

The Commission may consider adding subdivision (c)(4) to Regulation 18227.5 to add a definition of “70 percent of contributions and expenditures.” The proposed definition specifies that only those contributions and expenditures made to support or oppose candidates, measures or other committees are taken into account when calculating the 70 percent threshold and cross-references Section 84211(k)(5), which requires supplemental information for these specified expenditures.

The Commission may also consider changing “or” to “and” in subdivisions (c)(1), (c)(2), and (d)(2) to clarify that both contributions and expenditures are taken into account for the 70 percent calculation.

SCOPE: The Commission may adopt the language noticed herein, or it may choose new language to implement its decisions concerning the issues identified above or any related issues.

FISCAL IMPACT STATEMENT:

Fiscal Impact on Local Government. These regulations will have no fiscal impact on any local entity or program.

Fiscal Impact on State Government. These regulations will have no fiscal impact on any local entity or program.

Fiscal Impact on Federal Funding of State Programs. These regulations will have no fiscal impact on any local entity or program.

AUTHORITY: Section 83112 provides that the Fair Political Practices Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the Act.

REFERENCE: The purpose of these regulations is to implement, interpret, and make specific Government Code Section 82027.5.

CONTACT: Any inquiries should be made to Erika M. Boyd, Fair Political Practices Commission, 1102 Q St., Suite 3050, Sacramento, CA 95811; telephone (916) 322-5660 or 1-866-ASK-FPPC, or by email at eboyd@fppc.ca.gov. Proposed regulatory language can be accessed at <http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html>.