

Option 3: Return of Contributions

1 Amend 2 Cal. Code Regs. Section 18531.2 to read:

2 **§ 18531.2. Refunding General Election Contributions.**

3 (a) The following provisions apply to the pro rata refund of contributions raised for a
4 general election or a special general election by a candidate for elective state office or a
5 candidate for an elective city or county office subject to the contribution limit in Section
6 85301(d) who is defeated in the primary or special primary election,⁵ withdraws from the general
7 election or special general election, withdraws from the primary or special primary election, or
8 receives a majority of the votes cast for an office at the primary election, so that the candidate is
9 elected to the office without advancing to the general election:

10 (1) The candidate shall apply Regulation 18540, subdivisions (a)(1) through (a)(7), to
11 calculate expenses attributable to the general election or the special general election that may be
12 deducted from the refunds.

13 (2) The candidate shall convert to cash and include in the total contributions subject to
14 refund each campaign asset, or the applicable portion thereof, if all of the following apply:

15 (A) The asset was received as a non-monetary contribution for the general or special
16 general election.

17 (B) The candidate's committee held the asset on the day after the primary election, or the
18 day after the candidate has withdrawn from the general election.

19 (C) The value of the asset was \$50 or more.

20 (b) Contributions for the general election or special general election that may be
21 considered surplus campaign funds under Section 89519 shall be refunded under Section 85318
22 and this regulation.

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- 1 Note: Authority cited: Section 83112, Government Code. Reference: Sections 85301, 85318,
- 2 85702.5 and 89519, Government Code.

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1 Amend 2 Cal. Code Regs. Section 18537.1 to read:

2 **§ 18537.1. Carry Over of Contributions.**

3 (a) For purposes of Section 85317 and this regulation, “carry over” refers to the
4 movement of campaign funds to the candidate's controlled committee established for a
5 subsequent election to the same elective state office or the same elective city or county office
6 subject to the contribution limit in Section 85301(d), without attribution as required by Section
7 85306(a).

8 (b) Campaign funds are available to be “carried over” pursuant to Section 85317 and this
9 regulation only if all of the following apply:

10 (1) The funds to be “carried over” are held in a campaign bank account/campaign
11 committee established for an election to elective state office occurring on or after January 1,
12 2001, or for candidates for statewide elective office, for an election occurring on or after
13 November 6, 2002, or for an elective city or county office subject to the contribution limit in
14 Section 85301(d), for an election occurring on or after January 1, 2021;

15 (2) The campaign bank account/campaign committee that is holding the funds to be
16 “carried over” was established for an election that has already been held; and

17 (3) The funds to be “carried over” are not considered “surplus campaign funds” as
18 defined in Government Code section 89519.

19 (c) For the purposes of Section 85317, “subsequent election for the same elective state
20 office” refers to:

21 (1) The election to the next term of office immediately following the election/term of
22 office for which the funds were raised;

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1 (2) The general election, which is subsequent to and for the same term of office as the
2 primary election for which the funds were raised; or

3 (3) The special general election, which is subsequent to and for the same term of office as
4 the special primary election for which the funds were raised.

5 (d) If a candidate receives a majority of the votes cast for an office at the primary
6 election, so that the candidate is elected to the office without advancing to the general election,
7 the remaining campaign funds may be transferred to a committee for a subsequent election to the
8 same office without attribution, while funds raised for the general election must be refunded
9 under Section 85318 and Regulation 18531.2.

10 ~~(d)~~ (e) A candidate who establishes a campaign bank account for an election but does not
11 file the necessary documents or otherwise fulfill the requirements of the Election Code to appear
12 on the ballot in that election may not “carry over” campaign funds, but may transfer with
13 attribution pursuant to Government Code sSection 85306 and consistent with Section 85318.
14 Note: Authority cited: Section 83112, Government Code. Reference: Sections 84214, 85200,
15 85201, 85301, 85306, 85316, 85317, 85318 and 85702.5, Government Code