

California Fair Political Practices Commission

Sponsored Committee Qualification and Naming Requirements

Introduction

Sponsored committees are primarily funded or controlled by a person, or small group of persons, to pursue the person's or group's interests. The Political Reform Act ("the Act") requires that the name of the sponsored committee identify the committee's sponsor(s) to inform the public of who is responsible for the committee's activity.

The Act defines a "sponsored committee" as a committee, other than a candidate controlled committee, that has one or more sponsors. Any company, corporation, association, or other organization, or group of persons, except a candidate or other individual, may sponsor a committee. A candidate or other individual cannot qualify as a sponsor. This fact sheet provides an overview of the rules applicable to determining when a committee qualifies as a "sponsored" committee as well as general guidance on sponsored committee naming requirements.

A. Qualification as a Sponsored Committee

A recipient committee receives contributions to use for political purposes such as making contributions or independent expenditures to support or oppose candidates and ballot measures. Major donor and independent expenditure committees do not receive "contributions" under the Act, but use funds to make contributions or independent expenditures. Any of these types of committees may qualify as a "sponsored committee." Committees may be sponsored by one or more entities.

An entity or organization qualifies as a committee sponsor if it:

- Provides 80 percent or more of the contributions received by the committee, either directly or from the entity or organization's members, officers, employees, or shareholders;
- Collects contributions for the committee through payroll deductions or dues from its members, officers or employees;
- Provides all or nearly all the administrative services for the committee; or
- Sets the policies for soliciting contributions or making expenditures of committee funds.

B. Sponsored Committees: When is the 80 Percent Threshold Met?

Anytime a committee reaches the 80 percent threshold for sponsorship qualification, it has ten days to amend its statement of organization to identify a sponsor. A committee must make this determination at the time of filing each campaign statement based on activity occurring through the end of the statement period. When calculating the 80 percent threshold, a committee must review all contributions received by a committee in the 24 months preceding the end of the statement period. If the committee is required to file a pre-election statement, the committee

must also make this determination each time it receives a contribution during the period between the second pre-election campaign statement period and the election.

C. Sponsor as a Committee

If a sponsor makes contributions to candidates or other committees out of general funds, it may become a separate committee subject to additional reporting. However, a sponsor need not report as a separate committee if it reports all of its campaign activity on the campaign statement of the committee of which it is a sponsor if the sponsor meets all of the following criteria:

- The sponsor does not directly or indirectly make independent expenditures totaling \$1,000 or more or receive contributions totaling \$2,000 or more during a calendar year, other than in support of its sponsored committee.
- The sponsored committee reports all contributions and expenditures made in support of the committee by the sponsor, its intermediate units, and the members of such entities.
- The sponsored committee reports the sponsor as an intermediary if the sponsor provides the committee with \$100 or more in contributions from members, regardless of whether any member contributes \$100 or more.
- A responsible officer of the sponsor, as well as the treasurer of the sponsored committee, verifies the committee's campaign statements.

D. Sponsored Committees: Naming Requirements

The name of a sponsored committee must include the name of its sponsor(s). If a sponsored committee has more than one sponsor and the sponsors are members of an industry or other identifiable group, the name of the committee must include a term identifying that industry or group.

Examples of Sponsored Committee Names:

A sponsored committee with one sponsor:

- Citizens in Support of Measure A, Sponsored by the Pasadena Firefighters, Local 1210

A sponsored committee with multiple sponsors belonging to the same group:

- Citizens in Support of Measure A, Sponsored by Unions Representing Firefighters

A sponsored committee with one identifiable sponsor and a group of sponsors belonging to a different group:

- Citizens in Support of Measure A, Sponsored by the Pasadena Firefighters, Local 1210 and Trade Associations representing Nurses

A sponsored committee with multiple sponsors belonging to two different groups:

- Citizens in Support of Measure A, Sponsored by Unions Representing Firefighters and Trade Associations Representing Hospitals

The following examples illustrate terms that would sufficiently identify the same industry or other identifiable group of multiple sponsors:

- California Health Insurers
- Southern California Automobile Dealers
- Almond Growers and Processors
- Local Food Banks
- Healthcare Providers and Chambers of Commerce
- Unions Representing Nurses and Teachers
- Trade Associations Representing Hospitals and Ambulance Providers

The following examples illustrate terms that alone are **not** sufficiently specific to identify the same industry or other identifiable group of multiple sponsors:

- Businesses
- Property Owners
- Taxpayers
- Renters
- Neighbors
- Consumers
- Coalition of Charities
- Homeowners

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

Government Code Sections

Section 82047
Section 82048.7
Section 84102
Section 84103

Title 2 Regulations

Regulation 18419