

1 Amend 2 Cal. Code Regs., Section 18521.5 to read:

2 **§ 18521.5. Ballot Measure Committees Controlled by Candidates for Elective State Office.**

3 Except as otherwise provided for recall committees under Section 85315 and Regulation
4 18531.5, a candidate for elective state office may control a committee under Section 82013(a) to
5 support or oppose the qualification or passage of a measure, only as provided in this regulation.

6 (a) Committee Name.

7 (1) If the committee is a general purpose ballot measure committee, the committee name
8 ~~shall~~ must include the name of the controlling candidate pursuant to Regulation 18402(c)(1), and
9 expressly indicate it is a ballot measure committee.

10 (2) If the committee is a primarily formed ballot measure committee, the committee name
11 ~~shall~~ must include, in addition to the information set forth in subdivision (a)(1), the information
12 required in Section 84107, ~~and in Section 84504 and Regulation 18450.3.~~

13 (b) Statement of Organization.

14 (1) The committee ~~shall~~ must identify on its Statement of Organization each measure on
15 which the committee has spent, or anticipates spending, \$50,000 or more in the current two year
16 period, beginning with January 1 of an odd-numbered year and ending with December 31 of the
17 following even-numbered year.

18 (2) If an official ballot designation has not been assigned to a measure or potential
19 measure that must be identified pursuant to subdivision (b)(1), the Statement of Organization
20 ~~shall~~ must describe the purpose of the anticipated measure or measures. The committee ~~shall~~
21 must amend its Statement of Organization pursuant to Section 84103 to correctly identify the
22 measure or measures after an official ballot designation has been assigned.

1 (c) Application of Section 85310. If the committee makes a communication described in
2 Section 85310(a) that “clearly identifies” a candidate for elective state office, as defined in
3 Regulation 18531.10(a)(1), contributions to the committee are subject to the limit prescribed for
4 political party committees in Section 85303(b) if the communication is made at the behest of the
5 clearly identified candidate.

6 (d) Committee Expenditures.

7 (1) Except as permitted under paragraphs (2) and (3) below, committee funds ~~shall~~ must
8 be used only to make expenditures related to a state or local measure or potential measure
9 anticipated by the committee, or to qualification or pre-qualification activities relating to such
10 measures. Such expenditures include, but are not limited to, payment of the committee's
11 reasonable and ordinary operating costs, administrative overhead, fundraising activities, travel,
12 compliance costs, and attorney's fees incurred as a result of the committee's activities.

13 (2) The committee may at any time return all or part of a contribution to a committee
14 contributor.

15 (3) A committee that is preparing to terminate its status as a committee may, at any time
16 within 60 days prior to the effective date of its termination, disburse some or all of its leftover
17 funds in either of the following ways:

18 (A) Pursuant to subdivision (b)(3) of Section 89519.

19 (B) To a political party committee, so long as the funds are not used for a contribution as
20 defined in Section 82015 to a candidate, or for a communication which expressly advocates the
21 nomination, election or defeat of a clearly identified candidate as defined in Section 82031.

22 (e) In addition to any other reporting and recordkeeping requirements, the committee
23 shall also comply with the provisions of Regulations 18401(a)(6) and 18421.8.

1 (f) No provision of this regulation shall be construed to permit any of the following:

2 (1) A contribution of committee funds to a controlled committee of a candidate for
3 elective office that is not operated as a candidate controlled ballot measure committee pursuant
4 to this section.

5 (2) A payment of committee funds in violation of the restrictions on use of campaign
6 funds by candidate controlled campaign committees described in Sections 89511 through 89518.

7 (3) A use of committee funds in violation of Elections Code Section 18680.

8 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82013, 82015,
9 82016, 82027.5, 82031, 82047.5, 84102, 84103, 84107, 84504, 85201, 85301, 85302, 85303,
10 85304, 85304.5, 85310 and 85316, Government Code.