

1 § 18419. Sponsored Committees.

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

3 (1) "Sponsored committee" means a committee, other than a controlled committee, which has
4 one or more sponsors.

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

7 (A) The committee receives 80 percent or more of its contributions either from the
8 person or from the person's members, officers, employees or shareholders in the
9 preceding 24 months. A committee must make this determination quarterly at the end
10 of March, June, September, and December except in quarters in which a committee has
11 not received aggregate contributions exceeding \$5,000;

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

14 (C) The person provides, alone or in combination with other organizations, all or nearly
15 all of the administrative services for the committee; or

16 (D) The person sets, alone or in combination with other organizations, the policies for
17 soliciting contributions or making expenditures of committee funds.

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

23 (4) "Member" includes a member, employee, officer, shareholder or any other person affiliated
24 with a sponsor or an intermediate unit.

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

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

31 (1) The committee shall include the name of its sponsor in the name of the committee. If the
32 sponsored committee has more than one sponsor and the sponsors are members of an industry
33 or other identifiable group, the name of the committee shall include a term identifying that
34 industry or group. Sponsors who are for-profit entities are not part of an industry or other

1 identifiable group unless they have the same or similar primary business or economic activities.
2 Sponsors who are tax exempt organizations pursuant to Internal Revenue Code Sections 501(c),
3 or analogous state laws, are presumed to be part of an industry or other identifiable group.

4 (2) A term used in the name of a committee to identify the industry or other identifiable group
5 of committee sponsors who are for-profit entities must describe the primary business or
6 economic activities of the sponsors. A term used in the committee name to identify the
7 industry or other identifiable group of tax exempt organizations must describe the social
8 welfare activities or tax exempt purposes of the sponsors. A term used in the committee name
9 to identify the industry or other identifiable group that consists of multiple for-profit and
10 multiple non-profit sponsors must separately describe the primary business or economic
11 activities of the for-profit sponsors and the social welfare activities or tax exempt purposes of
12 the non-profit sponsors.

13
14 (3) A term identifying the industry or other identifiable group complies with the requirements
15 of Section 84102 under any of the following circumstances:

16
17 (A) The term describes the business or economic activities of for-profit sponsors (e.g.
18 “sponsored by energy companies;” “sponsored by technology companies;” “sponsored
19 by oil and gas manufacturers;” “sponsored by for-profit hospitals;” “sponsored by
20 telecommunications organizations;” “sponsored by developers;” “sponsored by
21 construction companies.”

22
23 (B) The term describes the type of nonprofit organizations or the nonprofit activities of the
24 sponsoring organizations (e.g. “sponsored by labor organizations;” “sponsored by
25 business advocacy organizations;” “sponsored by labor and environmental
26 organizations;” “sponsored by realtors and taxpayer advocacy organizations;”
27 “sponsored by public safety organizations;” “sponsored by teachers and firefighters
28 associations;” “sponsored by healthcare organizations;” “sponsored by manufacturing,
29 restaurant, and insurance industry associations;” “sponsored by technology company
30 associations;” “sponsored by telecommunications and energy industry associations.”)

31
32 (C) For membership organizations, the term describes the primary industry, profession, or
33 vocation of the members (e.g. “sponsored by teachers;” “sponsored by hospitals;”
34 “sponsored by health care workers, doctors, nurses, and construction workers;”
35 “sponsored by police and firefighters;” “sponsored by realtors and small businesses.”)

36
37 ~~(2)~~ (4) The committee shall indicate on the committee's statement of organization each
38 sponsor's primary the industry, business or economic activities if the sponsors are for profit
39 entities, and the social welfare activities or tax exempt purposes of the sponsors if they are tax
40 exempt organizations. group or affiliation of the sponsor.

1 ~~(3)~~ (5) The sponsor shall file as a committee if it meets the thresholds set forth in ~~Government~~
2 ~~Code section~~ Section 82013 except as provided in subdivisions (c) through (f).

3 (c) A sponsor is not a committee within the meaning of ~~Government Code section~~ Section
4 82013 if all of the following criteria are satisfied:

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

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

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

21 (4) A responsible officer of the sponsor, as well as the treasurer of the sponsored committee,
22 verifies the committee's campaign statement pursuant to ~~Government Code section~~ Section
23 81004.

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

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

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

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

35 (e) An intermediate unit is not a committee pursuant to ~~Government Code section~~ Section
36 82013 by virtue of making contributions and expenditures in support of its sponsor's sponsored

1 committee or by virtue of acting as an intermediary pursuant to paragraph (c)(3) of this
2 regulation. An intermediate unit which is a committee by virtue of making or receiving other
3 contributions or independent expenditures need not disclose member contributions if the
4 sponsored committee follows the procedures set forth in paragraph (c)(3) of this regulation for
5 reporting the member contributions.

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

9 * * * * *