Chapter 2
Contribution Limits

State Contribution Limits
This chapter reviews the state contribution limits for general purpose committees that make contributions to state candidates. The first section addresses the various issues relating to committees that are subject to state contribution limits. Certain exceptions to state contribution limits are reviewed at the end of this chapter. City and county general purpose committees should contact their local jurisdiction to determine if local contribution limits or restrictions are imposed.

General purpose committees that make contributions to state candidates, including state officeholders, or pay for certain communications that identify state candidates (see “Communications Identifying State Candidates” below) have limits on how much they may accept from a single source in a calendar year into a bank account out of which the committees make these contributions. Committees also have limits on how much they may contribute to a state candidate per election. (See charts below.) Also discussed below are the calendar year limits on contributions to a committee established by an elected state officeholder for officeholder expenses. Contribution limits may increase or decrease every odd-numbered year based on changes in the Consumer Price Index. The updated limits are reflected in FPPC Regulation 18545.

Receiving Contributions
The chart below shows the limits on contributions received by general purpose committees that make contributions to state candidates, including small contributor committees and political party committees.

Notes:
- See Chapter 1 for the “small contributor committee” definition and requirements.
- A “person” is defined to include an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, and any other organization or group of persons acting in concert.
- See the discussion below regarding limits on contributions to a committee that identifies a state candidate in a communication 45 days before an election in which the candidate is on the ballot.

Calendar Year Limits on Contributions Received By General Purpose Committees
(for contributions received on or after January 1, 2009, until revised)

<table>
<thead>
<tr>
<th>Contributor</th>
<th>Small Contributor Committee</th>
<th>Committee (Not Political Party) that Contributes to State Candidates</th>
<th>Political Party for State Candidates</th>
<th>Committee/Political Party Not for State Candidates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person</td>
<td>$200</td>
<td>$6,500</td>
<td>$32,400</td>
<td>No Limit</td>
</tr>
</tbody>
</table>
The Committee for Californians United makes contributions to state candidates and has only one bank account. It received a contribution of $3,000 on March 5 from Starr Lu. On April 10 of the same year, Starr contributed a piece of artwork to the committee valued at $3,500 for an auction. Since her total contributions during the calendar year to the committee equal $6,500, Starr may not make additional contributions, including loans, to the committee until the following year.

The California Council for Solar Energy established three separate PACs, two of which make contributions to state candidates (one qualifies as a small contributor committee), and one it calls its “issues” PAC, because it only makes payments in connection with ballot measures. The PAC that is not a small contributor committee may receive no more than $6,500 from a single source in a calendar year; the small contributor committee may receive no more than $200 from a single source in a calendar year; and the issues PAC is not subject to any contribution limits.

State Candidate Controlled Ballot Measure Committees

General purpose ballot measure committees controlled by a state candidate or state officeholder may not receive a contribution, or an aggregate of contributions, exceeding $3,900 from another state candidate or state officeholder.

The California Solar Energy “Issues” Committee is making independent expenditures to oppose a state ballot measure. A television advertisement will have a visual depiction of the State Controller who also opposes the measure. The cost of the advertisement is $300,000. The ad will not expressly support or oppose the Controller’s election. Both the Controller and the ballot measure will be listed on the same ballot. As long as the ads are not disseminated or broadcast during the 45-day period before the election, the committee is not subject to a calendar year contribution limit of $32,400 from a single source.

Once a committee receives a contribution over the limit, it may not make or promise to make a payment for a communication identifying a state candidate, as described above.
Contributions that Exceed the Limits

Contributions that exceed the limits are not considered accepted if they are not deposited into the receiving committee’s bank account and are returned within 14 days of receipt. For nonmonetary contributions, the item itself, its monetary value, or the monetary amount by which the value of the nonmonetary contribution exceeds the limits must be returned within 14 days of receipt.

However, a general purpose committee that makes contributions to state candidates (other than a small contributor committee) may receive contributions over the $6,500 per calendar year limit if the contributions are placed into a separate bank account (a “restricted use” account) from which expenditures other than contributions to state candidates are made. Generally, these accounts are set up for making contributions to local candidates, independent expenditures, expenditures in connection with ballot measures, or for other purposes, such as voter registration and administrative costs. (Some organizations prefer to establish separate committees for ballot measure activities, independent expenditures, etc. See below.)

A small contributor committee is prohibited from receiving more than $200 per calendar year from any contributor and may not receive contributions in excess of the limits for any purpose.

“All Purpose” and “Restricted Use” Accounts

A general purpose committee that makes contributions to state candidates must make the contributions from an “all purpose” account, as described below. If the committee receives contributions in excess of the $6,500 per year contribution limit, it must establish a separate bank account (a “restricted use” account) to receive the excess contributions. Contribution checks drawn from each of its accounts must include the following identifying information:

- “All Purpose Account”—This means funds in the account have been received within the contribution limit and may be used for any purpose, including contributions to state candidates, contributions to ballot measure committees and local candidates, independent expenditures, administrative expenses, etc. The term “all purpose account” must appear in the title of the account appearing on the check.

- “Restricted Use Account”—This means funds in the account include contributions received in excess of the contribution limit, may not be used for the purpose of making contributions to state candidates, and may not be contributed to other committees for the purpose of making contributions to state candidates. The term “restricted use account” must appear in the title of the account appearing on the check.

When making contributions to any other committee, the committee must notify the recipient whether the contribution is from its “all purpose,” “restricted use,” or some other committee account (e.g., an administrative account).

If a contributor makes a contribution in excess of the limits using a single check (or other instrument, such as a credit card contribution), the committee must return the undeposited contribution within 14 days of receipt, or it may deposit the contribution into its “restricted use” account. The committee may transfer the amount to be used for state candidate contributions to the “all purpose” account. The transfer must be made within 14 days of receiving the contribution. Alternatively, some financial institutions may allow the committee to divide the contribution between accounts at the time of deposit. No amounts in excess of the applicable contribution limit may be deposited in or transferred to the “all purpose” account.
from which contributions to state candidates are made.

**Example** The Bay City Chamber of Commerce Political Action Committee has two bank accounts, one that it uses for making contributions to state candidates ("all purpose") and a separate account for other expenditures that are not subject to contribution limits ("restricted use"). The committee receives a contribution check for $20,000, for which the contributor has designated that the amount over the $6,500 contribution limit be used for purposes other than state candidate contributions. The committee must deposit the check in its restricted use account and, within 14 days, transfer the $6,500 to the all purpose account it uses to make contributions to state candidates.

It is not necessary to open a separate account if the committee never receives contributions in excess of the applicable limit or if the committee does not make contributions to state candidates or other committees that are subject to state limits. However, if the committee makes contributions to state candidates, the term “all purpose account” must appear in the title of the account appearing on the check.

**Example** The California Landscape Employees Association transmits $35 per month from each of its members to its political action committee. Because the committee does not receive contributions totaling more than $6,500 per calendar year from a single source, it is not required to have more than one bank account. Contributions to state candidates and all other expenditures made by the committee may be paid from the account. When contributions are made to state candidates, the committee must include the term “all purpose account” on its check.

An organization may establish separate committees to receive contributions in excess of the limits for the purpose of supporting or opposing ballot measures or local candidates, or for making independent expenditure activities. Although not required, it is helpful to include additional information in the name of the committee if its purpose is solely for ballot measure or independent expenditure activities.

**Example** The California Association of Musicians has three separate committees, each with its own bank account. One is a small contributor committee that raises funds for state candidate contributions. The California Musicians’ Issues Committee supports and opposes various state and local ballot measures, and the California Musicians’ Independent Expenditure Committee raises funds for making independent expenditures to support and oppose state and local candidates.

**Example** Local and out-of-state committees (e.g., federal PACs) that make contributions to state candidates must do so from a bank account that does not receive contributions totaling more than $6,500 from a single contributor in a calendar year.

### Making Contributions

The chart below shows the limits on contributions made by general purpose committees, including small contributor committees and political party committees, to state candidates.

#### Per Election Limits on Contributions to State Candidates

(for elections held on or after January 1, 2009, until revised)

<table>
<thead>
<tr>
<th>Contributor</th>
<th>Legislature</th>
<th>Statewide Except Governor</th>
<th>Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person (including most general purpose committees)</td>
<td>$3,900</td>
<td>$6,500</td>
<td>$25,900</td>
</tr>
<tr>
<td>Small Contributor Committee</td>
<td>$7,800</td>
<td>$12,900</td>
<td>$25,900</td>
</tr>
<tr>
<td>Party</td>
<td>No limit</td>
<td>No limit</td>
<td>No limit</td>
</tr>
</tbody>
</table>
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For purposes of the contribution limits, the primary, general, special, and special runoff elections are considered separate elections. Committees may contribute to a state candidate’s general or special general election prior to a primary or special primary election for the same office.

**Examples**
The California Council for Solar Energy’s state candidate PAC wants to make contributions to a candidate seeking an Assembly office in 2010. The PAC may make a contribution of $7,800; $3,900 designated for the primary and $3,900 for the general election. The Assembly candidate also has a committee open from her 2006 election, which has debt from the general election. Since the PAC has not made a contribution to that committee in the past, the PAC may make a contribution up to $3,600 (the contribution limit in 2008).

Because the California Council for Solar Energy’s “issues” PAC may make unlimited contributions to the same Assembly candidate’s controlled ballot measure committee, it contributes $50,000.

An organization may act as an intermediary for contributions to state candidates without being required to aggregate the contributions for determining whether it has reached its limit to that candidate.

**Example**
The Committee for Californians United collected contributions for Sharon Winston, a candidate for the State Senate. Contributors wrote checks of $3,900 payable to the general purpose committee. The committee deposited the checks and then wrote one check to Ms. Winston’s campaign, providing her with the name, address, occupation, and employer of each contributor. The committee may also contribute $3,900 to Ms. Winston’s campaign.

If a general purpose committee makes a contribution to a state candidate’s campaign committee and the candidate subsequently transfers the contribution to another committee to run for a different state office, future contributions made by the general purpose committee directly to the candidate’s subsequent committee are aggregated with the funds transferred by the candidate for purposes of the contribution limits.

**Example**
Tom Davies has a committee to run for Assembly in 2010. Your general purpose committee makes a contribution of $3,900 to his committee for the general election. After the election, Mr. Davies has extra funds and decides to transfer $2,500 of your committee’s funds to his committee to run for State Senate in 2012. The $2,500 transfer will count toward the amount your committee may contribute to Mr. Davies’ Senate committee for the 2012 primary election.

**State Officeholder Expense Account Committees**
An elected state officer may establish a separate committee to receive contributions after the date of his or her election for the purpose of paying expenses associated with holding office. The chart below shows the limits on contributions made to officeholder committees. The committee name must include the name of the officeholder, the office held, the year of the election, and the words “officeholder account.”

**Calendar Year Limits on Officeholder Account Contributions**
(for contributions made on or after January 1, 2009, until revised)

<table>
<thead>
<tr>
<th></th>
<th>State Legislators</th>
<th>Statewide Elected Officers</th>
<th>Governor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Donor</strong></td>
<td>$3,200</td>
<td>$5,400</td>
<td>$21,500</td>
</tr>
<tr>
<td><strong>Aggregate Total Officeholder May Raise</strong></td>
<td>$53,800</td>
<td>$107,500</td>
<td>$215,000</td>
</tr>
</tbody>
</table>
Officeholder account contributions are subject to calendar year limits on both the amount a donor may give and the aggregate total the officeholder may raise. In addition, officeholder contributions must be cumulated (in full) with any other contributions from the same contributor(s) for any other future elective state office for which the officeholder maintains a controlled committee during the term of office in which the contribution is received.

Contributions made to an officeholder account are counted toward and may not exceed the limits on contributions to a campaign committee the officeholder establishes for reelection or another state office. In order to determine the applicable contribution limit to an elected state officer’s officeholder account, use the lower of the following:

1. The calendar year contribution limits applicable to the officeholder committee in the table above, or
2. The lowest per election contribution limit (the aggregate of the primary and general election limits) applicable to any future state office for which the officeholder maintains a controlled committee at any time during his or her term of office. When an officeholder files a statement of intent to run for a future state office, he or she must notify donors who have made contributions to the officeholder account.

Contributions to a state officeholder account must be made from a committee’s “all purpose” account.

Example In February 2009, the CA Medical Technicians’ Political Action Committee contributed $3,000 from its “all purpose” account to Assemblymember Brenda Yee’s officeholder committee, which she established after she was elected in 2008. In June 2009, the PAC received a notice from Assemblymember Yee that she had filed a statement of intent to run for State Senate in 2010. The $3,000 contribution to the officeholder committee will count toward the amount the PAC may contribute to Ms. Yee’s Senate committee.

When State Contributions Limits Do Not Apply
Contributions for Purposes Other than State Candidate Contributions
As previously discussed, general purpose committees (other than small contributor committees) may receive contributions in excess of the state contribution limits if those funds will be used for purposes other than making contributions to state candidates, or making contributions to other committees for the support of or opposition to state candidates. State law imposes no limits on contributions received to support or oppose local candidates, state and local ballot measures, and for making “independent expenditures” to support or oppose candidates or measures. However, committees that make contributions to local candidates should contact the local jurisdiction to determine if contribution limits or restrictions are imposed.

See Chapter 5 for a detailed discussion of when payments are considered “contributions” or “independent expenditures” under the Political Reform Act.

Legal Defense Committees
Candidates and officeholders may establish a legal defense fund to defray attorneys’ fees and other related legal costs incurred for the candidate’s or officeholder’s legal defense arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officeholder’s official duties. Such committees must have “legal defense” in the name of the committee.
Contributions to a state candidate’s legal defense fund are not subject to contribution limits. Contact the local jurisdiction to determine if there are any limits or other restrictions on contributions to a local candidate’s or officeholder’s legal defense committee.

**Sponsored Committees: Administrative Payments**

Payments for the establishment and administration of a committee made by the sponsor of the committee (see Chapter 1 for the definition of “sponsored committee”) are not contributions to the committee, but the committee must report the payments. “Payments for the establishment and administration” mean the cost of office space, phones, salaries, utilities, supplies, legal and accounting fees, and other expenses incurred in setting up and running a sponsored committee.

Other costs paid by a sponsoring organization are contributions to the committee, such as the cost of raising funds for the committee, and are subject to regular reporting and to contribution limits for committees that make contributions to state candidates.

![Example](https://example.com/)

The members of the California Tree Doctors Association make regular dues payments to the Association. A portion of these dues is earmarked for the Association’s sponsored committee to be used for contributions to state candidates. The Association collects and transmits the earmarked dues payments to the committee and provides the committee with office space, staff, and accounting services. The committee discloses the earmarked member dues as monetary contributions on Schedule A of its campaign reports and the administrative services from the Association and their value in the “Description of Goods or Services” column on Schedule C. During an election year, the Association sends a special mailing to its members to raise additional funds for the upcoming state elections. The Association also hosts a golf tournament to raise funds to support the Association’s activities generally, but the invitation to the golf tournament includes a reply card allowing participants to make additional contributions to the committee. The committee must disclose the payments made by the Association for the solicitation mailing and the portion of the costs for the golf tournament invitations that are attributable to the solicitation for the committee on Schedule C as nonmonetary contributions from the Association (rather than administrative services). Because the committee makes contributions to state candidates, contributions to the committee, including those made to the committee by the sponsoring organization, are subject to the calendar year contribution limit.

**Answering Your Questions**

Q. If a labor union has both a small contributor committee and a committee that makes contributions to state candidates, may the small contributor committee contribute $7,820 to an Assembly candidate’s primary election and the other committee contribute $3,900 to the same candidate’s primary election?

A. No. Assuming both committees are sponsored by the same organization and a majority of the same persons control the contributions and expenditures made by both committees, they would be treated as one entity when determining their contribution limits. Thus, if the small contributor committee contributed $7,800 to the candidate’s primary election, the other sponsored committee would be prohibited from making any additional contributions. (See Chapter 4 for more
information on when two or more entities must aggregate their contributions.)

Q. If a contributor writes one check for $6,700 and designates its use for both a sponsored small contributor committee and another committee with the same sponsor, how should the check be deposited?

A. If the non-small contributor committee also makes contributions to state candidates, the contributor’s check must be deposited into the committee’s “restricted use” account. The committee may then transfer up to $200 to the small contributor committee and $6,500 to its “all purpose” account. The transfers must be made within 14 days.

Q. Are there any restrictions on contributions made from a state candidate’s controlled committee to a general purpose ballot measure committee controlled by another state candidate?

A. Yes. A committee controlled by a state candidate may not contribute more than $3,900 to any other committee controlled by a state candidate. This is a one-time limit, not a per election or per year limit.

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

Government Code Sections
82007 Candidate.
82015 Contribution.
82016 Controlled Committee.
82025 Expenditure.
82027.5 General Purpose Committee.
82031 Independent Expenditure.
82043 Measure.
82047 Person.
82048.7 Sponsored Committee.
82050 State Candidate.
82051 State Measure.
84302 Contributions by Intermediary or Agent.
85203 Small Contributor Committee.
85204.5 Special Election Cycle and Special Runoff Election Cycle.
85205 Political Party Committee.
85301 Limits on Contributions from Persons.
85302 Limits on Contributions from Small Contributor Committees.
85303 Limits on Contributions to Committees and Political Parties.
85304 Legal Defense Fund.
85304.5 Legal Defense Fund; Local Candidates and Elected Officers.
85305 Restrictions on Contributions by Candidates.
85307 Loans.
85310 Communications Identifying State Candidates.
85311 Affiliated Entities; Aggregation of Contributions to State Candidates.
85314 Special Elections and Special Runoff Elections as Separate Elections.
85316 Post-Election Fundraising.
85318 Contributions Received for Primary and General Elections.
85319 Returning Contributions.

Title 2 Regulations
18215 Contribution.
18215.1 Contributions; When Aggregated.
18225 Expenditure.
18419 Sponsored Committees.
18432.5 Intermediary.
18503 Small Contributor Committees.
18530.4 Legal Defense Funds—State Candidates and Officers.
18530.45 Legal Defense Funds—Local Candidates and Officers.
18531 Return of Excessive Contributions.
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
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<tbody>
<tr>
<td>18531.10</td>
<td>Communications Identifying State Candidates.</td>
</tr>
<tr>
<td>18531.62</td>
<td>Elected State Officeholder Bank Accounts.</td>
</tr>
<tr>
<td>18534</td>
<td>Required Committee Bank Accounts.</td>
</tr>
<tr>
<td>18535</td>
<td>Restrictions on Contributions Between State Candidates.</td>
</tr>
<tr>
<td>18536</td>
<td>Transfer and Attribution of Contributions.</td>
</tr>
<tr>
<td>18537</td>
<td>Contribution Limits and Application to Repaid Loans.</td>
</tr>
<tr>
<td>18544</td>
<td>Campaign Contribution and Voluntary Expenditure COLA Formula.</td>
</tr>
<tr>
<td>18545</td>
<td>Contribution Limits and Voluntary Expenditure Ceiling Amounts.</td>
</tr>
</tbody>
</table>