

Fair Political Practices Commission

MEMORANDUM

To: Chair Ravel, Commissioners Eskovitz, Garrett, Montgomery, and Rotunda

From: Zackery P. Morazzini, General Counsel
Brian G. Lau, Commission Counsel

Subject: Adopt Regulation 18404.2 – Administrative Committee Termination.

Date: November 28, 2011

Proposed Commission Action and Staff Recommendation: Adopt Regulation 18404.2 establishing a procedure for the administrative termination of campaign committees.

Background and Reason for Proposed Amendments:

Section 84214 of the Act requires committees and candidates to terminate their filing obligation pursuant to regulations adopted by the Commission. Under the authority of this section, existing Commission regulations provide detailed requirements for terminating recipient committees¹ (Regulation 18404) and provide deadlines for terminating candidate-controlled committees for elective state office (Regulation 18404.1).² Nonetheless, many recipient committees no longer engaged in campaign activity fail to terminate pursuant to Commission regulations and mistakenly discontinue filing required campaign statements.

While it remains within the Commission's prosecutorial discretion to proceed with an enforcement action for the failure to file required campaign statements, inactive recipient committees that do not file for termination often trigger multiple complaints and referrals for their continual failure to file campaign statements. Ultimately, this results in an unnecessary burden on the Commission, which must review the duplicative complaints and referrals. At the local level, the failure to terminate a committee often results in unnecessary workload for local filing officers, who must repeatedly notify committees that have failed to file required campaign statements and report the apparent violations to the Commission under Section 81010.

Discussion and Summary of Proposed Amendments:

To reduce the number of complaints and referrals when a committee has failed to terminate and mistakenly ceased filing required campaign statements, staff is proposing a

¹ A recipient committee is any person or combination of persons who directly or indirectly receives contributions totaling \$1,000 or more in a calendar year. (Section 82013(a).)

² Committees, other than recipient committees, automatically terminate at the end of the calendar year in which the committee qualified, except to the extent that additional campaign statements are required by Sections 84200, 84203, 84203.5, and 84204. (Regulation 18404(a).) The Commission may not require any committee other than a recipient committee to file any notice of its termination. (Section 84214.)

procedure for the administrative termination of recipient committees. The proposed procedure would terminate a recipient committee's obligations to file subsequent campaign statements, while prohibiting additional campaign activity unless the committee requests reinstatement. The procedure is not intended to absolve a committee for any violation for the failure to file required campaign statements prior to an administrative termination or failing to cease campaign activity after an administrative termination.

As proposed, the procedure for administrative termination would permit the Chief of Enforcement to terminate a recipient committee only if the committee has (1) not filed a campaign statement in the previous twelve months, (2) last reported a cash balance of \$3,000 or less, (3) been provided notice of the proposed termination, and (4) failed to object to the termination.

Potential Costs: This regulation does not increase any costs. There may be some decreased costs to the Commission and local filing officers.

Attachment:

1 – Proposed Regulation 18404.2