1	Adopt 2 Cal. Code Regs.,	Section 18531.64 to read:		
2	§ 18531.64. Treatment of Debts Outstanding After a City or County Election.			
3	(a) Application	. Under Section 85316(a) a candidate f	or an elective city or county	
4	office subject to Section 85301(d) may solicit and accept contributions after an election to pay			
5	net debts outstanding, subject to the applicable contribution limit for that election. This			
6	regulation applies to contributions accepted under Section 85316(a) on or after January 1, 2021.			
7	See Regulation 18531.63 for rules regarding the treatment of contributions received by a			
8	candidate for an elective city or county office subject to Section 85301(d) before January 1,			
9	<u>2021.</u>			
10	(b) Definitions	. For purposes of Section 85316(a) and	this regulation, the	
11	following definitions apply:			
12	(1) "The applic	eable contribution limit for that election	"means the contribution	
13	limit, if any, as provided in Section 85301 applicable on the date of the election.			
14	(2) "That election	ion" or "the election" means the election	on for which a candidate for	
15	elective city or county office subject to Section 85301(d) is raising contributions to pay net debts			
16	outstanding.			
17 18	(3) "Net debts of its	outstanding" means the total of a comm	nittee's outstanding debts minus	
19	assets.			
20	(A) For purpos	ses of calculating net debts outstanding	, "outstanding debts"	
21	include the following:			
22	(i) An amount r	necessary to cover the cost of raising fu	nds as permitted under	
23	Section 85316(a) and this regulation;			
24	(ii) Costs relate	ed to complying with the post-election	requirements of the Act	
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1	and other necessary administrative costs related to winding down the campaign, including		
2	office space rental, staff salaries, and office supplies;		
3	(iii) Legal fees and expenses incurred directly in connection with monitoring the		
4	count of absentee or provisional ballots for the election, or with a ballot recount conducted under		
5	Chapter 9 (commencing with Section 15600) of Division 15 of the Elections Code for the		
6	election; and		
7	(iv) The total amount of unpaid debts, loans and accrued expenditures incurred with		
8	respect to the election.		
9	(B) For purposes of calculating net debts outstanding, "assets" include:		
10	(i) The total cash on hand available to pay those debts and obligations, including:		
11	currency; balances on deposit in banks, savings and loan institutions, and other depository		
12	institutions; traveler's checks; certificates of deposit; treasury bills; and any other committee		
13	investments valued at fair market value;		
14	(ii) The total amounts owed to the candidate controlled committee in the form of		
15	credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount based		
16	on the collectability of those credits, refunds, returns, or receivables.		
17	(c) Raising Funds. A candidate for elective city or county office subject to Section		
18	85301(d) may accept contributions after the date of the election only up to the amount of net		
19	debts outstanding from the election. The contributions accepted are subject to the applicable		
20	contribution limit for that election. The candidate shall reduce the total amount of net debts		
21	outstanding as additional funds are received. The candidate and his or her controlled		
22	committee(s) may not accept a contribution under Section 85316(a) that exceeds the total amoun		
23	of net debts outstanding on the date the contribution is received. A contribution that exceeds the		

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- amount of net debts outstanding shall be treated in the same manner as a contribution in excess
   of the contribution limits.
- (d) Paying the Debt. A candidate for elective city or county office subject to Section

  85301(d) may only use a contribution accepted after the election pursuant to Section 85316 (a)

  for payment of net debts outstanding from the election. The candidate may only use the funds on

  hand and owed to the committee, described in clauses (b)(3)(B)(i) and (ii), for payment of net

  debts outstanding from the election. The candidate shall use available funds to pay net debts

  outstanding as soon as practicable.

(e) Transfer. Pursuant to Section 85306, a candidate may transfer campaign funds from another of his or her controlled committees for the purpose of paying the net debts outstanding of his or her committee for elective city or county office subject to Section 85301(d) under Section 85316(a). A transfer of this type made to a committee for an election to a city or county elective office subject to Section 85301(d) held on or after January 1, 2021, is subject to the contribution limits of Sections 85301 and attribution requirements of Regulation 18536.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 85201, 85301, 85306, 85316, 85317, 85318, and 85702.5, Government Code.

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