

1 Amend 2 Cal. Code Regs., Section 18531.6 to read:

2 **§ 18531.6. Treatment of Debts Outstanding After an Election – Prior to January 24, 2004.**

3 The provisions of this regulation apply to contributions accepted by a committee prior to
4 January 24, 2004. For rules regarding the treatment of contributions accepted on or after January
5 24, 2004, see regulation 18531.61.

6 (a) Pre-2001 Elections. Government Code section 85316 does not apply to a candidate for
7 elective state office in an election held prior to January 1, 2001.

8 (1) There are no contribution limits in effect for elections held prior to January 1, 2001
9 for contributions made on or after January 1, 2001.

10 (2) Contributions for an election held prior to January 1, 2001 may be accepted in an
11 amount that exceeds net debts outstanding.

12 (b) 2001 and Subsequent Elections. Government Code section 85316 applies to a
13 candidate for elective state office in an election held on or after January 1, 2001, as follows:

14 (1) The contribution limits of Government Code sections 85301 and 85302 apply to any
15 candidate controlled committee formed on or after January 1, 2001, whether the committee is
16 designated for an election held pre- or post-January 1, 2001.

17 (2) Beginning January 1, 2001, contributions received by any candidate controlled
18 committee formed prior to January 1, 2001, for an election held after January 1, 2001, are subject
19 to the limits of Government Code sections 85301 and 85302.

20 (3) Transfers to a committee formed for an election held on or after January 1, 2001, are
21 subject to the requirements of 2 Cal. Code Regs. section 18536.

22 (c) A candidate for elective state office subject to subdivision (b) of this regulation may

1 use contributions accepted pursuant to Government Code section 85316 only for payment of net
2 debts outstanding for an election.

3 (d) For purposes of this section, "net debts outstanding" includes the following:

4 (1) An amount necessary to cover the cost of raising funds as permitted under this
5 section;

6 (2) Any costs associated with complying with the post-election requirements of this Title
7 and other necessary administrative costs associated with winding down the campaign, including
8 office space rental, staff salaries, and office supplies; and

9 (3) The total amount of unpaid debts, loans and accrued expenditures incurred with
10 respect to an election, less the sum of:

11 (A) The total cash on hand available to pay those debts and obligations, including:
12 currency; balances on deposit in banks, savings and loan institutions, and other depository
13 institutions; traveler's checks; certificates of deposit; treasury bills; and any other committee
14 investments valued at fair market value; and

15 (B) The total amounts owed to the candidate controlled committee in the form of credits,
16 refunds of deposits, returns, or receivables, or a commercially reasonable amount based on the
17 collectability of those credits, refunds, returns, or receivables.

18 The amount of the net debts outstanding shall be reduced as additional funds are
19 received. The candidate and the candidate's ~~and his or her~~ controlled committee(s) may accept
20 contributions made after the date of an election, if such contributions do not exceed the amount
21 of net debts outstanding on the date the contribution is received. Any contribution that exceeds
22 the amount of net debts outstanding shall be treated in the same manner as a contribution in

1 excess of the contribution limits.

2 (e) Notwithstanding subdivision (b), this regulation does not apply to a candidate for
3 statewide elective office in an election held before November 6, 2002.

4 Note: Authority cited: Section 83112, Government Code. Reference: Section 83 of Proposition
5 34; and Sections 85201, 85301-85302, 85306, 85316, 85317, 85318 and 85321, Government
6 Code.