



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION 1102
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TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission (the Commission), under the authority vested in it under the Political Reform Act (the Act)¹ Section 83112 of the Government Code, proposes to adopt, amend, or repeal regulations in Title 2, Division 6 of the California Code of Regulations. The Commission will consider the proposed regulation at a public hearing on or after **October 16th, 2025**, at the offices of the Fair Political Practices Commission, 1102 Q Street, Suite 3000, Sacramento, California, commencing at approximately **10:00 a.m.** Written comments should be received at the Commission offices no later than **5:00 p.m.** on **October 14th, 2025**.

BACKGROUND/OVERVIEW:

The Commission has the authority to adopt regulations so that candidates and committees may terminate their filing obligations and to ensure that they will have no activity that must be disclosed under the Act after termination. Current Regulations 18404 and 18404.1 provide these procedures for Section 82013 committees and for candidates.²

Regulation 18404: Termination of Candidate and Committee Filing Requirements.

This regulation addresses the termination of filing requirements for Section 82013(a), (b), and (c) committees and for candidates with and candidates without controlled committees. It also provides the procedure for recipient committees to terminate when four factors are met, as verified by the committee's treasurer.

Regulation 18404.1: Termination and Reopening of Committees. This regulation addresses the mandatory termination procedures for candidate controlled committees subject to the state contribution limits (those for state elective office, and those for city and county elective office, subject to state contribution limits [AB 571 candidate committees]). These committees must terminate within 24 months of the committee having no net debts and the candidate's status for the office for which the committee was formed has ended due to the candidate's defeat, withdrawal from the election or the end of the office's term. The committee must also close its bank account and provide notice to its creditors prior to termination.

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

² Note that there are specific rules that apply to Section 84222(c)(5) multipurpose organization committees that have a calendar year termination (Regulation 18422(b)(3)) and to Target Officer Committees in a recall election (Regulation 18531.5(d)).

Local candidate controlled committees held by a candidate elected to state office or a local office subject to state contribution limits must also be terminated within 24 months under the requirements in Regulation 18404.

This regulation also provides reopening procedures for the committees. A committee may make a request to the Commission's Executive Director to reopen with a showing of good cause. Reconsideration of a denied request rests with the Chair. Under the regulation, if the terminated committee receives a refund from a government entity or from a vendor totaling no more than \$10,000, the regulation permits the committee to accept the refund and report any related transactions (receipt, expenditure/transfer) without the need to reopen the committee and its bank account.

Staff identified the following issues to be addressed:

- The above regulations need updates in language to remove references to statements and forms in keeping with the Secretary of State's office ("SOS") online campaign filing system (CARS), which will not use these terms.
- Clarifications are necessary to provide guidance to the SOS in building the CARS system to reflect Commission advice and policies. For example, the Commission has advised that committees not subject to Regulation 18404.1 need only seek to reopen with the SOS, and the SOS requests that this be stated in a regulation.
- The procedure for reconsidering reopening requests needs updating to reflect current Commission practices for transparency and consideration by the Commission at the Chair's discretion.
- Recent legislation allows campaign funds to be used for security expenses with a return/reimbursement requirement on particular timelines, which should be addressed in the termination procedures.

REGULATORY ACTION: Amend 2 Cal. Code Regs. Section 18404; repeal and adopt Section 18404.1, and adopt Section 18404.3.

Commission staff proposes amending Regulation 18404 to consolidate language, remove references to forms and statements in line with CARS, move the committee termination procedures to Regulation 18404.1, and clarify that candidates must close any controlled committee opened by them in order for their filing obligations to terminate.

Staff proposes a repeal of current Regulation 18404.1 and adoption of a revised Regulation 18404.1 to provide the termination procedures for recipient committees that voluntarily terminate and those that must terminate due to the campaign finance limitations applicable to the committee. The proposed regulation will address the need to resolve security returns or reimbursements prior to termination unless there is an ongoing security threat. The

allowance for a committee to receive refunds without having to reopen will be extended to include security reimbursements or returns that are no more than \$10,000 received where there has been an ongoing security threat. The reopening procedures for committees subject to state contribution limits and mandatory termination are proposed to be moved to the new proposed Regulation 18404.3.

Staff proposes the adoption of Regulation 18404.3 with the reopening procedures for recipient committees that address situations where there has been an ongoing security threat and the return/reimbursement is higher than \$10,000 and updates to the reconsideration process reflecting current Commission reconsideration procedures.

SCOPE: The Commission may adopt the language noticed herein, or it may choose new language to implement its decisions concerning the issue identified above or any related issue.

FISCAL IMPACT STATEMENT:

Fiscal Impact on Local Government.	None.
Fiscal Impact on State Government.	None.
Fiscal Impact on Federal Funding of State Programs.	None.

AUTHORITY: Section 83112 provides that the Fair Political Practices Commission may adopt, amend, and rescind rules and regulations to carry out the purposes and provisions of the Act.

REFERENCE: 81004, 82007, 82013, 84103, 84214, 84215, 85300, 85301, 85306, 85702.5, 89510 through 89519 Government Code.

CONTACT: Any inquiries should be made to L. Karen Harrison, Fair Political Practices Commission, 1102 Q St., Suite 3050, Sacramento, CA 95811; email: KHarrison@FPPC.CA.Gov; telephone (916) 322-5660 or 1-866-ASK-FPPC. Proposed regulatory language can be accessed at <http://www.fppc.ca.gov/the-law/fppc-regulations/proposed-regulations-and-notices.html>.