

# WHAT IS A GENERAL PURPOSE COMMITTEE?

A general purpose recipient committee receives contributions to use for political purposes, such as making contributions or independent expenditures to support or oppose candidates and ballot measures, or making contributions to political parties and other state and local campaign committees. This chapter discusses the various types of general purpose recipient committees.

The Political Reform Act (“Act”) requires campaign committees, including general purpose recipient committees, to disclose the sources of contributions received and identify how the contributions are spent.

The reporting requirements in the Act apply to all state and local campaign committees. A federal committee must also comply with the Act’s reporting requirements when it makes contributions or independent expenditures in connection with California candidates and committees.

The Fair Political Practices Commission (“FPPC”) develops the required campaign forms and disclosure manuals and provides reporting advice. All campaign reports are public documents and many are available on the Internet.

All general purpose recipient committees must file a registration form (Form 410, Statement of Organization) with the Secretary of State. The Form 410 is discussed in Chapter 2. Depending on the committee’s activity, additional campaign disclosure forms are filed with the Secretary of State, a city clerk, and/or county elections office. A committee that makes independent expenditures must also file a verification report (Form 462) with the FPPC. Committees are subject to late filing penalties by filing officers. Additionally, the FPPC’s Enforcement Division may fine a committee up to \$5,000 per violation.

## Quick Tip!

It is the treasurer’s responsibility to ensure the committee is filing its reports in the appropriate jurisdiction.

## General Purpose Ballot Measure Committees

Committees formed to support or oppose ballot measures in more than one election or in more than one jurisdiction are general purpose ballot measure committees. Typically, a general purpose ballot measure committee (also known as an “issues” committee) is one whose purpose is related to a specific issue; the committee will make contributions or independent expenditures in connection with elections that have a measure on the ballot related to that issue. General purpose ballot measure committees should use Campaign Disclosure Manual 3 for guidance.

## Multipurpose Organizations

Some organizations that are established for purposes other than making contributions or independent expenditures may, at times, make political expenditures. Depending on the amount of the expenditure(s) and several other factors, the organization may be required to register as a recipient committee (either a general purpose committee or a primarily formed committee) and file campaign reports disclosing donors whose funds were used for political purposes. If the organization qualifies as a general purpose committee, this manual should be used for guidance. If the organization qualifies as a committee primarily formed to support or oppose a ballot measure, Campaign Disclosure Manual 3 should be used for guidance. See Chapter 15 for additional information about multipurpose organizations (including nonprofits and federal and out-of-state PACs) qualifying as recipient committees.

### Quick Tip!

A multipurpose organization that qualifies as a recipient committee (as described in Chapter 15) will qualify as either a general purpose committee or a primarily formed committee. When making the determination as to which type of committee it qualifies as, the organization includes only its payments made for contributions and independent expenditures in California.

## A. Qualifying as a General Purpose Recipient Committee

A general purpose recipient committee is formed when an individual or group receives contributions totaling \$2,000 or more in a calendar year for the purpose of supporting or opposing one or more state or local candidates or ballot measures or to make contributions to other political committees (e.g., a political party).

Chapter 4 discusses the term “contribution” and addresses common types of reportable contributions, as well as specific exceptions to the definition of contribution.

A general purpose committee often shares a common affiliation among its contributors and makes political expenditures to further the group’s goals. A general purpose committee is often referred to as a political action committee (PAC). Some of these committees are sponsored by an entity or organization, such as a labor union, trade association, or business entity. A separate bank account is typically maintained to receive contributions and make political expenditures.

A general purpose committee is usually ongoing in nature and supports (or opposes) a variety of candidates and ballot measures over the course of several years. Political party committees, general purpose ballot measure or “issues” committees, and small contributor committees are also types of general purpose recipient committees.

A general purpose committee is also formed when two or more individuals or entities make separate expenditures for a single product or service that supports or opposes one or more candidates or ballot measures and the total cost of the product or service is \$2,000 or more. For example, two individuals each pay \$1,250 for an advertisement in the local newspaper. The advertisement expressly opposes a county ballot measure and two state candidates. Since the total cost is \$2,500, the individuals who paid for the advertisement qualify as a general purpose recipient committee.

This manual addresses the reporting requirements for committees that make payments in connection with ballot measures, candidates and other committees. A committee that makes payments only in connection with ballot measures should refer to Campaign Disclosure Manual 3 (Ballot Measure Committees).

**Quick Tip!**

A business entity or individual that makes all political expenditures from business funds or personal funds will not qualify as a general purpose recipient committee, but may qualify as a major donor or independent expenditure committee. (See Campaign Disclosure Manuals 5 and 6.)

## Multipurpose Organizations

Like other recipient committees, a multipurpose organization that qualifies as a recipient committee will be considered either a general purpose committee or a primarily formed committee. When making the determination as to which type of committee it qualifies as, the organization counts only its payments made for contributions and independent expenditures in California. For example, if a multipurpose organization pays \$100,000 to oppose a county ballot measure and does not plan to spend any more of its funds for political purposes, the organization will qualify as a committee primarily formed to oppose a ballot measure. In this case, the organization should use Campaign Disclosure Manual 3 for guidance.

On the other hand, a multipurpose organization that makes an independent expenditure to oppose a state ballot measure and makes contributions to several state and local candidates will qualify as a general purpose committee and should use this manual for guidance. See Chapter 15 for additional information about multipurpose organizations (including nonprofits and federal and out-of-state PACs) qualifying as recipient committees.

**Ex 1.1** –The local police officers’ union established a bank account into which \$5 from each member’s monthly membership dues is deposited for political purposes, such as making contributions to candidates and ballot measure committees that support police officer goals. When \$2,000 or more is received, a recipient committee is formed and, since it will be supporting (or in some cases opposing) a number of different candidates or measures in several neighboring cities, it is a general purpose recipient committee.

### B. Determining if the Committee is Primarily Formed or General Purpose

The Act sets out different requirements for different types of committees. A committee that makes contributions and/or independent expenditures in connection with candidates and ballot measures will qualify as either a general purpose committee or a primarily formed committee.

A committee is **primarily formed** if:

- The committee is formed or exists to support or oppose a single state or local candidate;
- The committee is formed or exists to support or oppose a group of specific local candidates on the same ballot;
- The committee is formed or exists to support or oppose a single ballot measure or two or more measures being voted on in the same election; or
- The committee makes more than 70 percent of its total contributions and expenditures to support or oppose a single candidate or a group of specific local candidates on the same ballot, or to support or oppose a single measure or two or more measures being voted on in the same election.

A **general purpose** committee is formed or exists to support or oppose more than one candidate or ballot measure, unless it meets the definition of primarily formed. As discussed earlier, a general purpose committee is usually ongoing in nature and supports or opposes a variety of candidates and ballot measures.

A primarily formed committee has different reporting rules and advertisement disclosure requirements than a general purpose committee. For example, a primarily formed committee must file 24-hour reports (Form 497) when the committee receives contributions of \$1,000 or more during the 90 days before an election, or on the date of the election. General purpose committees, other than political parties, are not required to file these 24-hour reports when contributions are received.

## Reviewing Committee Type Status

Committee treasurers must review the committee's expenditures to ensure that the committee is filing as the correct committee type. A general purpose committee may become a primarily formed committee if its activity is focused on a specific candidate(s) or ballot measure(s).

**Existing Committees.** A general purpose committee that has reason to know the committee is close to qualifying as a primarily formed committee because its activity is focused on a specific candidate(s) or measure(s) must review its activity to make that determination at the end of March, June, September, and December.

**New Committees.** A committee that is formed within six months of a statewide regular primary or general election or within 30 days of a state special election is presumed to be primarily formed if the committee makes at least \$25,000 in independent expenditures to support or oppose a state candidate or state measure listed on that ballot. The presumption may be rebutted under certain circumstances.

Any other committee that is formed within six months of an election in connection with which the committee makes contributions and expenditures must review its activity to determine if it is primarily formed at the end of each month before the election. The review is not required if the committee has not made contributions and/or expenditures of \$1,000 or more to support or oppose candidates or measures during that month.

For purposes of determining whether it is primarily formed, a committee must count contributions and expenditures made to support or oppose candidates or measures during whichever of the following time periods most accurately reflects the current and upcoming activities of the committee:

- (A) The immediately preceding 24 months; or
- (B) The current two-year period, beginning with January 1 of an odd-numbered year and ending with December 31 of the following even-numbered year.

### Changing Committee Status from General Purpose to Primarily Formed

If an existing general purpose committee determines that it meets the primarily formed threshold, it must change its committee status to primarily formed if it has also:

- Made contributions and/or expenditures of at least \$100,000 to support or oppose a state candidate or measure; or
- Made contributions and/or expenditures of at least \$10,000 to support or oppose a local candidate or measure.

A committee may not knowingly file as an incorrect type of committee with the intention of avoiding the appropriate legal disclosure of campaign contributions and expenditures to the public. (See Regulation 18247.5 for additional information.)

**Ex 1.2** – Over the course of many years, a trade association collects \$50 per year from its members for the purpose of supporting a variety of state and local candidates. Beginning in January of an odd-numbered year, a state ballot measure is proposed that the association supports. The association spends all of its political funds qualifying the measure and raises additional funds to support the measure. If the association spends at least \$100,000 on the state ballot measure and those contributions/expenditures represent 70 percent or more of the committee’s activities, the general purpose committee will qualify as a primarily formed ballot measure committee. The committee must assess its activities at the end of each calendar quarter.

## C. Sponsored Committees

Many general purpose committees are sponsored by one or more entities. Some common types of sponsors include:

- Trade and professional associations
- Labor unions
- Businesses
- Community associations
- Nonprofit organizations

An entity sponsors a committee if any one of the following criteria applies:

- The committee receives 80 percent or more of its contributions from the entity or its members, officers, employees, or shareholders.
- The entity collects contributions for the committee through payroll deductions or dues from its members, officers, or employees.
- The entity, alone or in combination with other organizations, provides all or nearly all of the administrative services for the committee.
- The entity, alone or in combination with other organizations, sets the policies for soliciting contributions or making expenditures from committee funds.

### Quick Tip!

An individual (including a candidate) may not sponsor a committee.

**Ex 1.3** –Two membership organizations that support environmental projects along the California coast ask their members to contribute to an account that will be used to support or oppose various ballot measures addressing coastline projects. Both membership organizations share in the policy decisions; therefore, the committee is sponsored by both organizations.

**Ex 1.4** –Members of a trade association designate 10 percent of their annual dues to an account for the purpose of making political expenditures to various candidates and measures that support the association’s programs. The trade association qualified as a general purpose committee once it received \$2,000 or more in a calendar year and the association is the committee’s sponsor.



## Sponsored Committee — Name Requirements

The name of a sponsored committee must include the name of the sponsor. If a sponsored committee has more than one sponsor and the sponsors are members of an industry or other identifiable group, the name of the committee must include a term identifying that industry or group.

**Ex 1.5** –The Bay Area Firefighters’ Union, Local 649, has a sponsored committee; its contributions come from the union members by payroll deductions. Examples of acceptable names for the committee are: “Bay Area Firefighters’ Union, Local 649, Political Action Committee” or “Bay Area Firefighters Local 649 Political Fund.”

**Ex 1.6** –Several lumber mills in Northern California have decided to form a committee to support or oppose local candidates and ballot measures. While one mill will provide the administrative support for the committee, all the mills will provide the committee with contributions through payroll deductions from their employees. Since the committee has more than one sponsor, the specific names of the lumber mills are not required. Examples of acceptable names for the committee are: “Northern California Lumber Mills Political Action Committee” or “Lumber Industry of Northern California Political Action Committee.”

## Sponsor as a Committee

If a sponsor makes contributions to candidates or other committees out of general funds, it may become a separate committee. However, if the sponsor meets all of the following criteria, it may report on its sponsored committee’s statements, but is still required to disclose contributors at \$100.

- The sponsor does not directly or indirectly make independent expenditures totaling \$1,000 or more or receive contributions totaling \$2,000 or more during a calendar year, other than in support of its sponsored committee.
- The sponsored committee reports all contributions and expenditures made in support of the committee by the sponsor, its intermediate units, and the members of such entities.

**Ex 1.7** –The California Professional Skydivers’ Association established a general purpose committee. Most members submit one check to the association for their association dues and PAC payment. On a monthly basis, the Association transfers an amount representing the allocated contributions to the PAC. Although the Association received the funds in its membership account before transferring the funds to the PAC, the Association does not qualify as a separate recipient committee as long as the PAC reports all the contributions, identifies the Association as the intermediary for the contributions, and a responsible officer of the association signs the PAC’s campaign statements.

- The sponsored committee reports the sponsor as an intermediary if the sponsor provides the committee with \$100 or more in contributions from members, regardless of whether any member contributes \$100 or more.
- A responsible officer of the sponsor, as well as the treasurer of the sponsored committee, verifies the committee’s campaign statements.

If a sponsor is a membership organization that makes all of its contributions and expenditures from funds derived from dues, assessments, fees and similar payments that do not exceed \$10,000 per calendar year from a single source, it may report its contributions and expenditures made from general funds on its committee’s campaign statement. The sponsor must use the “last in, first out” (LIFO) accounting method to identify contributors and must itemize contributors that have donated **\$1,000 or more** to the general fund during the calendar year. If these contributors do not account for the full balance of the organization’s expenditures, the organization must identify itself as a contributor of the remaining balance.

#### Quick Tip!

A membership organization that is the sponsor of a committee may be required to register as a separate recipient committee if it receives payments of \$10,000 or more in a calendar year from a single source. (See Chapter 15 for additional information.)

### Sponsor with Multiple Committees

The Act permits a sponsor to form more than one committee. For example, a sponsor may have a committee dedicated to ballot measure efforts, a small contributor committee, a committee for state candidates, a committee for local candidates, and a committee that only makes independent expenditures.

**Receiving Contributions:** A donor is not required to aggregate contributions to each of the sponsor’s committees because contribution limits are specific to each committee. A donor may contribute the maximum (if applicable) to each of the sponsor’s separate committees. For example, a donor may make a contribution of \$200 to the small contributor committee, \$7,800 to the committee formed for state candidates, and an unlimited amount to the committee formed only to support or oppose ballot measures.

**Making Contributions:** When a sponsor has more than one committee and the contributions made are directed and controlled by a majority of the same persons, the contributions must be aggregated. For example, if a sponsor’s state general purpose recipient committee made a contribution of \$4,100 to a state candidate for legislative office, the sponsor’s small contributor committee could only contribute \$5,200 since the limit from a small contributor committee is \$9,300 and the contributions must be aggregated.

**Note:** Refer to Chapter 5 for information about state contribution limits. The examples above reflect the contribution limits for the period of January 1, 2019 through December 31, 2020. Contribution limits may be adjusted every two years based on changes in the Consumer Price Index.

## D. Other Types of General Purpose Committees

### Political Party Committees

Political party committees are a type of general purpose committee and include state central committees and county central committees of organizations that meet the requirements for recognition as a political party under Section 5100 of the Elections Code. Local political clubs are not considered political parties under the Act even if they are chartered by a county central committee of a recognized political party. Such clubs often qualify as general purpose committees.

### General Purpose Ballot Measure Committees

A general purpose ballot measure committee is a committee formed for ballot measures in more than one jurisdiction or more than one election. These are sometimes referred to as “issues” committees. A general purpose ballot measure committee should use Campaign Disclosure Manual 3 for reporting guidance.

## Candidate Controlled Ballot Measure Committees

When a candidate for elective office, including an officeholder, exerts significant influence on the actions or decisions of a committee, it is considered a “controlled committee.” Committees can also be controlled indirectly through agents of candidates and officeholders. Although candidates and elected officeholders may not control a general purpose committee that makes contributions or independent expenditures to support or oppose other candidates, they may control a general purpose committee formed solely to support or oppose ballot measures. Controlled committees for ballot measures should use Campaign Disclosure Manual 3 for reporting guidance.

## Small Contributor Committees

A small contributor committee may contribute to state candidates at a higher limit than other general purpose committees, other than political party committees. A recipient committee qualifies as a small contributor committee if it meets all of the following criteria:

- The committee has been in existence for at least six months;
- The committee has received contributions from 100 or more persons within the previous 36 months;
- The committee’s campaign funds do not include any contributions that exceed \$200 per person per calendar year; and
- The committee makes contributions of \$25 or more each to five or more candidates every 36 months.

If an existing general purpose committee wants to become a small contributor committee, it may transfer funds received in excess of \$200 per contributor to a new committee. Assuming that the old committee meets the other requirements listed above, it would then qualify as a small contributor committee.

After the committee amends its Statement of Organization (Form 410) to reflect this status, it would be eligible to make contributions to state candidates as a small contributor committee. (See the contribution limits chart on the FPPC website.) If a contribution of more than \$200 is received in a calendar year from a single contributor, it must be deposited into the new general purpose committee. At that point, up to \$200 of that contribution may be transferred to the small contributor committee.

## E. Jurisdiction: State, County, or City General Purpose Committees

Depending on the activity of a general purpose committee, it will be considered a state, county, or city committee. This is important as the designation determines where the committee will file its reports. General purpose committees making contributions to state candidates are subject to contribution limits as discussed in Chapter 5. County and city general purpose committees should check with the local jurisdiction to determine if contribution limits and other restrictions may apply. The standards to determine the filing jurisdiction for a general purpose committee are summarized below.

- **State.** A state committee makes contributions or expenditures to support or oppose candidates or measures voted on in state elections, or in more than one county; it does not make more than 70 percent of its contributions or expenditures in a single local jurisdiction. State contributions include contributions to other state general purpose committees. All political party committees (including county central committees) are state committees.
- **County.** A county committee makes more than 70 percent of its contributions or expenditures to support or oppose candidates or measures voted on in a single county, or in more than one jurisdiction within a single county. This includes contributions to other general purpose committees in the same county.

### Quick Tip!

It is the treasurer's responsibility to ensure that the committee is filing its reports in the appropriate jurisdiction.

- **City.** A city committee makes more than 70 percent of its contributions or expenditures to support or oppose candidates or measures voted on in a single city, or in one consolidated city and county. This includes contributions to other city general purpose committees in the same city.

**Exception:** A city or county committee may make up to four contributions in a calendar year to candidates for elective state office whose districts are within the same jurisdiction without being required to change its status to a state committee.

### Reviewing the Committee's Filing Jurisdiction Status

The Commission favors more electronic disclosure at the state level, so many general purpose committees will default to state committees. However, a general purpose committee that makes expenditures in both state and local elections is required to periodically review its contributions and independent expenditures made to support or oppose candidates and measures.

A committee that has made contributions or expenditures of \$5,000 or more during a quarter must review its activity at the end of March, June, September and December to determine if the committee is filing reports in the appropriate jurisdiction. During the first six months, a new committee must check its jurisdictional status each month the committee makes contributions or expenditures of \$1,000 or more.

To determine where the committee must file its campaign reports, the committee must count contributions and expenditures made during whichever of the following time periods most accurately reflects the committee's current and upcoming activity:

- The immediately preceding 24 months; or
- The current two-year period, beginning with January 1 of an odd-numbered year and ending with December 31 of the following even-numbered year.

Over 150 cities and counties have adopted campaign ordinances. The Act requires committees that primarily spend their funds on a particular local election to be subject to the same rules as a local committee formed for a specific local election.

**A committee may not knowingly file in an incorrect jurisdiction with the intention of avoiding the appropriate legal disclosure of campaign contributions and expenditures to the public.**

### Filing Locations for Committees that Change Jurisdiction

A committee that changes its filing jurisdiction must file campaign reports in both jurisdictions through the end of the calendar year. Committees use the date of the filing to determine where copies must be filed.

For example, a city committee that reviews its activity and qualifies as a county committee in June must file its original semi-annual statement due by July 31 with the county and a copy with the city. This committee would not file a copy of its next semi-annual statement due by January 31 (in the subsequent calendar year) with the city.

In another example, a city committee that filed its January 31 semi-annual statement with the city but later that year qualified as a state committee must file all of its subsequent original statements (and one copy) with the Secretary of State and a copy with the city through December 31 of that calendar year.

**Note:** A committee that files electronically with the Secretary of State is not required to file reports with other filing officers, unless the committee is controlled by a state candidate and is formed for a local candidate or local ballot measure election. See Government Code Section 82016 for the definition of “controlled committee.”

**Ex 1.8** –In 2017 and 2018, a state general purpose committee’s only payments were contributions to state candidate committees that totaled \$5,000 each year. In January 2019, the committee makes a \$200,000 contribution to a local ballot measure committee. On or before April 10, 2019, the committee must amend its Form 410 to indicate it is now a local committee; the committee may also need to re-register as a primarily formed committee.

**Ex 1.9** –In 2018, a state general purpose committee’s only payments were contributions to state candidate committees that totaled \$50,000. In 2019, the committee makes a \$2,000 contribution to a local ballot measure committee. The committee remains a state committee.

#### Quick Tip!

When accounting for contributions made, include contributions made to other general purpose committees, not just candidates and ballot measure committees.

## F. Committees Qualifying as Slate Mailer Organizations

A general purpose committee may also qualify as a slate mailer organization and, therefore, incur additional filing obligations. A general purpose committee that meets the following criteria is also a slate mailer organization:

- It is involved in the production of one or more slate mailers and exercises control over the selection of candidates and measures to be supported or opposed in the slate mailers; and
- It receives or is promised payments that total \$500 or more in a calendar year for the production of one or more slate mailers.

A slate mailer is a mass mailing (more than 200 substantially similar pieces of mail) that supports or opposes a total of **four or more** candidates or ballot measures.

Payments earmarked for the purpose of listing candidates or ballot measures on a slate mailer are not contributions to the committee although the payments count toward qualification as a slate mailer organization. See Campaign Disclosure Manual 7 for additional information about slate mailer organizations, including the required disclosures that must be included on slate mailers.

This manual cannot address all the methods by which general purpose committees solicit funds for political purposes, but the FPPC may be contacted for guidance with specific questions.

### Quick Tip!

If a general purpose committee also qualifies as a slate mailer organization, additional reporting obligations will apply.

**Ex 1.10** –The San Francisco Greens, a general purpose committee, has solicited candidates and ballot measure committees to appear on a slate mailer the committee will produce and distribute to San Francisco voters. Nine different candidates pay \$1,500 for their appearance on the slate mailer. The committee has now also qualified as a slate mailer organization.



## Answering Your Questions

**A. May a candidate or an elected official form a general purpose committee for the purpose of making contributions to other candidates?**

No. The “one bank account rule” requires that campaign funds raised and spent by a candidate must be deposited in a campaign bank account established for a particular office and election. However, candidates and elected officials may control a primarily formed or general purpose ballot measure committee. See Campaign Disclosure Manual 3.

**B. A trade association is establishing a sponsored general purpose committee. May a city council member, who is also a member of the trade association, participate in decisions regarding which candidates will receive contributions?**

A general purpose committee may not be both controlled and sponsored. A committee that has a candidate or an elected officer making decisions for the committee is a controlled committee. A candidate or elected officer may not participate in decisions regarding contributions to other candidates unless the committee is designated as the candidate’s controlled committee for elective office.

**C. May a city councilmember serve on the board of a general purpose committee without the committee becoming a controlled committee of the elected official?**

An elected official may have some limited involvement in a committee, but may not exert “significant influence” over the committee’s activities. FPPC staff can assist in the determination as long as the candidate’s total involvement with the committee is described. Such determinations are analyzed on a case by case basis.

## Authority

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

### Government Code Sections

- 82007 Candidate.
- 82008 City.
- 82013 Committee.
- 82015 Contribution.
- 82016 Controlled Committee.
- 82017 County.
- 82025 Expenditure.
- 82027.5 General Purpose Committee.
- 82031 Independent Expenditure.
- 82041.5 Mass Mailing.
- 82043 Measure.
- 82044 Payment.
- 82047 Person.
- 82047.5 Primarily Formed Committee.
- 82048.3 Slate Mailer.
- 82048.4 Slate Mailer Organization.
- 82048.7 Sponsored Committee.
- 82050 State Candidate.
- 82051 State Measure.
- 84101 Statement of Organization; Filing.
- 84102 Statement of Organization; Contents.
- 84103 Statement of Organization; Amendment.
- 84106 Sponsored Committee; Identification.
- 84215 Campaign Reports and Statements; Where to File.
- 84222 Multipurpose Organizations.
- 84605 Who Shall File Online.
- 85203 Small Contributor Committee.
- 85205 Political Party Committee.

## Title 2 Regulations

- 18215 Contribution.
- 18227.5 General Purpose Committees: State, County or City.
- 18247.5 Primarily Formed Committees.
- 18410 Statements of Organization.
- 18419 Sponsored Committees.
- 18422 Multipurpose Organization Political Activity Transparency.
- 18503 Small Contributor Committees.