



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
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April 17, 2020

Steven Lucas
Nielsen Merksamer
1415 L Street, Suite 1200
Sacramento, CA 95814

Re: Your Request for Advice
Our File No. A-20-048

Dear Mr. Lucas:

This letter responds to your request for advice regarding the campaign provisions of the Political Reform Act (the “Act”).¹ Please note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

QUESTION

Does Govern for California Courage Committee – Statewide (“GFC Statewide Committee”) share incoming and outgoing contribution limits with any Govern for California local chapter?

CONCLUSION

Provided the GFC Statewide Committee and all local chapters are controlled by different individuals, who independently direct and control the entities’ respective contributions, the contributions from GFC Statewide Committee and each local chapter do not share contribution limits.

FACTS AS PRESENTED BY REQUESTER

You represent Govern for California (“GFC”), a 501(c)(3) non-profit corporation, and its related California political committees, including the GFC Network Committee and GFC Statewide Committee. GFC previously received written advice from the Commission that it should organize as a committee. (*Lucas* Advice Letter, No. A-15-210.) Per the advice provided, the GFC Network Committee was formed and registered as a political committee to handle and report intermediary

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.

contributions. The GFC Network Committee does not make any contributions itself, but instead passes on the contributions of individual donors, as an intermediary, to other recipient committees.

GFC Statewide Committee is sponsored by and controlled by GFC and operates as a traditional general purpose committee active in elections at the state level. GFC Statewide Committee is subject to the Act's contribution limits (including limitations of \$7,800 per calendar year for incoming contributions made to candidates in state legislative races).

At the local level, multiple GFC Courage Committee "local chapters" have been established regionally by multiple individuals across California who are aligned with GFC's non-partisan support of state legislators. Each local chapter is co-chaired by, and controlled by, two (or more) individuals, serving as principal officers. No co-chairs of any local chapter overlap with the co-chairs or controlling individuals of any other local chapter, or of GFC, GFC Network Committee, or GFC Statewide Committee. Each local chapter was established with separate, independent, and non-overlapping leadership so that each committee could act independently.

Each local chapter is formed as a traditional "general purpose committee" active in elections at the state level and subject to the Act's contribution limits. Several local chapters are also active in local elections and are subject to the applicable rules of the relevant jurisdictions.

No local chapter is sponsored by, (or legally affiliated with), GFC, GFC Network Committee, GFC Statewide Committee, or any other entity or organization. Although each local chapter may consult with, and coordinate its political activities with other organizations, including GFC, GFC Network Committee, GFC Statewide Committee, and other local chapters, all decisions including contribution decisions made by each local chapter are made only by the co-chairs (principal officers) of that local chapter. The local chapters do not engage in independent expenditure activities.

GFC and the local chapters, similar to other statewide organizations interacting with local chapters, discuss political issues including political support for candidates. GFC provides policy expertise and political recommendations for the consideration of local chapters. Notwithstanding such consultations and advice, each local chapter's political expenditures are made solely at the direction of that chapter's two (or more) co-chairs (principal officers), and no funds may be spent by any local chapter at the direction of anyone other than the controlling co-chairs.

You would like to confirm based on the facts provided whether GFC Statewide Committee shares contribution limits with any local chapter.

ANALYSIS

Section 82015.5 provides the circumstances under which contributions are required to be aggregated between entities:

“(a) To determine when contributions are aggregated under this title, ‘entity’ means any person² other than an individual, and ‘majority owned’ means ownership of more than 50 percent.

“(b) If an individual directs or controls an entity’s contributions, the entity’s contributions shall be aggregated with contributions made by both of the following:

“(1) That individual.

“(2) Any other entity whose contributions that individual directs or controls.

“(c) If two or more entities make contributions that are directed or controlled by a majority of the same persons, the contributions of those entities shall be aggregated.

“(d) Contributions made by entities that are majority owned by a person shall be aggregated with the contributions of the majority owner and all other entities majority owned by that person, unless those entities act independently in their contribution-making decisions.”

You have provided that each GFC local chapter is formed as a traditional general purpose committee and was established with separate, independent, and non-overlapping leadership so that each committee could act independently. None of the local chapters share principal officers with each other or with GFC, GFC Network Committee, or GFC Statewide Committee. Nor is any local chapter sponsored or legally affiliated with GFC, GFC Network Committee, or GFC Statewide Committee or any other entity or organization. While each local chapter may consult with and coordinate its political activities with other organizations including GFC, GFC Network Committee, GFC Statewide Committee, and other local chapters, all decisions including contribution decisions made by each local chapter are made only by the co-chairs (principal officers) of the local chapters. Based on the facts provided, contributions made from each committee are not directed and controlled by the same individuals and are not directed and controlled by a majority of the same persons. Accordingly, the contributions made by GFC Statewide Committee and each local chapter do not need to be aggregated and GFC Statewide Committee does not share contribution limits with any of the local chapters.³

² The definition of “person,” under the Act includes a committee. (Section 82047).

³ Although the committees do not share a single contribution limit, each contributing individual is a ‘person’ as defined in Government Code section 82047 and is subject to the contribution limitations set forth in Government Code Sections 85301 and 85303 if a contribution to a committee is earmarked for a particular candidate.

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Dave Bainbridge
General Counsel

Katelyn Greene

By: Katelyn L. Greene
Counsel, Legal Division

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