



STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3050 • Sacramento, CA 95811

October 26, 2023

Bonnie Miller, President
Humane Farming Action Fund



**Advisory Letter re: In the Matter of CA Against Cruelty, Cages and Fraud-No on Prop 12-
Sponsored by Humane Farming Action Fund, and Lowell Finley**

Dear Humane Farming Action Fund,

The Enforcement Division of the Fair Political Practices Commission (“Commission”) enforces the provisions of the Political Reform Act (the “Act”).¹ This letter is in response to a complaint filed against CA Against Cruelty, Cages and Fraud- No on Prop 12- Sponsored by Humane Farming Action Fund (“the Committee”) alleging violations of the Act related to a video advertisement opposing Prop 12 the Committee distributed in connection with the November 6, 2018 General Election. The Enforcement Division issued the Committee a warning letter regarding advertisement disclosure violations. During the investigation, the Enforcement Division has determined, as a sponsor of a committee, Humane Farming Action Fund may have filing requirements under the Act as a multipurpose organization. Therefore, the Enforcement Division is issuing an advisory letter detailing the Act’s requirements for multipurpose organizations.

A multipurpose organization under the Act includes persons and organizations operating for purposes other than making contributions or expenditures, such as an organization registered with the Internal Revenue Service as a 501(c)(4) nonprofit.² Multipurpose organizations can become a recipient committee under the Act and therefore have filing requirements.³ One of the ways a multipurpose organization can become a recipient committee is if the multipurpose organization makes contributions or expenditures totaling more than (\$50,000) in a period of 12 months or more than (\$100,000) in a period of four consecutive calendar years.⁴

However, the multipurpose organization does not qualify as a recipient committee under Section 84222(c) if the multipurpose organization makes contributions or expenditures using only available nondonor funds.⁵ Non donor funds are described under the Act as: investment income, including capital gains, or income earned from providing goods, services, or facilities, whether related or unrelated to the multipurpose organization’s program, sale of assets, or other receipts that are not donations.⁶ A multipurpose organization that makes contributions or expenditures with nondonor funds shall briefly describe the source of the funds used on its major

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014.

² Section 84222, subd. (a).

³ Section 84222, subd. (c).

⁴ Section 84222, subd. (c)(5).

⁵ Section 84222, subd.(c)(5)(A).

⁶ Section 84222, subd.(c)(5)(B).

donor or independent expenditure report.⁷ Further, the Act clarifies a sponsor that is a multipurpose organization, as defined in subdivision (a) of Section 84222, and that makes contributions or expenditures from its general treasury funds shall comply with Section 84222.⁸

However, Regulation 18419, subdivision (c) clarifies when a sponsor, who may also be a multipurpose organization, is *not* a committee within the meaning of Government Code Section 82013 if all of the following criteria are satisfied: (1) The sponsor does not directly or indirectly make or receive a sufficient amount of contributions or independent expenditures, other than those in support of its sponsored committee, to satisfy the thresholds set forth in Government Code section 82013. A sponsoring organization makes contributions and expenditures in support of its sponsored committee when it provides the committee with member contributions or money from its treasury, with the exception of establishment or administrative costs (see 2 Cal. Code Regs. Section 18215(c)(16)); (2) 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. With respect to a member contribution which is channeled through the sponsor or an intermediate unit, the member is the contributor; (3) The sponsored committee reports as an intermediary the sponsor and, if required by paragraph (f) of this regulation, any intermediate unit, as an intermediary, if the sponsor or intermediate unit directly or indirectly provides the committee with \$ 100 or more in member contributions regardless of whether any member for whom the sponsor or intermediate unit acts contributed \$ 100 or more; and (4) A responsible officer of the sponsor, as well as the treasurer of the sponsored committee, verifies the committee's campaign statement pursuant to Government Code section 81004.

The evidence obtained during our investigation is insufficient for the Enforcement Division to determine if you violated the Act. Even so, please be advised of the provisions in the Act and regulations regarding multipurpose organizations. If you need additional guidance, you may contact the Commission's Advice team by sending an email to advice@fppc.ca.gov. There is also information pertaining to multipurpose organizations' filing requirements on the Commission's website, www.fppc.ca.gov. Should you have any questions regarding this letter, please feel free to contact me at (279) 237-5932 or mcorona@fppc.ca.gov.

Sincerely,

Marissa Corona

Marissa Corona
Commission Counsel
Enforcement Division

⁷ Section 84222, subd.(c)(5)(A).

⁸ Section 82048.7, subd. (c).