



California Fair Political Practices Commission

June 17, 1992

Mr. Jonathan S. Fuhrman
1127 East Del Mar Blvd., #224
Pasadena, CA 91106

Re: Your Request for Advice
Our File No. A-92-311

Dear Mr. Fuhrman:

You have requested advice concerning the campaign provisions of the Political Reform Act. (the "Act").¹

QUESTION

1. May a candidate use personal funds to pay for the candidate filing fee without first depositing the funds into a campaign bank account?
2. May a candidate who pays for the candidate filing fee directly from personal funds, with the intention that the payment is a loan to his campaign, receive repayment for the loan from the campaign account?

CONCLUSION

1. A candidate may use personal funds to pay for the candidate filing fee and statement of qualifications prior to establishing a campaign bank account and filing Forms 501 and 502.
2. Because a candidate may use personal funds to pay for the candidate filing fee prior to depositing those funds into a campaign bank account, the loan may be repaid using campaign funds.

¹ Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

FACTS

You filed for a state assembly seat on Feb. 18, 1992. At that time you had not received contributions and had not opened a campaign bank account. You paid for the filing fees by personal check, intending that payment to be a loan to your campaign. The check was so marked at that time, as evidence of that intention. You are now receiving contributions and have established a campaign bank account and committee.

ANALYSIS

Section 85201 requires a candidate to file a candidate intention (Form 501) prior to soliciting or receiving any contribution or loan for the purpose of running for elective office. Candidates also are required to open a campaign bank account, file a campaign bank account notice (Form 502), deposit all personal funds to be used for their candidacy and all other contributions into the account before spending them, and make all campaign expenditures from the account. Effective January 1, 1992, a candidate who has not solicited or received contributions or loans, may pay from personal funds the candidate filing fee and the fee for a statement of qualifications that appears in the ballot prior to filing Form 501, opening a campaign bank account, or filing Form 502.

Nothing in the Political Reform Act prohibits a candidate from making campaign loans to his or her own campaign or accepting campaign loans subject to repayment. Section 84216 provides that a loan received by a candidate is a contribution and should be reported. Because repayment of a loan is an expense associated with the election, it is therefore a permissible use of campaign funds. (Golden Advice Letter, No. A-90-393, copy enclosed.)

Please do not hesitate to contact me at (916) 322-5662 if you have additional questions.

Sincerely,

Scott Hallabrin
Acting General Counsel



By: Sandra L. Taylor
Political Reform Consultant

Enclosure