



FAIR POLITICAL PRACTICES COMMISSION

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January 29, 2007

Holly Cook
Connelly for District 1
P.O. Box 30
Oroville, CA 95965

**RE: Your Request for Advice
Our File No. A-06-232**

Dear Ms. Cook:

This letter is in response to your request for advice on behalf of County Supervisor Bill Connelly regarding the campaign disclosure provisions of the Political Reform Act (the "Act").¹

QUESTION

May a county supervisor redesignate his current campaign account as his campaign bank account for his re-election campaign if the account continues to hold campaign funds or outstanding debt?

CONCLUSION

Yes, as a local official, a county supervisor running for re-election may redesignate his campaign account established for his current term of office as his campaign bank account for his future election.

FACTS

You are the treasurer for Bill Connelly's campaign committee for re-election. You state that you have been doing fundraisers periodically since the 2004 election to pay off outstanding loans left over from that campaign. You still have a loan balance and Connelly for District 1 will start campaigning next year for the 2008 election. You want

¹ Government Code sections 81000-91014. Commission regulations appear at title 2, sections 18109-18997, of the California Code of Regulations.

to know if the Act allows you to carry the debt into the next campaign and whether it allows the carrying of the bank balance into the next campaign.

ANALYSIS

Section 85201 requires all campaign expenditures to be made from a campaign account and all contributions or loans made to the candidate, to a person on behalf of the candidate, or to the candidate's controlled committee are required to be deposited in the account. The Commission has interpreted this to mean that a candidate for elective office may have only one campaign bank account and one controlled committee for each specific office to which he or she seeks election. (*Hicks* Advice Letter, No. I-99-120.) Regulation 18525(b) further provides:

“(b) An incumbent elected officer may make expenditures for purposes not enumerated in subdivision (a) from either the campaign bank account established pursuant to Government Code Section 85201 for election to the incumbent term of office or from a campaign bank account established pursuant to Government Code Section 85201 for election to a future term of office. This section shall not be construed to permit an incumbent elected officer to make expenditures from any campaign bank account for expenses other than those associated with his or her election to the specific office for which the account was established and expenses associated with holding that office.”

However, the Commission has consistently advised that a candidate may redesignate a campaign committee and campaign bank account for re-election to the same office at a future date if the candidate is running for a local office as long as certain conditions are met. (*Pearson* Advice Letter, No. I-91-287; *Leiderman* Advice Letter, No. A-02-181.)² In 2002, the Commission codified the applicable conditions in regulation 18521(b)(1-5):

“Candidates Other than Candidates for Elective State Office: A controlled committee and campaign bank account established for a specific office may be redesignated as a campaign bank account for a future election if:

“(1) The future election is for the same elective office;

“(2) The funds in the campaign account/committee are not considered “surplus campaign funds” as defined in Government Code section 89519;

² Note that state candidates may not redesignate campaign committees and accounts.

“(3) The candidate amends the Statement of Organization for the committee to reflect the redesignation for the future election;

“(4) The candidate files a new statement, signed under penalty of perjury, of intention to be a candidate for the specific future election; and

“(5) Redesignation of committees/bank accounts is not otherwise prohibited by law.”

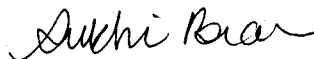
Therefore a committee of a local candidate may be redesignated even if the committee and account continue to hold campaign funds or outstanding debts from the previous election.

Consequently, the campaign bank account Supervisor Connelly used in his campaign for election to his current term of office may be redesignated as a future election account for re-election to the same office. This would be accomplished by filing a new candidate intention statement (Form 501) for the future election, and by amending the existing committee's statement of organization (Form 410). Additionally, you should check with your local jurisdiction in case there are other limits or restrictions.

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

Sincerely,

Luisa Menchaca
General Counsel



By: Sukhi Brar
Counsel, Legal Division

SB:jgl

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