



## FAIR POLITICAL PRACTICES COMMISSION

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July 7, 2010

Mr. Jonathan Fuhrman  
Treasurer, Carol Liu for Senate  
3220 E. Sierra Madre Blvd.  
Pasadena, CA 91107-2038

Re: Your Request for Advice  
**Our File No. A-10-099**

Dear Mr. Furman:

This letter responds to your request for advice regarding the campaign provisions of the Political Reform Act (the "Act").<sup>1</sup>

### QUESTION

Is it correct that Senator Liu's 2008 Senate campaign committee, which formally and fully terminated activity in the middle of the calendar year, has no further reporting obligations for the remainder of this calendar year 2010?

### CONCLUSION

Yes, it is correct that Senator Liu's 2008 Senate campaign committee which terminated in the middle of 2010, has no further reporting obligations for the remainder of the calendar year 2010. Because an officeholder has an obligation to file campaign reports for her current term of office as well as a future one, however, the Senator's 2012 committee's Form 460, Part 5, on the line asking "office sought or held" must state: "Senate 2008 (held), Senate 2012 (sought)."

### FACTS

You serve as the Treasurer for Senator Carol Liu's campaign committees. The Senator had a campaign committee for her 2008 Senate campaign. After winning that campaign, she has created a second committee for her 2012 race.

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<sup>1</sup> 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.

The Senator's 2012 committee contributed to candidates on the June, 2010 ballot, so you have filed pre-election reports for both committees, even though the 2008 committee neither received nor spent any funds connected with the June 2010 election cycle.

You have finally wrapped up the 2008 campaign committee, closed out the bank account and terminated the committee by filing a Form 410 Termination report as well marking your 3/18-5/22 pre-election 460 as a Termination Report.

The issue on which you request advice is whether the 2008 committee, which has now been terminated, has any further filing requirements for the 2010 calendar year. You have heard that terminated committees are expected to continue filing through the end of the calendar year. However, a member of the Commission's Technical Assistance Division advised you that, because the Senator has an on-going committee (the 2012 committee), the terminated committee does not have to keep filing through the end of the calendar year. You look forward to formal confirmation that your campaign committee, which formally and fully terminated activity in the middle of the calendar year, has no further reporting obligations for the remainder of this calendar year.

### ANALYSIS

Section 84214 of the Act provides as follows with respect to termination of committees:

"Committees and candidates shall terminate their filing obligation pursuant to regulations adopted by the Commission which insure that a committee or a candidate will have no activity which must be disclosed pursuant to this chapter subsequent to the termination. Such regulations shall not require the filing of any campaign statements other than those required by this chapter. In no case shall a committee which qualifies solely under subdivision (b) or (c) of Section 82013 [independent expenditure and major donor committees] be required to file any notice of its termination."

Regulation 18404, covering the termination of candidate's and committees' filing requirements, provides in part as follows:

". . .(b) Recipient Committees. A treasurer of a committee which qualifies pursuant to Government Code Section 82013(a) may terminate the committee's status as a committee, only by completing the termination section on the Form 410 (Statement of Organization) declaring, under penalty of perjury, that the committee:

- (1) Has ceased to receive contributions and make expenditures and does not anticipate receiving contributions or making expenditures in the future;
- (2) Has eliminated or has declared that it has no intention or ability to discharge all of its debts, loans received and other obligations;

- (3) Has no surplus funds; and
- (4) Has filed all required campaign statements disclosing all reportable transactions.

(c) Filing of Committee Terminations. As specified in Government Code Section 84101(a), the committee shall file the original of the statement of organization declaring the committee's termination with the Secretary of State, and shall also file a copy of the statement of organization with the local filing officer, if any, with whom the committee is required to file the originals of its campaign reports pursuant to Section 84215.

*(d) Candidates and Officeholders. Pursuant to Government Code Section 82007, a candidate (which term includes an officeholder) is obligated to file campaign statements under the Act until his or her status as a candidate is terminated. An officeholder must file campaign statements required under the Act during the entire time the individual holds office. The filing obligations of a candidate or officeholder terminate as follows:*

*(1) Candidates or Officeholders with Committees. The filing obligations of a candidate or officeholder who has one or more controlled committees terminate when the individual has terminated all his or her controlled committee(s) and has left office.*

*(2) Candidates or Officeholders without Committees. The filing obligations of a candidate or officeholder who does not have a controlled committee, and who received contributions and made expenditures of less than \$ 1,000 in the calendar year and filed a Form 470, terminate at the end of the calendar year for which the Form 470 was filed if:*

- (A) the candidate lost, withdrew, or was not on the ballot in the election; or*
- (B) the individual left office during the calendar year; and*
- (C) the individual has ceased to receive contributions and make expenditures and has filed all required campaign statements.*

*(e) A candidate or a committee whose filing obligations have terminated remains subject to all civil and criminal penalties and remedies for any violations of this title or any other provision of law." (Emphasis added.)*

Note that the statute and regulation impose an obligation on an officeholder to file campaign statements during the entire time the individual holds office. Under Regulation 18404(d)(1), the filing obligations of an officeholder who has one or more controlled committees terminate when the officeholder has terminated all his or her controlled committees and has left office.

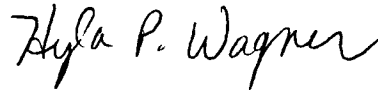
In this situation, Senator Liu has established a 2012 campaign committee and is filing disclosure reports for this committee. You state that Senator Liu's 2008 campaign committee terminated in the middle of 2010. To terminate, the committee certified that it has ceased to receive contributions or make expenditures, has eliminated or cannot discharge its debts or loans, has no surplus, and has filed all required disclosure reports. You are correct that Senator Liu's terminated 2008 committee has no further reporting obligations for the remainder of this 2010

calendar year. In your situation, where the Senator just has her 2012 reelection committee existing, she should fill out Part 5 of the committee's Form 460 as follows: on the line which asks for office sought or held, state: "Senate 2008 (held), Senate 2012 (sought)."

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

Sincerely,

Scott Hallabrin  
General Counsel



By: Hyla P. Wagner  
Senior Counsel, Legal Division

HPW:jgl