



Terminating a Candidate-Controlled Committee Fact Sheet

Subject to the Default State Contribution Limits

Introduction

This Fact Sheet is for:

- State candidates and their controlled committees; and
- City and county candidates and their controlled committees in jurisdictions that have not enacted local campaign contribution limits and are subject to the default state contribution limits in Government Code Section 85301(d) (“AB 571” candidates).

For more information on city and county candidates subject to AB 571 and the default state contribution limits, please visit our [Contribution Limits - City and County Candidates](#) webpage and review our [AB 571: Local Contribution Limits Fact Sheet](#).

A. Mandatory Termination

State candidates and city or county candidates subject to AB 571 must terminate their candidate-controlled committees *that have no net debts outstanding* within 24 months of whichever occurs first:

- The date the candidate is defeated;
- The date the candidate leaves office;
- When the term of office for which the committee was formed ends; or
- If a candidate withdraws from an election, no later than 24 months after the election from which the candidate withdrew.

Note: Candidates elected to an office subject to state contribution limits must terminate any controlled committee formed for local elections held concurrent with, or prior to, election to that office, within 24 months of the election.

B. Termination Requirements

To terminate, the committee must meet all of the following criteria:

- Ceased receiving contributions and ceased making expenditures;
- Closed its campaign bank account;
- Eliminated all debts or loans, or declared it does not have the intention or ability to discharge the debt;
- Have a \$0 ending cash balance on the final campaign report filed;
- Filed all required campaign reports;
- No further campaign activity anticipated;
- *If applicable*, sent a 60-day creditors' notice to any outstanding creditors; and
- *If applicable*, received the return or reimbursement for a security item paid for by the committee, unless there is an ongoing continuing threat.



C. Required Campaign Filings

To terminate the committee, candidates must file:

- **Form 410 – Statement of Organization:**
 - File original with CA Secretary of State.
 - File a copy with your local filing officer (for city and county committees).
- **Form 460 – Recipient Committee Campaign Statement:**
 - File original with your filing officer.

Remember to check the “Termination” box on all termination filings.

D. Quick Tips

- Terminate your committee by December 31 to avoid paying next year’s committee \$50 annual fee to the CA Secretary of State.
- Semi-annual campaign statements (Form 460) are due January 31 and July 31 (or next business day if due date falls on a holiday or weekend).
- Campaign funds become surplus 90 days after:
 - **Defeated candidates:** 90 days after the post-election reporting period after the election.
 - **Successful candidates:** 90 days after leaving office for which the funds were raised.

E. Frequently Asked Questions

1. I am a candidate and filed a Form 470 – Officeholder and Candidate Campaign Statement Short Form. What termination rules apply to me?

If you are a **defeated candidate** who filed the Form 470 before your election, you have no further filing obligations if you did not raise or spend \$2,000 during the calendar year.

If you are a **successful candidate** who filed the Form 470 before your election and do not raise or spend \$2,000 or more in a calendar year, you are required to file the Form 470 by July 31 each year if your elected position pays you \$200 or more per month.

Note: Judges should check with their local filing officer to learn of their filing requirements.

2. I opened a committee in error by filing a Form 410 – Statement of Organization but never met the \$2,000 qualification threshold. What are my filing obligations?

You must terminate the committee by filing a Form 410 – Statement of Organization, marking the “Termination” box.

3. I received a government refund after terminating the committee. What do I do now?

In this circumstance, the committee may accept the refund without reopening the committee, so long as the refund is transferred to a committee that was lawfully allowed to receive funds from the termination committee prior to its termination, or the refund is endorsed to an entity that is a permissible recipient of the terminated committee funds. The transaction is subject to campaign reporting requirements. (See Regulation 18404.1 for more information.)

4. I received an unexpected refund from a vendor for \$12,000 after terminating the committee. What do I do now?



Since the refund is more than \$10,000 from a nongovernmental source, the committee must request to reopen its committee in order to accept the refund by submitting a request to the Executive Director of the Fair Political Practices Commission. Campaign reporting requirements will apply and there are restrictions on the use of the funds. (See Regulations 18404.1 and 18404.3 for more information.)

Note: Where the refund from a nongovernmental source is \$10,000 or less and was unknown prior to termination, the committee may accept the refund without reopening subject to the transfer or endorsement restrictions set forth in FPPC Regulation 18404.1. The committee should maintain records of such refund and transaction, and it is subject to campaign reporting requirements.

5. I have campaign funds still in my campaign bank account. How can I terminate the committee?

You must have a \$0 ending cash balance on the final campaign report filed by the committee in order to terminate. Until the funds become surplus, the committee may use campaign funds for political, legislative, or governmental purposes. The committee may also donate the funds to a bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organization. The donation may not personally benefit the candidate, treasurer, or their spouse or dependent children. Once the funds are surplus, see Government Code Section 89519, Use of Surplus Campaign Funds.

6. I received a contribution after I terminated the committee. What do I do with the contribution?

Contributions received after a committee is closed must be returned to the contributors.

7. My committee has outstanding debt. Can I terminate?

Yes. The committee may file its termination statements (Form 410 – Statement of Organization and Form 460 – Recipient Committee Campaign Statement) showing outstanding debt. The committee must declare that it has no intention or ability to discharge its debts, loans, or other obligations. If you have net debts and wish to continue fundraising to pay down the debt, you may not terminate the committee.