



Political Action Handbook

.....
Key Strategies for
Business Success in
State and Local Elections

December 2017

 CalChamber®

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Welcome to the California Chamber of Commerce *Political Action Handbook: Key Strategies for Business Success in State and Local Elections*. By reading this introduction you are already taking the first important leadership step in making a difference in your community!

Included inside are the basic nuts and bolts of establishing political action committees, commonly known as "PACs," and Independent Expenditure Committees, commonly known as "IECs." This handbook is intended to provide the basic facts about the formation of these committees and to help you identify which committee may be best suited for your organization's needs.

We have developed this handbook to respond to the many inquiries that we have received from local chamber of commerce executives and business owners throughout the state. Examples include:

- How can local chambers of commerce and business organizations be more effective in the election process?
- What is a PAC and what is an IEC?
- How can forming a PAC and an IEC help us defeat local and state efforts that are harmful to businesses and the local economy?

If these questions sound familiar to you, we hope this handbook will help answer these and many other questions.

Most important, this handbook should be considered an overview to help you get started. We strongly advise all organizations to seek expert legal advice regarding campaign limits, accounting practices and disclosure / filing requirements. Additionally, if there are any questions not addressed here, please take note that the Fair Political Practices Commission (FPPC) offers a toll-free number, 1-866-275-3772, which you may call for answers to many of your questions related to campaign finance and spending.

Please do not hesitate to contact the CalChamber Public Affairs Department to answer any questions on these issues. We look forward to your feedback so we can continue to improve future editions and ensure that we meet your needs.

Again, congratulations on getting started and we wish you great success in making a positive difference in your community!

I. Overview

In a very general sense, a political action committee (PAC) is a committee that receives limited contributions from third parties for the purpose of making contributions directly to support candidates for elected office. An independent expenditure committee (IEC) also is a political action committee that receives contributions from third parties, but unlike a PAC discussed above, an IEC has no contribution limitations and may spend unlimited money to support or oppose state and/or local candidates, provided such expenditures are made independent of the candidate. In other words, an IEC may spend money on mailings, television or newspaper ads, as opposed to making a contribution directly to a candidate. While these are very simplistic definitions, there are a number of rules that must be followed in establishing a PAC and/or an IEC. This handbook will help you identify those rules so that your organization can decide which kind of committee is best suited for your needs or if you would like to establish one or more.

Please note: Your organization may choose to have more than one type of committee. For example, CalChamber has the ChamberPAC SCC (Small Contributor Committee), ChamberPAC, JobsPAC (Independent Expenditure Candidate Committee) and CalBusPAC (general purpose issues PAC).

Who Regulates PACs and IECs?

There are two state agencies that are primarily responsible for administering the campaign disclosure process — the Fair Political Practices Commission (FPPC) and the Secretary of State Political Reform Division (SOS/PRD).

The Fair Political Practices Commission is a non-partisan group established originally by the Political Reform Act of 1974. The mission of the FPPC is to promote the integrity of representative state and local government in California through fair, impartial interpretation and enforcement of political campaign, lobbying and conflict of interest laws. One way the FPPC carries out its mission is through advice, seminars and training on campaign finance and disclosure regulations. The commission is made up of five members that include representatives from the Secretary of State, the Attorney General, the State Controller and two Governor-appointed members. Information about the FPPC can be accessed at www.fppc.ca.gov.

The Secretary of State Political Reform Division administers the direct filing of campaign finance forms at the state level. All state candidate, PAC and initiative committees with activity of \$50,000 or more must fully disclose the amounts and sources of their contributions and expenditures through the Secretary of State's electronic CAL ACCESS system (California Automated Lobbyist and Campaign Contribution and Expenditure Search System). This system provides the public with an Internet database that contains searchable contribution and expenditure information. This information can be accessed through the website of the Secretary of State: www.ss.ca.gov, or visit <http://cal-access.ss.ca.gov/>. Paper filing also required.

Should I Also Be Concerned about Local Campaign Finance Laws?

Although this handbook provides the basics on the state laws governing PACs and IECs, it does not address local campaign rules and limits, as local jurisdictions also may have their own contribution limits or other rules. The segments of this handbook that address campaign contributions rely upon contribution limits prescribed by Proposition 34 for state candidates. You also must adhere to limits or restrictions imposed by local jurisdictions relating to local elections. Therefore, we encourage you to see whether there are any local rules governing the particular kind of political action committee you desire to form that are in addition to the state laws discussed in this handbook. If there are local rules that apply, be certain to review those laws and check them periodically to ensure they have not changed.

What Types of PACs Are Available?

To help put into perspective the different types of PACs available to local chambers and businesses, we've provided examples of CalChamber political action committees throughout this handbook. As always, you are welcome to call the CalChamber Public Affairs Department to ask questions and/or get further details on the committees that we have successfully established over the years.

- **ChamberPAC Small Contributor Committee** is CalChamber's bipartisan ***Small Contributor Committee*** that is designed to foster contributions from the "grassroots" level. Contributions to the ChamberPAC Small Contributor Committee cannot exceed \$200 aggregate per entity per year.
- **ChamberPAC** is CalChamber's bipartisan ***political action committee*** that solicits contributions from businesses to improve the business climate in California by supporting pro-jobs policymakers. Contributions to ChamberPAC are capped at an amount determined by the FPPC. In the 2017-2018 election cycle, aggregate contributions per entity cannot exceed \$7,300 per year.
- **CalBusPAC** is the CalChamber's ***general-purpose issues political action committee***, which makes contributions and expenditures to support or to oppose ballot measures and other issues of interest to the business community. There are no contribution limits to this committee.
- **JobsPAC** is an ***independent expenditure committee*** sponsored by a coalition of California employers including CalChamber. There are no contribution limits to this committee.

How Frequently Do Campaign Finance Laws Change?

Please take note that the state laws governing PACs are subject to change, either by legislative action, regulation or by legal action in the courts. The CalChamber is committed to providing you with the most current information available. In the event the rules change, the CalChamber will strive to provide updates and notices of any changes on a timely basis. Notices and updates will be posted on the CalChamber website, [**www.calchamber.com**](http://www.calchamber.com), to make it easier to learn about any updates or notices. Finally, the CalChamber encourages you to contact the CalChamber Public Affairs Department with any questions regarding this handbook.

II. Selecting the Right Committee for your Organization

Organizations have many choices when it comes to political action. In addition to traditional political advocacy — grassroots activities, letter-writing campaigns, fundraisers, etc. — business organizations may also form a PAC or IEC. Because the law allows different types of PACs, a business organization must first understand the differences between each PAC and then decide which PAC best suits its needs or make a decision to take a different approach by using an IEC. This section provides an overview of the common PACs and IECs formed, and is designed to help guide organizations in selecting the PAC or IEC that is right for the organization.

Political Action Committees — Quick Overview

A political action committee, or PAC, is a committee that receives contributions from two or more persons in order to make contributions directly to candidates and elected officials. Start-up costs for PACs are minimal, and PAC funds can be used to support candidates for the Legislature and statewide and (generally) local offices.

State law contains a number of rules and regulations that deal with the formation and operation of PACs. As a result, PACs that are active in state elections must follow the rules described below. First, however, it is important to distinguish the PAC talked about here from a candidate's committee.

Quick Definition: A candidate's committee is a committee specifically established by the candidate to accept contributions. Such a committee has its own set of rules, which are not discussed in this handbook.

Two Choices — Large or Small

State law permits two types of PACs — large and small. The first type of committee is a Large PAC that is allowed to receive larger contributions than a Small PAC. A Large PAC may receive up to \$7,300 from any contributor per year for the purpose of making state candidate contributions. However, a Large PAC may contribute only up to \$4,400 per election to state legislative candidates. This PAC is the most commonly used and is also referred to as a "Traditional PAC," or simply a "PAC".

The second type of committee is a Small PAC and is also referred to as a "Small Contributor Committee," or "SCC". A Small PAC is permitted to accept small contributions of no more than \$200 per contributor per year and after six months may be eligible to make double the normal contribution amount, which is up to \$8,800 per election to state legislative candidates. The rules governing the Small PAC are explained in greater detail below.

We encourage you to familiarize yourself with the rules described below before choosing the PAC your organization desires to form.

Small PAC (Small Contributor Committee) – What’s So Small About It?

A Small PAC is a political action committee that was designed to encourage “grassroots” contributions within the political process. The committee is deemed “small” because of the amount in individual contributions it may receive. A Small PAC is defined as a committee which:

- Has been in operation for six (6) months or longer;
- Has one hundred (100) or more contributors who contribute no more than \$200 each per calendar year; and
- Makes contributions of \$25 or more, over a three-year period, to five or more candidates.

A Small PAC must meet all of the above criteria before it is permitted to make contributions to candidates at approximately double the standard limit. The standard contribution limit is \$4,400 per election for state legislative candidates. If it meets the criteria, however, a Small Contributor Committee may be eligible to contribute \$8,800 per election to legislative candidates. The \$8,800 contribution amount is the primary benefit to forming a Small PAC. An example of a Small PAC is the **ChamberPAC Small Contributor Committee**.

Small PAC Rules:

- May not accept contributions (that is, from chamber members or company employees) of more than \$200 per calendar year;
- Must file disclosure reports, including late period reports, with appropriate governmental agencies;
- May contribute to candidates for many state political offices in amounts that are approximately double the standard contribution limit (for example, \$8,800 per calendar year for state legislative candidates, compared to \$4,400, and \$14,600 to statewide candidates other than Governor, compared to \$7,300).

Because of the steps that must be taken to establish a Small PAC, we suggest that if your chamber or business plans to participate in the upcoming election cycle and likes the advantages that a small contributor committee provides, it is best to establish the committee as early as possible. The earlier you lay down the groundwork, the sooner you can begin to participate in the political process.

Large PAC – How Is This Different from a Small PAC?

A Large PAC (or “Traditional PAC”), is the more common and frequently formed political action committee. The popularity of this kind of PAC is due to the amount of contributions it may receive. This type of PAC is not difficult to operate and manage and allows business organizations to take a strong proactive leadership role in the California public policy process.

An example of a Large PAC would be CalChamber’s **ChamberPAC**. ChamberPAC is a bipartisan political action committee that was formed to support jobs-friendly incumbent legislators and candidates. Through ChamberPAC, resources of like-minded employers are pooled to have a greater impact on legislative campaigns. In doing so, ChamberPAC provides a unique opportunity for the entire business community to work together to create a pro-jobs environment throughout the state.

Large PAC rules:

- May not accept contributions (that is, from chamber members or company employees) of more than \$7,300 per calendar year, per contributor, for the purpose of making contributions to state candidates;
- May not contribute more than \$29,200 per election to any candidate for Governor;
- May not contribute more than \$7,300 per election to any candidate for other statewide office;
- May not contribute more than \$4,400 per election to any candidate for Assembly or state Senate;
- May not contribute more than \$36,500 per calendar year to any state and/or local political parties per year for the purpose of making contributions to state candidates; and
- Must file disclosure reports, including late period reports, with the appropriate governmental agencies.

Independent Expenditure Committees a.k.a. “IECs” – Something Different

A Large PAC versus an Independent Expenditure Committee, commonly referred to as an “IEC” — what’s the difference? Although an IEC is technically considered a political action committee, how much it may collect in contributions and how it may use the contribution dollars are very different from a Large PAC. An IEC is one in which expenditures of \$1,000 or more are made to support or oppose state or local candidates (for example, mailings, television or newspaper ads) and such expenditures are made independent of the candidate. IECs provide businesses and business organizations with the freedom to take an even larger leadership role in the election process. Although they’re subject to reporting requirements, Independent Expenditure Committees sponsored by local chambers of commerce and businesses can spend their funds to independently support and/or oppose state candidates in any amount they choose.

An example of an Independent Expenditure Committee would be JobsPAC. It was formed by a group of California employers to take bold, proactive steps in electing pro-jobs candidates to state office in the era of legislative term limits.

Independent Expenditure Committee rules:

- May accept unlimited contributions from any source;
- May make unlimited expenditures independent of the candidate it is supporting; and
- Must file disclosure reports and supplemental disclosure reports, including late period reports, with appropriate governmental agencies.
- **Must not coordinate campaign activities in any way with the candidate’s own committee (including all officers of the committee) or in the case of a ballot measure, the measure’s official campaign.**

III. Getting Started

Now that you have identified which kind of PAC to form, the next step is to file the mandatory paperwork and reporting required by the appropriate governmental agencies.

The paperwork is necessary because of disclosure requirements within the Political Reform Act of 1974. Campaign disclosure reports provide the public with the identity of contributors and the amounts they give as well as the amount officeholders, candidates and their committees spend.

Consider Professional Assistance

There are certain mandatory steps each recipient committee or PAC must take before it begins to take political action. Most associations and businesses hire an accountant or law firm to execute this part of the process, and CalChamber encourages all organizations to seek professional assistance. In addition, the FPPC toll-free telephone number is always available for quick answers to many of your questions.

The addresses, phone numbers and facsimile numbers for agencies that monitor the process are provided in the “Resources” section.

Committee Organization

Once the decision has been made to form a PAC or IEC, there are a variety of issues your organization's officers and directors should collectively address, including the committee's name (mandatory), who will serve on its board of directors (optional), drafting and adopting bylaws (optional), who will serve as treasurer (mandatory), whether the committee will be sponsored (likely), how to solicit funds and how to decide on candidate endorsements. As you move forward with your planning, keep the following in mind:

- The political committee's board of directors should reflect the makeup of your organization's membership; however, a large board is not necessarily practical. It is more important to establish a group of members who can be convened regularly (especially during election years) and who can make quick, informed decisions.
- Include the name of the sponsoring organization within the name of the committee (for example, Chamber of Commerce PAC).
- Every committee must have a treasurer! The treasurer does not have to be a member of the committee board; most PACs invite their accountant (or attorney) to serve as treasurer; it makes the process of approving expenditures, signing checks and getting them in the mail a lot simpler. Because of liability, professional treasurers are recommended.

- Bylaws are optional. While bylaws provide a sense of structure and formality to your political efforts, they are not used with great frequency. Some organizations simply enact a statement of purpose or guidelines on disbursements. In essence, do whatever makes your contributors and your officers comfortable.
- When it comes to soliciting funds, every organization does it differently. Fundraising may be accomplished in a number of ways, ranging from phone banks to professional fundraising services. For example, some organizations have redesigned their annual dues statement to include a request for PAC funds; others make a separate pitch. Some organizations raise PAC dollars via phone-a-thons or special annual events; others enlist the help of their PAC chairperson to solicit funds on a one-on-one basis. It is best to first establish a budget, draw up a fund-raising strategy, and then execute it aggressively.

Each of these fundraising methods must include certain disclaimers required by the law. Please make sure that you include the disclaimers in order to remain in compliance.

- There also are a variety of ways to address candidate screening and selection. Options range from requiring only written questionnaires, to conducting in-depth interviews with members of your committee's board, to establishing elaborate scoring systems that take into account a candidate's voting record or background and experience. Determining an effective means to evaluating candidates and granting your committee's endorsement is critical to your committee's overall success.
- The Fair Political Practices Commission administers the filing requirement and deadlines for PACs and IECs, as well as other special requirements, such as sending mandatory notices to donors of \$5,000 or more. Please consider relying on a professional (attorney or accountant) or contact the FPPC for help.
- Whether filing your forms electronically or via hard copy, it is important to remember that the forms can be accessed through the FPPC; however, they must be filed with the Secretary of State Political Reform Division: **www.ss.ca.gov**, or visit **<http://cal-access.ss.ca.gov/>**, or your local filing official, depending on the nature of your committee.

Bank Account and Other Requirements

In addition to making sure that your committee has hired a treasurer to approve expenditures, sign checks and keep track of the various campaign finance regulations, and has organized itself with the Secretary of State and is filing campaign reports, your PAC or IEC should also keep the following requirements in mind:

- A PAC or IEC must establish a separate federal taxpayer identification number;
- A PAC or IEC must register as a political committee with the Internal Revenue Service (IRS Forms 8871, 8872);
- A PAC or IEC must reconcile its bank account to its campaign reports, and maintain an audit file with documents to support all financial transactions; and
- A PAC that makes contributions to state candidates must include the designation “All Purpose Account” on its checks.

IV. Conclusion

In order to maintain a positive business climate and strong economy, it is important that business organizations do take a strong leadership role in the political process. As this handbook demonstrates, forming a PAC or IEC is one way in which business organizations make a real difference in local and state elections. Please remember, if you or your organization have any questions, feel free to contact the CalChamber Public Affairs Department or any of the resources listed on the following pages. In addition, keep in mind the FPPC toll-free number that will put you in touch with someone at the FPPC who can answer many of your questions.

Now that you have the information to get started, we wish you great success!

V. About the Author

Steven S. Lucas

Steve Lucas is an attorney who specializes in political law as a partner for Nielsen, Merksamer, Parrinello, Mueller & Naylor, and served as the president of the California Political Attorneys Association. Appointed by the Governor of California, he served as chairman of the Bipartisan Commission on the Political Reform Act. He formerly was a law clerk to Chief Justice Malcolm Lucas of the California Supreme Court, and served as counsel to the Webster Commission, appointed by the Los Angeles Police Commission to investigate the LAPD's preparedness for and response. Lucas graduated magna cum laude from the University of California, Los Angeles and received his J.D. from Harvard Law School, magna cum laude.

VI. Resources

Resources for Additional Information

Agency	Information Available
Fair Political Practices Commission (FPPC) 428 J Street, Suite 620 Sacramento, California 95814 Phone: (916) 322-5660 Toll-Free: (866) ASK-FPPC Facsimile: (916) 322-0886 www.fppc.ca.gov	Disclosure Rules/Proposition 34 Manuals C and E 2006 Addendum
Secretary of State Political Reform Division 1500 11th Street, Room 495 Sacramento, California 95814 Phone: (916) 653-6224 Facsimile: (916) 653-5045 www.ss.ca.gov	PAC and IEC Disclosure Statements must be filed with the Secretary of State Political Reform Division: http://cal-access.ss.ca.gov/
Internal Revenue Service 4330 Watt Avenue Sacramento, California 95821 Phone: (916) 974-5225 www.irs.gov	Forms 8871 and 8872
J. Richard Eichman, CPA 1127 – 11th Street Sacramento, California 95814 Phone: (916) 442-2280	PAC Administration
Nielsen Merksamer Parrinello Gross & Leoni LLP Steve Lucas, Partner 2350 Kerner Boulevard, Suite 250 San Rafael, CA 94901 Phone: (415) 389-6800 www.nmgovlaw.com email: slucas@nmgovlaw.com	Legal, PAC Administration

FPPC Forms

Form 410 – Statement of Organization
Form 460 – Recipient Committee Campaign Statement
Form 465 – Supplemental Independent Expenditure Report
Form 495 – Supplemental Pre-Election Campaign Statement
Form 496 – Late Independent Expenditure Report
Form 497 – Late Contribution Report

**Statement of Organization
Recipient Committee**

INSTRUCTIONS ON REVERSE

**CALIFORNIA
FORM 410**

Page 3

I.D. NUMBER

COMMITTEE NAME

4. Type of Committee (Continued)

General Purpose Committee

Not formed to support or oppose specific candidates or measures in a single election. Check only one box:

☐ CITY Committee ☐ COUNTY Committee ☐ STATE Committee ☐ Political Party/Central Committee

PROVIDE BRIEF DESCRIPTION OF ACTIVITY

Sponsored Committee

List additional sponsors on an attachment.

NAME OF SPONSOR

INDUSTRY GROUP OR AFFILIATION OF SPONSOR

STREET ADDRESS

NO. AND STREET

CITY

STATE

ZIP CODE

AREA CODE/PHONE

Small Contributor Committee

☐ _____/_____
Date qualified

5. Termination Requirements

By signing the verification, the treasurer, assistant treasurer and/or candidate, officeholder, or proponent certify that all of the following conditions have been met:

- This committee has ceased to receive contributions and make expenditures;
 - This committee does not anticipate receiving contributions or making expenditures in the future;
 - This committee has eliminated or has no intention or ability to discharge all debts, loans received, and other obligations;
 - This committee has no surplus funds; and
 - This committee has filed all campaign statements required by the Political Reform Act disclosing all reportable transactions.
- There are restrictions on the disposition of surplus campaign funds held by elected officers who are leaving office and by defeated candidates. Refer to Government Code Section 89519.
- Leftover funds of ballot measure committees may be used for political, legislative or governmental purposes under Government Code Sections 89511 - 89518, and are subject to Elections Code Section 18680 and FPPC Regulation 18521.5.

Recipient Committee
Campaign Statement
Cover Page

COVER PAGE

CALIFORNIA
FORM

Date Stamp

Page _____ of _____

For Official Use Only

SEE INSTRUCTIONS ON REVERSE

Statement covers period

from _____

through _____

Date of election if applicable:
(Month, Day, Year)

1. Type of Recipient Committee: All Committees – Complete Parts 1, 2, 3, and 4.

- ☐ Officeholder, Candidate Controlled Committee ☐ Primarily Formed Ballot Measure Committee
- ☐ State Candidate Election Committee ☐ Controlled ☐ Sponsored (Also Complete Part 6)
- ☐ Recall (Also Complete Part 5)
- ☐ General Purpose Committee ☐ Primarily Formed Candidate/Officeholder Committee (Also Complete Part 7)
- ☐ Sponsored ☐ Small Contributor Committee
- ☐ Political Party/Central Committee

2. Type of Statement:

- ☐ Preelection Statement ☐ Quarterly Statement
- ☐ Semi-annual Statement ☐ Special Odd-Year Report
- ☐ Termination Statement (Also file a Form 410 Termination)
- ☐ Amendment (Explain below) _____

3. Committee Information

I.D. NUMBER

COMMITTEE NAME (OR CANDIDATE'S NAME IF NO COMMITTEE)

Treasurer(s)

NAME OF TREASURER

MAILING ADDRESS

STREET ADDRESS (NO P.O. BOX)

CITY

STATE

ZIP CODE

AREA CODE/PHONE

CITY

STATE

ZIP CODE

AREA CODE/PHONE

NAME OF ASSISTANT TREASURER, IF ANY

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET OR P.O. BOX

CITY

STATE

ZIP CODE

AREA CODE/PHONE

CITY

STATE

ZIP CODE

AREA CODE/PHONE

OPTIONAL: FAX / E-MAIL ADDRESS

OPTIONAL: FAX / E-MAIL ADDRESS

4. Verification

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein and in the attached schedules is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ Date

By _____ Signature of Treasurer or Assistant Treasurer

Executed on _____ Date

By _____ Signature of Controlling Officeholder, Candidate, State Measure Proponent or Responsible Officer of Sponsor

Executed on _____ Date

By _____ Signature of Controlling Officeholder, Candidate, State Measure Proponent

Executed on _____ Date

By _____ Signature of Controlling Officeholder, Candidate, State Measure Proponent

Supplemental Independent Expenditure Report

Type or print in ink.
Amounts may be rounded
to whole dollars.

SUPPLEMENTAL INDEPENDENT EXPENDITURE

SEE INSTRUCTIONS ON REVERSE	Report covers period from _____ through _____	CALIFORNIA FORM 465
NAME OF FILER		Page _____ of _____ I.D. NUMBER (if recipient com.)

4. Summary

1. Total independent expenditures of \$100 or more made this period. (Part 3.) \$ _____
2. Total independent expenditures under \$100 made this period. (Not itemized.) \$ _____
3. Total independent expenditures made this period (Add Lines 1 + 2.) **TOTAL** \$ _____

5. Filing Officers *Enter the name and address of each filing officer with whom the filer's most recent campaign statements (Form 450, 460 or 461) have been filed.*

3) NAME OF FILING OFFICER			
ADDRESS	(NO. AND STREET)		
CITY	STATE	ZIP CODE	
4) NAME OF FILING OFFICER			
ADDRESS	(NO. AND STREET)		
CITY	STATE	ZIP CODE	

6. Verification

I certify that the "independent expenditure(s)" disclosed in this statement were not "made at the behest of" the candidate or committee that benefitted from the expenditure(s) as those terms are defined in Government Code Section 82031 and FPPC Regulation 18225.7. I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____	DATE	By _____	SIGNATURE OF FILER, TREASURER OR ASSISTANT TREASURER
Executed on _____	DATE	By _____	SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROponent, OR RESPONSIBLE OFFICER OF SPONSOR
Executed on _____	DATE	By _____	SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROponent
Executed on _____	DATE	By _____	SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROponent

Supplemental Preelection
Campaign Statement
(Government Code Section 84202.5)

Type or print in ink.

SUPPLEMENTAL PRE-ELECTION

CALIFORNIA
FORM
495

For Official Use Only

Check one box indicating which form is attached to this Form 495:

- ☐ Form 450, Recipient Committee Campaign Statement - Short Form
☐ Form 460, Recipient Committee Campaign Statement - Long Form

☐ Amendment (Explain Below)

1. Committee Information

I.D. NUMBER

COMMITTEE NAME

Treasurer(s)

NAME OF TREASURER

STREET ADDRESS (NO P.O. BOX)

STREET ADDRESS

CITY

CITY

STATE

STATE

ZIP CODE

ZIP CODE

AREA CODE/PHONE

MAILING ADDRESS (IF DIFFERENT) NO. AND STREET

STREET ADDRESS

CITY

CITY

STATE

STATE

ZIP CODE

ZIP CODE

AREA CODE/PHONE

OPTIONAL: FAX / E-MAIL ADDRESS

OPTIONAL: FAX / E-MAIL ADDRESS

2. Contributions Made

DATE OF ELECTION (MONTH, DAY, YEAR)

JURISDICTION OF THE ELECTION

\$_____ has been contributed in connection with this election during the period beginning _____ six months prior to the election and ending 17 days before the election.

3. Verification

I have used all reasonable diligence in preparing and reviewing this statement and to the best of my knowledge the information contained herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ DATE

By _____ SIGNATURE OF TREASURER OR ASSISTANT TREASURER

Executed on _____ DATE

By _____ SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPOSER, OR RESPONSIBLE OFFICER OF SPONSOR

Executed on _____ DATE

By _____ SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPOSER

Executed on _____ DATE

By _____ SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, STATE MEASURE PROPOSER

496 Independent Expenditure Report

Amounts may be rounded to whole dollars.

NAME OF FILER		Date Stamp	CALIFORNIA FORM 496
AREA CODE/PHONE NUMBER	I.D. NUMBER (if applicable)	Date of This Filing	For Official Use Only
STREET ADDRESS		Report No.	
		<input type="checkbox"/> Amendment to Report No. (explain below)	
CITY	STATE	ZIP CODE	No. of Pages

1. List Only One Candidate or Ballot Measure

NAME OF CANDIDATE SUPPORTED OR OPPOSED				NAME OF BALLOT MEASURE SUPPORTED OR OPPOSED			
OFFICE SOUGHT OR HELD	DISTRICT NO.	SUPPORT	OPPOSE	BALLOT NO./LETTER	JURISDICTION	SUPPORT	OPPOSE

2. Independent Expenditures Made Attach additional information on appropriately labeled continuation sheets.

DATE	DESCRIPTION OF EXPENDITURE	AMOUNT

Reason for Amendment:

497 Contribution Report

Amounts may be rounded to whole dollars.

NAME OF FILER

AREA CODE/PHONE NUMBER

STREET ADDRESS

CITY

I.D. NUMBER (if applicable)

STATE

ZIP CODE

Date of This Filing

Report No.

☐ Amendment to Report No. (explain below)

No. of Pages

Date Stamp

CALIFORNIA FORM 497

For Official Use Only

1. Contribution(s) Received

DATE RECEIVED	FULL NAME, STREET ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR CODE *	IF AN INDIVIDUAL, ENTER OCCUPATION AND EMPLOYER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED
		<div><input type="checkbox"/> IND</div> <div><input type="checkbox"/> COM</div> <div><input type="checkbox"/> OTH</div> <div><input type="checkbox"/> PTY</div> <div><input type="checkbox"/> SCC</div>		<div><input type="checkbox"/> Check if Loan</div> <div>Provide interest rate _____%</div>
		<div><input type="checkbox"/> IND</div> <div><input type="checkbox"/> COM</div> <div><input type="checkbox"/> OTH</div> <div><input type="checkbox"/> PTY</div> <div><input type="checkbox"/> SCC</div>		<div><input type="checkbox"/> Check if Loan</div> <div>Provide interest rate _____%</div>
		<div><input type="checkbox"/> IND</div> <div><input type="checkbox"/> COM</div> <div><input type="checkbox"/> OTH</div> <div><input type="checkbox"/> PTY</div> <div><input type="checkbox"/> SCC</div>		<div><input type="checkbox"/> Check if Loan</div> <div>Provide interest rate _____%</div>

**Contributor Codes

IND

 – Individual

COM

 – Recipient Committee (other than PTY or SCC)

OTH

 – Other (e.g., business entity)

PTY

 – Political Party

SCC

 – Small Contributor Committee

Reason for Amendment: _____

California Fair Political Practices Commission

California State Contribution Limits

(Effective January 1, 2017 - December 31, 2018)

Candidates seeking a state office and committees that make contributions to state candidates are subject to contribution limits from a single source. (Sections 85301 - 85303.) Contributions from affiliated entities are aggregated for purposes of the limits. (Regulation 18215.1.) The chart below shows the current limits per contributor for state offices. The primary, general, special, and special run-off elections are considered separate elections. Contribution limits to candidates apply to each election. Contribution limits to officeholder and other committees apply on a calendar year basis. Contact your city or county about contribution limits for local offices.

Contribution Limits to State Candidates Per Election

Candidate or Officeholder	Contributor Sources		
	Person (individual, business entity, committee/PAC)	Small Contributor Committee (see definition on page 2)	Political Party
Senate and Assembly	\$4,400	\$8,800	No Limit
CalPERS/CalSTRS	\$4,400	\$8,800	No Limit
Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization	\$7,300	\$14,600	No Limit
Governor	\$29,200	\$29,200	No Limit

Contributions to Other State Committees Per Calendar Year

Committee	Contributor Sources	
	Person (individual, business entity, committee/PAC)	
Committee (Not Political Party) that Contributes to State Candidates (PAC)	\$7,300	
Political Party Account for State Candidates	\$36,500	
Small Contributor Committee	\$200	
Committee Account NOT for State Candidates (Ballot Measure, PAC, Political Party)	No Limit*	

*State committees (including political parties and PACs) may receive contributions in excess of the limits identified above as long as the contributions are NOT used for state candidate contributions. (Regulation 18534.)

Contributions to State Officeholder Committees Per Calendar Year

Committee	Contributor Sources	
	Any Source (Person, Small Contributor Committee or Political Party)	Aggregate From All Sources
Senate and Assembly	\$3,600	\$60,600
CalPERS/CalSTRS	\$3,600	\$60,600
Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization	\$6,000	\$121,100
Governor	\$24,200	\$242,300

California Fair Political Practices Commission

California State Contribution Limits

(Effective January 1, 2017 - December 31, 2018)

The contribution limits are effective for elections held between January 1, 2017 and December 31, 2018. (Regulation 18545.) These limits do not apply to contributions made to elections in previous years. Such contributions are subject to the limits in place for that year - see previous charts.

Legal Defense Funds

Contributions raised for a legal defense fund are not subject to contribution limits or the voluntary expenditure ceiling. However, a candidate or officeholder may raise, in total, no more than is reasonably necessary to cover attorney's fees and other legal costs related to the proceeding for which the fund is created. (Section 85304; Regulation 18530.4.)

Recall Elections

A state officeholder who is the subject of a recall may set up a separate committee to oppose the qualification of the recall measure and, if the recall petition qualifies, the recall election. Neither contribution limits nor voluntary expenditure ceilings apply to the committee to oppose the recall that is controlled by the officeholder who is the target of the recall attempt. Candidates running to replace an officeholder who is the target of a recall are subject to the contribution limits and the expenditure limits applicable to the election for that office. (Section 85315; Regulation 18531.5.)

Ballot Measure Committees

Contributions to ballot measure committees controlled by a candidate for elective state office are not limited.

Contributions from State Candidates and Officeholders

A state candidate or state officeholder may not contribute more than \$4,400 to a committee controlled by another state candidate or state officeholder (including a state or local election committee, legal defense fund, officeholder account, or ballot measure committee). This limit applies on a per election basis and includes, in the aggregate, contributions made from the candidate's or officeholder's personal funds and from campaign funds. (Section 85305; Regulation 18535.) This limit does not apply to a committee controlled by a state candidate to oppose his or her recall.

Communications Identifying State Candidates

Any committee that makes a payment or a promise of payment totaling \$50,000 or more for a communication that:

1. Clearly identifies a state candidate; but
2. Does not expressly advocate the election or defeat of the candidate; and
3. Is disseminated, broadcast, or otherwise published within 45 days of an election, may not receive a

contribution from any single source of more than \$36,500 in a calendar year if the communication is made at the behest of the candidate featured in the communication. (Section 85310.)

Officeholder Committees

Officeholder contributions must be cumulated (in full) with any other contributions from the same contributor(s) for any other future elective state office for which the officeholder maintains a controlled committee during the term of office in which the contribution is received. Contributions to candidates for future elections and to their officeholder account are cumulated for purposes of contribution limits. (Regulation 18531.62.)

Contributions from State Lobbyists

A state lobbyist may not contribute to a state officeholder's or candidate's committee if the lobbyist is registered to lobby the agency of the elected officer or the agency to which the candidate is seeking election. The lobbyist also may not contribute to a local committee controlled by any such state candidate. (Section 85702; Regulation 18572.) In addition, effective January 1, 2015, lobbyists and lobbying firms may no longer take advantage of the \$500 or less home/office fundraiser exception that is available to other individuals and entities. (Section 82015(f).)

Local Elections

Many cities and counties have local contribution limits and other election rules. "Local Campaign Ordinances" are listed on the FPPC's website. Check with your city or county about contribution limits for local elections.

Definitions

Person: An individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert. (Section 82047.)

Small Contributor Committee: Any committee that meets all of the following criteria:

- (a) The committee has been in existence for at least six months.
- (b) The committee receives contributions from 100 or more persons.
- (c) No one person has contributed to the committee more than \$200 per calendar year.
- (d) The committee makes contributions to five or more candidates. (Section 85203; Regulation 18503.)

Political Party Committee: The state central committee or county central committee of an organization that meets the requirements for recognition as a political party under Elections Code Section 5100. (Section 85205.)

www.fppc.ca.gov

FPPC Advice: advice@fppc.ca.gov (1.866.275.3772)

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California Fair Political Practices Commission

Political Advertising Disclaimers

Under California's Political Reform Act, committees must put "paid for by" disclaimers on campaign advertising, including campaign mailers, radio and television ads, telephone robocalls, and electronic media ads. This brochure discusses disclaimer requirements for committees that purchase advertisements or circulate material supporting or opposing a state or local candidate or ballot measure in California.

What is a disclaimer?

A "disclaimer" is the portion of a political message that identifies the person or entity who paid for or authorized the communication. "Paid for by *committee name*" is the basic disclaimer required by the Act on most campaign communications sent by a *committee*.

Who is a committee?

A candidate's campaign committee, a political action committee, a political party committee, a major donor, and a person or entity making independent expenditures on candidates or ballot measures in California are all types of committees. A person or entity qualifies as a *committee* under the Act if they receive contributions from others for political purposes of \$2,000 or more per year; if they make independent expenditures on California candidates or ballot measures of \$1,000 or more per year; or if they make contributions to California candidates or ballot measures of \$10,000 or more per year.

When is a disclaimer required on political ads or materials?

Political committees must include the following disclaimers:

- **Mass mailings**, including blast campaign emails, must include identification of the sender.
- **Paid telephone calls** must identify the candidate or committee who paid for or authorized the call.
- **Radio and television ads** must include "paid for by" disclaimer under Federal Communications Commission (FCC) law.
- **Ballot measure ads and independent expenditure ads** must include "paid for by *committee name*" and such ads by primarily formed committees must also list top two donors of \$50,000 or more. This applies to television, radio, and electronic media advertisements, robocalls, mass mailings, and print ads such as newspaper ads, billboards and yard signs.

Are the Act's disclaimer rules the same for all committees and all ads?

No. Basic disclaimer rules apply to campaign materials disseminated by a candidate for their own election campaign because it is generally clear to the public that the candidate is sending the communication. Stricter disclaimer rules apply to (1) ballot measure advertisements and (2) independent expenditure advertisements on candidates and ballot measures, because it is less clear to the public who is responsible for these ads.

What does the disclaimer have to state?

The basic disclaimer must state: "Paid for by *committee name*." Ballot measure and independent expenditure ads paid for by primarily formed committees must also list top two donors of \$50,000 or more and special committee name rules apply. All *independent expenditure* ads for or against a candidate must state: "This advertisement was not authorized or paid for by a candidate for this office or a committee controlled by a candidate for this office."

What is an independent expenditure?

An "independent expenditure" is an expenditure made by any person in connection with a communication that expressly advocates the election or defeat of a clearly identified candidate or measure, or taken as a whole and in context, unambiguously urges a particular result in an election but which is not made at the behest of (e.g., in consultation, cooperation or coordination with) the affected candidate or committee. For further clarification see Section 82031 and FPPC Regulation 18225.7.

Political Advertising Disclaimer Charts

Click on these links to charts showing the disclaimer requirements for your communication.

Candidates

1. [Communications by Candidate Committees for their own Election](#)
2. [Independent Expenditure Ads on Candidates](#)

Ballot Measures

3. [Ballot Measure Ads](#) (by committees primarily formed for a state or local ballot measure)
4. [Independent Expenditures Ads on Ballot Measures](#)
(by general purpose recipient committees, major donors, and independent expenditure committees)

On mass mailings, what does the disclaimer state?

A mass mailing -- over 200 substantially similar pieces of mail -- must include on the outside of the envelope: "Paid for by" and the name and address of the candidate or committee sending the mailing.

If a mass mailing is paid for by more than one candidate or committee, the name and address of the candidate or committee who is paying the greatest share of the mass mailing (including costs for designing, postage, and printing) must be placed on the outside of each piece of mail. If two or more candidates or committees pay equally for the mailer, the name and address of at least one of the candidates or committees must be shown on the outside, and the names and addresses of all candidates or committees paying for the mailer must appear on at least one insert.

Candidate:

Paid for by Jones for Mayor 2014
123 Elm Street
Elmton, CA 95523

Fred Smith
7200 Oak St
Oakville, CA 92253

On emails, what does the disclaimer state?

When over 200 substantially similar emails are sent by a political committee, the email must include "Paid for by and the committee name." The committee's street address is not required on mass emails sent by a committee, but may be included.

How must the disclaimer appear?

Disclaimers on political ads and literature must be clear and conspicuous so as to be understood by the intended public. Written disclaimers must be printed clearly and legibly. Spoken disclaimers must be clearly audible and intelligible. **Specific requirements for color contrast, print font size and time appearing on screen are listed in the disclaimer charts.**

Updating a disclaimer

When a committee's name changes because of new top donors or otherwise, advertisement disclaimers must be revised. Television, radio, electronic media, or robocalls must be amended within five calendar days. Print media, mass mailings, or other tangible items must be amended every time an order to reproduce is placed.

Advertisements in Languages Other than English

Disclaimers on political advertisements should be written or spoken in the same language used in the advertisement.

Does a disclaimer have to appear on ALL printed materials or campaign items?

No. A disclaimer is not required on regular-size campaign buttons, pins, bumper stickers, or magnets. It is not required on pens, pencils, rulers, mugs, potholders, key tags, golf balls and similar small campaign promotional items where a disclaimer cannot be conveniently printed. The disclaimer is not required on t-shirts, caps, hats, and other articles of clothing; skywriting and airplane banners; or committee checks and receipts.

Does a disclaimer have to appear on communications from an organization to its members?

For political party communications, yes. For communications from other organizations to their members, a disclaimer is not required.

Can the FPPC answer my questions about disclaimers on my campaign communications?

Yes. The FPPC can assist you with questions about disclaimers on campaign communications. Use the FPPC's advice email - advice@fppc.ca.gov. In some cases a copy of the ad will be required.

Is there a penalty for circulating or publishing literature or other material concerning a candidate or ballot measure without a disclaimer?

Yes. The penalty for failing to comply with the Act's disclaimer requirements can be a fine of up to \$5,000 per violation. In addition, any person who violates the disclaimer requirements concerning ballot measure and independent expenditure advertisements may be liable for a fine of up to three times the cost of the advertisement, including placement costs.

What is the proper procedure to report violations for circulating or publishing materials without a disclaimer?

You may file a written complaint with the Fair Political Practices Commission's Enforcement division.

Can the FPPC check the truth or accuracy of the political communication?

No. The Act does not regulate the truth or accuracy of the content of political communications, given the broad First Amendment protection for political speech.

Must political messages in literature or other material concerning candidates for federal offices include a disclaimer?

Federal election law governs disclaimers on election materials for federal candidates. Contact the Federal Election Commission at www.fec.gov or (800) 424-9530 for information.

“Do not call” lists

Questions or comments regarding “do not call” lists should be addressed to the National Do Not Call Registry, administered by the Federal Trade Commission (FTC) at www.donotcall.gov. The federal Do Not Call Registry is a list of phone numbers of consumers who want to limit the telemarketing calls they receive. The “do not call” provisions do not cover calls from political organizations, charities, telephone surveyors or companies with which a consumer has an existing business relationship.

Posting political signs on utility poles and other public property

Check local ordinances for rules on posters and yard signs. Local law may restrict or prohibit the placement of campaign signs on government-owned property.

This brochure presents a summary of the law. For further legal information, consult the Act and its corresponding regulations and opinions.