

# STATE CONTRIBUTION AND EXPENDITURE RULES

This chapter contains information on contribution and expenditure rules for candidates and officeholders seeking a state elective office.

The chapter reviews:

- Contribution Limits
- Voluntary Expenditure Ceilings
- Transfers
- Post-Election Fundraising
- Officeholder Committees
- Legal Defense Committees
- Recall Committees

For information about ballot measure committees controlled by a state candidate or officeholder, see FPPC Campaign Disclosure Manual 3.

## A. State Candidate Contribution Limits

A candidate seeking election to a state office is subject to contribution limits from a single source per election. For purposes of contribution limits, the primary, general, special, and special runoff elections are separate elections. The chart below shows the limits per contributor for the type of office sought. Contribution limits may increase or decrease every two years based on changes in the Consumer Price Index. Regulations that set forth the amounts are adopted by the Commission.

## Per Election Limits on Contributions to State Candidates

(For Elections Occurring from January 1, 2023 – December 31, 2024)

Candidate or Officeholder	Contributor Sources		
	Person (individual, business entity, committee/PAC)	Small Contributor Committee (see definition on page 2)	Political Party
Senate and Assembly	\$5,500	\$10,900	No Limit
CalPERS/CalSTRS	\$5,500	\$10,900	No Limit
Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization	\$9,100	\$18,200	No Limit
Governor	\$36,400	\$36,400	No Limit

### Timing

There are no restrictions on when a candidate may begin to fundraise for a state office, and contributions for a general or special general election may be raised during or prior to a primary or special primary election for the same office.

A candidate who is defeated in the primary or special primary election, or who withdraws from the general or special general election, must return contributions received for the general or special general election to the contributors. The contributions are returned on a pro rata basis, less the cost of raising and administering the funds and expenses attributable to the general election paid prior to the primary election (e.g., media purchases). However, contributions (other than loans) made by a state candidate to their own campaign may not be returned to the candidate.

### Loans

Loans are contributions subject to limits. However, if a loan has been repaid, the lender, guarantor, endorser, or cosigner may make additional contributions to the same committee up to the limit.

## Candidate's Personal Funds

Contribution limits do not apply to a candidate's personal funds contributed to their own campaign. However, a state candidate may not have loans to their campaign with an outstanding balance of more than \$100,000 at any time. A candidate may not charge interest on a loan they make to the campaign. The \$100,000 limit on personal loans applies to loans from the candidate's personal funds as well as loans from a commercial lending institution which the candidate lends to their campaign. "Campaign" includes both the primary and general, or special and special runoff, elections. However, a candidate may loan each committee for a different office or term of office up to \$100,000.

**Ex 1.1** - In July, a State Senate candidate had an outstanding loan of \$50,000 to their primary election campaign committee. The candidate may loan no more than \$50,000 toward the general election. The candidate may loan \$100,000 to their campaign committee for a future election to statewide office.

## Extensions of Credit

When there is an agreement with the provider of goods or services that a state candidate or committee will pay for the goods or services at a later date, the value of the goods or services may become a contribution to the candidate and be subject to contribution limits if the payment is not made within 45 days. (See Regulation 18530.7.)

## Contributions from a State Lobbyist or Lobbying Firm

**Personal Contributions:** A state lobbyist may not contribute to a state officeholder's or candidate's campaign 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 may not contribute to any other committee controlled by that state candidate, including a ballot measure committee, a local committee, a legal defense fund, or an officeholder account. A lobbyist may, however, contribute to a state candidate's federal election committee.

**Fundraising Events:** A fundraiser held in the home of a state lobbyist is considered a contribution; therefore, a lobbyist or a cohabitant of a lobbyist is prohibited from holding a fundraiser in their home for a state officeholder or candidate seeking election to a governmental agency that the lobbyist is registered to lobby. A similar prohibition applies to lobbying firms holding fundraisers in their offices.

In addition, a lobbying firm owned by a registered lobbyist may not rent its firm's offices as a fundraising venue to an officeholder or candidate seeking election to an agency that the firm is registered to lobby or to one of its clients to benefit an officeholder or candidate seeking election to an agency that the firm is registered to lobby.


A lobbying firm may, however, host a meeting that is **not** a fundraising event in its office for the benefit of an officeholder or candidate if the total cost of the meeting is \$500 or less, exclusive of the value of the office as a venue.

## Contributions to Other State Candidate Committees

State candidate election committees are subject to contribution limits for contributions to another state candidate's election committee. The limit is the same contribution limit imposed on legislative candidates. This contribution limit applies to the aggregate total of contributions made from the personal funds or assets of the candidate and contributions made by all committees controlled by that candidate. For example, an Assembly member may not contribute more than \$5,500 to a State Controller's 2024 election committee even though the limit for the statewide office from other contributors is higher.

## Contributions Over the Limit

Committees are not in violation of the Act's contribution limit if an "over the limit" contribution is returned to the contributor or the contribution is attributed to another election either: (1) within 14 days of receipt before deposit so long as the committee did not make use of the contribution prior to returning it, or (2) within 14 days of receipt even after deposit, so long as there was **no actual knowledge** the contribution was over the limit when deposited and the committee did not make use of the contribution prior to returning it. If a contribution is returned after it has



been deposited it must be reported. A contribution must be reported even if not deposited if it is not returned to the contributor by the close of the reporting period. An over the limit nonmonetary contribution must be returned to the contributor within 14 days of receiving the contribution either in its original form, or in a monetary equivalent greater than or equal to the amount by which its value exceeds an applicable contribution limit.

A committee that receives a monetary contribution with **actual knowledge** that the contribution is over the applicable contribution limit in the Act may accept the contribution and return or attribute the portion in excess within 72 hours of receipt or before the date of the election, whichever is sooner without being in violation of the contribution limit. However, a committee is prohibited from making use of the excessive contribution prior to returning or attributing it and the amount of a contribution that may be accepted is capped at twice the applicable contribution limit.

A committee may request that the contributor attribute in writing a contribution to a different election. A committee may automatically attribute a portion of a contribution that is in excess of the applicable limit between the primary and general elections. A committee attributes a contribution when the committee designates the portion of the contribution in excess of the applicable limit to another election.

A committee that receives an excessive contribution **with or without actual knowledge** that the contribution was over the limit must inform the contributor:

- that their contribution was in excess of the applicable limit, and
- if the contribution was automatically attributed to the connected primary or general election, that the contribution was attributed and the contributor may request a refund.

## Recurring Contributions

A “recurring contribution” is a contribution from a person to a candidate or committee that is automatically charged to the person’s bank account, credit card, or other payment account on a repeated basis, such as weekly or monthly, without approval or any other affirmative consent by the person after their initial contribution to the candidate or committee.

A committee must obtain affirmative consent from a person making a recurring contribution at the time of the initial contribution. Any solicitation for a recurring contribution must be in a form that requires affirmative consent from the person making the contribution. Passive action by the contributor, such as failing to uncheck a pre-checked box authorizing a recurring contribution, does not meet the requirement of affirmative consent. A committee that accepts a recurring contribution is required to provide a receipt for each contribution, provide information necessary to cancel the recurring contribution, and immediately cancel a recurring contribution upon request.

A recurring contribution accepted in response to a solicitation that did not require affirmative consent must be returned to the contributor within 14 days of the earlier of the following:

- receipt of a request from the contributor to return the contribution, or
- the date on which the candidate or committee becomes aware that the solicitation of the recurring contribution was in violation of the Act.

A contribution accepted after a contributor requested to cancel a recurring contribution must be returned to the contributor within 14 days of the request to cancel the recurring contribution.

## B. Voluntary Expenditure Ceiling

State candidates must declare on the Candidate Intention Statement (Form 501) whether they accept or reject the voluntary expenditure ceiling established for each election. Candidates who accept the ceiling may purchase space to place a statement of up to 250 words in either the state ballot pamphlet (statewide candidates) or the voter information portion of the sample ballot (Senate and Assembly candidates).

**QUICK TIP:** The voluntary expenditure ceiling does not apply to a candidate for judicial office or a candidate for a state public employee retirement board.

The candidate must choose to accept or reject the expenditure ceilings for both the primary and general (or special primary and special general) elections at the time of filing Form 501. Until the deadline for filing nomination papers (Elections Code Section 8020), the candidate may amend the Form 501 up to two times to change their expenditure ceiling declaration, as long as the candidate has not exceeded the applicable expenditure ceiling. In addition, a candidate who declined the ceiling for the primary (or special primary) election but did not exceed it may amend their Form 501 within 14 days after the primary (or special primary) election to accept the ceiling for the general (or special runoff) election.

All expenditures for a state office election must be made by the candidate's designated campaign committee for that election. Campaign expenditures for a particular state office may not be made by any other committee controlled by the candidate.

Voluntary expenditure ceilings may increase or decrease every two years based on changes in the Consumer Price Index.

## Voluntary Expenditure Ceilings for Candidates for Elective State Offices

(For Elections Occurring from January 1, 2023 – December 31, 2024)

Office	Primary/Special Election	General/Special Runoff Election
Assembly	\$727,000	\$1,273,000
Senate	\$1,091,000	\$1,636,000
Board of Equalization	\$1,818,000	\$2,727,000
Lt. Governor, Attorney General, Insurance Commissioner, Controller, Secretary of State, Supt. of Public Instruction, Treasurer	\$7,272,000	\$10,908,000
Governor	\$10,908,000	\$18,181,000
CalPERS/CalSTRS (Section 85400)	N/A	N/A

Candidates who accept the voluntary expenditure ceiling must disclose on the Form 460 (Recipient Committee Campaign Statement) Summary Page, Section 22, the total amount of expenditures that are attributable to each election.

Expenditures that count toward the voluntary expenditure ceiling include only “campaign expenditures.” Generally, these expenditures (including unpaid bills) must be counted toward the next election that follows the date of the expenditure. Expenditures made on the day of an election must be counted toward that election. Expenditures covered by this rule include the following:

- Purchase, mailing, or distribution of campaign literature, signs, buttons, bumper stickers, and similar items
- Telephone banks, including costs of design, operation, installation, or rental of telephone lines and equipment; toll charges; personnel costs; rental of office space; and associated consultants’ fees
- Professional services, including campaign consultants and pollsters, unless specific fees or costs are allocated to a different election under a contract with the person providing the services

- Overhead expenses, including office space, utilities, office equipment, furnishings, supplies, internal copying and printing, monthly telephone charges, personnel costs, and travel expenses

Expenditures for radio, television, newspaper, or other media advertising count toward the election following the date specified in the contract for dissemination of the advertisement. If the ad will be published or broadcast on the day of an election, the expenditure counts toward that election.

Expenditures for campaign fundraising are counted toward the election for which the funds were raised. If it is not possible to allocate fundraising costs using this method, the expenditures are allocated to the election following the date they were made.

Nonmonetary contributions received of the goods or services described above (except those received from a political party) must be counted if an expenditure for equivalent goods or services would have been made by the candidate's committee.

Expenditures made by a candidate's committee that do not count toward the voluntary expenditure ceiling include, but are not limited to:

- Contributions to other candidates or committees;
- Costs associated with preparing and filing campaign disclosure reports;
- Candidate filing fees;
- Costs of ballot pamphlet or sample ballot statements;
- Officeholder expenses, election night celebrations, and other non-campaign expenditures;
- Post-election expenditures made to raise funds to pay off net debts; and
- Nonmonetary contributions of goods or services received from a political party.

## Lifting the Voluntary Expenditure Ceiling

A candidate contributing personal funds to their own campaign in excess of the voluntary expenditure ceiling lifts the expenditure ceiling for all candidates seeking the same office who have accepted the voluntary expenditure ceiling, whether in the primary (or special) or general (or special runoff) election. This is the **only** event that lifts the expenditure ceiling. A candidate who accepts the expenditure ceiling and makes expenditures in excess of the ceiling has violated the Act.

A candidate who contributes personal funds in excess of the voluntary expenditure ceiling must amend the Form 501 within 24 hours of making the contribution and disclose the date on which the personal contributions exceeded the expenditure ceiling. Personal funds transferred from another committee controlled by the candidate must be counted for this purpose. The Form 501 must be filed with the Secretary of State by personal delivery or guaranteed overnight delivery. Effective, January 1, 2023, filers required to file a report or statement by paper with the Secretary of State may instead file the paper report or statement by email. All statements must be signed using a verified digital signature. Please access the Secretary of State's [website](#) for more information on how to file with a digital signature. This amendment requirement is not necessary if no opponent accepted the voluntary expenditure ceiling.

**Ex 1.2** - Dianne Sample is a candidate for State Senate and did not accept the voluntary expenditure ceiling. As the primary election approached, Dianne made several personal contributions and on May 12 the contributions to their own campaign totaled \$1,000,000, more than the amount of the ceiling for the primary election that year. Even though Dianne did not accept the voluntary expenditure ceiling, within 24 hours Dianne must amend the Form 501 and file it with the Secretary of State by personal delivery, by email using a verified digital signature, or by guaranteed overnight delivery, indicating May 12 as the date the personal contributions exceeded the voluntary expenditure ceiling. The ceiling is now lifted for all candidates running for State Senate in that district, including candidates of other parties, for the remainder of the primary election and the general election.

## C. Transfers Between a Candidate's Controlled Committees

A state candidate may transfer funds from one of their controlled election committees to another. Except as discussed below, funds transferred from one of a state candidate's controlled election committees to another are subject to contribution limits. The transferred funds must be attributed to specific contributors of the committee making the transfer and count toward the amount those contributors may give to the committee receiving the transfer.

The committee making the transfer must choose between two attribution methods. The first is "LIFO" (last in, first out). This means that the amount to be transferred will be attributed to the most recent contributors to the transferring committee. The other method is "FIFO" (first in, first out), which means transferred funds will be attributed to the earliest contributors. Once the transferring committee has chosen LIFO or FIFO, it may not change the method of attribution.

### Example:

A city council member is running for State Senate in 2024. They used the LIFO accounting method to transfer funds from their city council committee to their Senate committee as outlined in the table below. Because the 2023 contribution limit is \$5,500, only \$5,500 of X Corporation's original \$6,000 contribution to the city council committee may be transferred to the Senate committee. Abbe Winkler has already contributed \$3,900 to the Senate committee, so only \$1,600 of her original \$1,800 contribution to the city council committee may be transferred from the local committee to the Senate committee.

**QUICK TIP:** Answers to common questions about transfers conclude the chapter.

Donor	Date of Original Contribution	Amount of Original Contribution	Funds Attributed to Contributor
Ted Smith	10/25/2023	\$1,000	\$1,000
X Corp.	11/02/2023	\$6,000	\$5,500
Abbe Winkler	12/5/2023	\$1,800	\$1,600

The committee making the transfer must report the transfer as an expenditure on Schedule E of the Recipient Committee Campaign Statement (Form 460). The committee receiving the transfer must report the transfer on Schedule A as follows:

- The date of the transfer and the name, address, and identification number of the committee making the transfer;
- The name, address and, if applicable, the occupation and employer or committee identification number of the contributor to whom the transferred funds are being attributed (as disclosed on the campaign statement filed when the contributions were originally received or as contained in the committee's records at the time of the transfer);
- The original date of the transferred contribution; and
- The amount of the transferred contribution, including the cumulative amount received from the contributor in the calendar year and the amount attributed to the contributor per election.

Some electronic filing formats may be different.

**Schedule A (Continuation Sheet)**  
**Monetary Contributions Received**

Amounts may be rounded  
to whole dollars.

SCHEDULE A (CONT.)

Statement covers period from <u>X/X/20XX</u> through <u>X/X/20XX</u>	<b>CALIFORNIA FORM 460</b> Page <u>x</u> of <u>Comm</u>
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NAME OF FILER Committee to Elect Greer for Senate 20XX	I.D. NUMBER x
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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 THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
10/XX/20XX	Greer for City Council 20XX (Transfer, see below) 10 J Street, Sacramento, CA 95814 (ID 1214287)	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC				
10/25/20XX	Ted Smith 7239 Hawthorne Blvd. Rancho Palos Verdes, CA 90274	<input type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Dentist, Smith Smiles	\$1,000	\$1,000	P20XX: \$1,000
11/2/20XX	X Corporation 1500 8th Avenue Los Angeles, CA 90013	<input type="checkbox"/> IND <input type="checkbox"/> COM <input checked="" type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC		\$5,500	\$5,500	P20XX: \$5,500
12/5/20XX	Abbe Winkler 1495 Spruce Street La Habra Heights, CA 90631	<input checked="" type="checkbox"/> IND <input type="checkbox"/> COM <input type="checkbox"/> OTH <input type="checkbox"/> PTY <input type="checkbox"/> SCC	Firefighter/Paramedic, La Habra Heights Fire Department	\$1,600	\$5,500	P20XX: \$5,500

The committee making the transfer must maintain records that identify the specific contributors to whom any transferred contributions have been attributed. If the transferring committee is no longer required to maintain detailed records, the receiving committee shall maintain either:

- The full name of the contributor;
- The date and amount being transferred for each contributor, and if the contribution is a loan, the interest rate for the loan; and
- The cumulative amount of contributions transferred attributed to that contributor.

OR

- Copies of the transferring committee's original verified and filed campaign reports that show the original contribution received from each contributor to whom a transferred contribution is attributed.

## Exceptions:

- **Surplus Funds:** Campaign committee funds that are “surplus funds” may not be transferred to a future election committee. A defeated candidate’s campaign committee funds become surplus 90 days after the post-election reporting period (either June 30 or December 31) following the election. An officeholder’s campaign committee funds become surplus 90 days after leaving office for which the funds were raised. For specific guidance, refer to Regulation 18951.
- **Carryover:** A state candidate may carry over campaign funds from the primary election to the subsequent general election for the same elective office without attribution. Non-surplus campaign funds may also be carried over from one state election to the next election for the same office without attribution.

To carry over funds from one state election to the next election for the same office (e.g., from a 2018 Assembly election to the 2020 Assembly election), the funds must be transferred to a new campaign bank account and committee established for the next election, and the transfer must occur after the date of the election for which the funds were raised.

The transferring committee reports the transfer as an expenditure on Schedule E and the committee receiving the funds reports the transfer as an increase to cash on Schedule I.

A candidate that formed a campaign committee for a specific election and chooses not to seek the office and is not listed on the ballot may not “carryover” the funds, but may transfer the funds with attribution to another future election committee.

**QUICK TIP:** State candidates may raise funds after an election only to pay net debts outstanding. Campaign funds may not be carried over to a future election committee if the existing committee has net debt from the prior election.

- **Transferring Assets:** It is not necessary to value and attribute a committee's usual assets (such as supplies, furnishings, and office equipment) that are being transferred from one controlled committee to another of the candidate's controlled committees. A committee must report the purchase or sale of these assets, but need not report the transfer.

Detailed records must be maintained on transfers.

## D. Post-Election Fundraising: Net Debts Outstanding

State candidate election committees may receive contributions after an election only to pay net debts outstanding from the election. The primary and general elections are separate elections for purposes of calculating net debt. In addition, the contribution limits applicable to the election apply to any new contributions received to pay debt.

To calculate net debts outstanding, the following are added together:

- The total amount of unpaid debts, loans, and accrued expenditures incurred with respect to the election;
- An amount necessary to cover the cost of raising funds to pay outstanding debts;
- Costs related to complying with post-election requirements, such as filing campaign statements, and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries, and office supplies; and
- Legal fees and expenses incurred in connection with monitoring a ballot recount or the counting of absentee or provisional ballots.

**Ex 1.4** - Phil ran for State Assembly in 2022. After the primary election, Phil had \$50,000 in cash left and owed \$95,000 in unpaid loans and accrued expenses. Phil may raise \$45,000 to pay this debt, plus an amount needed to cover fundraising expenses and other administrative costs. All contributions received are subject to the contribution limits that were in effect for the 2022 election.

**Ex 1.5** - Larry ran for State Senate in 2020. After the general election, Larry had \$85,000 in cash left and owed only \$60,000 in accrued expenses from the primary election and none from the general election. Larry may not raise additional funds into the 2020 committee.

That amount is reduced by:

- The total cash on hand available to pay those debts and obligations, including: currency; balances on deposit in banks, savings and loan institutions, and other depository institutions; traveler's checks; certificates of deposit; treasury bills; and any other committee investments valued at fair market value; and
- The total amounts owed to the candidate controlled committee in the form of credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount based on the collectibility of those credits, refunds, returns, or receivables.

As new funds are received, the amount of the net debts outstanding is reduced. The amount of new contributions may not exceed the amount of net debts outstanding on the date the contribution is received. Any contribution that exceeds the amount of net debts outstanding must be returned to the contributor within 14 days.

## **E. Officeholder Committees**

An elected state officer may accept contributions after the date of the election for the purpose of paying expenses associated with holding the office to which the officer was elected. A separate bank account and committee must be established for this purpose. Officeholder contributions are subject to calendar year limits on both the amount per contributor and the aggregate total that may be raised. In addition, 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. Officeholder contributions may not be used for contributions or transfers to any state or local committee or for any "election-related" activities.

## Calendar Year Limits on Contributions to State Officeholder Committees

(In Effect January 1, 2023 – December 31, 2024)

Committee	Contributor Sources	
	Any Source (Person, Small Contributor Committee or Political Party)	Aggregate From All Sources
Senate and Assembly	\$4,500	\$75,500
CalPERS/CalSTRS	\$4,500	\$75,500
Lt. Governor, Secretary of State, Attorney General, Treasurer, Controller, Supt. of Public Instruction, Insurance Commissioner, and Board of Equalization	\$7,500	\$151,000
Governor	\$30,200	\$301,900

To determine the applicable contribution limit to an elected state officer's officeholder account, use the lower of the following:

1. The calendar year contribution limits applicable to the officeholder committee in the table above (aggregate and individual); or
2. The lowest per election contribution limit (the aggregate of the primary and general election limits) applicable to any future state office for which the officeholder maintains a controlled committee at any time during their term of office.

**Ex 1.6** - A Senator won election in 2022. In January 2023, the senator opened an officeholder committee and a committee to run for Lieutenant Governor in 2024. Contributions to the Senate officeholder committee count toward the contributors' contribution limit for the Lieutenant Governor election. Thus, a donor's single contribution of \$4,500 to the officeholder committee is also counted toward the contribution limit for the Lieutenant Governor's election committee.

Officeholder funds must be held in a single bank account at a financial institution located in the State of California and must be separate from any campaign bank account established for election to office. A Statement of Organization (Form 410) must be filed when \$2,000 or more is received. The committee is subject to the same reporting deadlines as an election committee.

If an officeholder committee receives a monetary contribution(s) exceeding the allowable contribution limit, the portion of the contribution that exceeds the limit must be returned to the contributor within 14 days of receipt.

A contribution must also be returned within 14 days when it exceeds the allowable contribution limit applicable to a future state election. The portion of the contribution that exceeds the limit must be returned within 14 days of receipt or within 14 days of the date the officeholder files a Statement of Organization (Form 410) for the future election, whichever is earlier. This situation may apply when a statewide elected officer seeks a legislative office.

Unlike controlled committees set up for election purposes, an officeholder account may be redesignated as an officeholder account for a future term of the same office by amending the officeholder committee's Statement of Organization (Form 410) prior to the date the officer's term of office ends.

Contributions may not be received after the officeholder's term of office ends or the date they leave office, whichever is earlier. The officeholder must terminate the committee within 90 days of the earlier date. During the 90-day period, funds may only be used for:

- Paying outstanding officeholder expenses;
- Repaying contributions to contributors to the officeholder account;
- Making a donation to a bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organization, if no substantial part of the proceeds will have a material financial effect on the officeholder, a member of their immediate family, or the committee treasurer;
- Paying for reasonable professional and administrative services.

## F. Other Committees

### Legal Defense Committees

State candidates and officeholders may establish a legal defense fund to defray attorney's fees and other related legal costs incurred for the candidate's or officeholder's legal defense if the candidate or officeholder is subject to a civil or criminal proceeding, or an administrative proceeding arising directly out of the conduct of an election campaign, the electoral process, or the performance of the officeholder's governmental activities and duties.

**QUICK TIP:** The Form 410 must specify the legal dispute or disputes for which the legal defense fund was established.

A separate bank account and committee must be established. The legal defense committee will file campaign statements at the same times and in the same places as the candidate's election committee.

Contributions raised for a legal defense fund are not subject to contribution limits or the voluntary expenditure ceiling.

Legal defense funds may only be raised in an amount reasonably calculated to pay attorney's fees and other legal costs related to the defense of the candidate or officeholder, as well as administrative costs directly related to compliance with recordkeeping and reporting requirements. Legal defense funds may not be used for fundraising, media or political consulting fees, mass mailings or other advertising, or for paying fines, penalties, judgments or settlements, or to return contributions. Refer to Regulation 18530.4.

Legal defense funds may not be used to pay or reimburse an officeholder or candidate for a penalty, judgement or settlement related to a claim of sexual assault, sexual abuse or sexual harassment filed in any civil, criminal or administrative proceeding.

A candidate or officeholder may use legal defense committee funds for *other* legal costs and expenses related to claims of sexual assault, sexual abuse or sexual harassment, but if the candidate or officeholder is held liable, the candidate or elected officer must reimburse the legal defense fund for all funds used in connection with those other legal costs and expenses.

“Sexual assault” and “sexual abuse” have the same meaning as provided in Penal Code Section 11165.1. “Sexual harassment” has the same meaning as found in Government Code Section 12940(j).


## Recall Election Committees

All candidates and committees that raise and spend funds in connection with a recall election have full reporting and disclosure obligations. The FPPC publishes filing schedules for these elections.

**Target Officeholder:** A state officeholder who is the target of a recall may form a separate committee to oppose the qualification of the recall measure and, if the recall petition qualifies, the recall election. The officeholder has the option of using their existing committee or a committee formed for a future election instead.

If a separate committee is formed, the following rules apply:

- The committee may be established only after the officeholder receives a notice of intent to recall under Elections Code Section 11021.
- A Statement of Organization (Form 410) must be filed and a separate bank account must be established.
- The committee name must include the word “recall” and the target officer’s name.
- Contributions to the committee are not subject to limits and the voluntary expenditure ceiling does not apply.
- After the recall election, or if the recall petition fails, funds left over become restricted “surplus funds” and must be spent within 30 days (See Chapter 6.)



**Replacement Candidate:** A candidate running to replace an officeholder who is the target of a recall is subject to the contribution limits and the voluntary expenditure ceiling provisions. A replacement candidate must file campaign forms (e.g., Form 501, Form 410, Form 497, Form 460) in the same manner as a candidate seeking a regular election.

**Committee Primarily Formed to Support or Oppose a Recall:** A committee formed to support or oppose a recall is considered to be a ballot measure committee. Refer to FPPC Campaign Disclosure Manual 3 for guidance.

## Answering Your Questions

**A. A state candidate's controlled ballot measure committee has a debt of \$25,000. May the state candidate's election committee loan \$25,000 to the ballot measure committee?**

Yes. The candidate's election committee may loan or contribute to the state candidate's ballot measure committee, but not the other way around. Funds raised under limits (election committees) may be used for political, legislative or governmental purposes, such as a contribution or loan to the ballot measure committee. But, ballot measure committee funds are not raised under limits so they may not be contributed or loaned to a state candidate's election committee or used for that candidate's election. See Regulation 18521.5.

**B. A statewide election committee plans to transfer, with attribution, funds to a future Senate election committee. May the committee allocate contributors' funds to only the primary election?**

Yes. As long as the attribution method is consistent, a committee may allocate its funds to only the primary election.

**C. A legislator opened a committee for statewide office. During the campaign, the legislator transferred funds, using attribution, into the statewide committee. The attribution method used resulted in some contributors' funds being allocated to both the primary and the general statewide elections. If the legislator is defeated in the primary election, what are the rules on returning the contributions in the statewide committee that were allocated to the general election?**

The funds in the statewide election committee must be returned to the contributors on a pro rata basis less any expenses associated with the raising and administration of contributions for the general election.

**D. My campaign committee for the Assembly has no debt and a small amount of cash. May I continue to raise funds into that committee after the election?**

No. You may not raise funds after an election for purposes other than paying net debt.

**E. Must I open an officeholder account to raise funds to pay officeholder expenses after the election?**

Officeholder expenses may be paid from an officeholder committee or any election committee established for the office held, including a future reelection committee. All contributions raised into the future election committee are subject to the contribution limits for that election.

**F. I am a member of the Assembly and plan to run for State Senate. May I pay officeholder expenses for my Assembly seat from the campaign bank account set up for my Senate election?**

No. Officeholder expenses may be paid only from an account established for the office you hold.

**G. I opened an officeholder committee following my election and I also control a ballot measure committee. May other state candidates contribute campaign funds from their election committee to my committees?**

Yes. However, the officeholder committee is subject to the contribution limits for contributions received from another state candidate. Refer to Regulation 18535.

**H. Following my election to the Assembly, my committee had \$25,000 in cash on hand and \$75,000 in outstanding loans and accrued expenses. May I keep the \$25,000 for officeholder expenses, or carry over the funds to a new committee for my reelection campaign, and raise new funds to pay the debt?**

No. You may only raise new funds after the election to pay net debts outstanding. Your committee's net debt outstanding is \$50,000 (\$75,000 in outstanding loans and accrued expenses, less the \$25,000 in cash on hand). Therefore, only \$50,000 may be raised, plus amounts needed to raise the funds.

**I. Are contributions received to pay debt from a prior Assembly election subject to contribution limits?**

Yes. They are subject to the contribution limits established for that election.

**J. I am a Senate candidate. If I receive a contribution on the day after the election that was mailed prior to the election, may I keep the contribution if my committee has no debt?**

No. A contribution is "received" on the date the candidate or committee obtains possession or control of it. And, since there is no net debt, the contribution may not be deposited and must be returned within 14 days of receipt.

**K. I was a candidate for federal office. How much may I transfer from my federal campaign committee to my committee for State Senate?**

Your federal committee may transfer funds to the State Senate committee subject to the attribution requirements described in this chapter. The funds must be attributed to individual donors to your federal committee and may not cause a donor to exceed the applicable contribution limit to the Senate committee.

**L. I am a State Senator and will be seeking local office. If I transfer funds from my Senate committee to the local election committee, may I receive replacement contributions from contributors to the Senate committee?**

No. The contributions may not be replaced because, under the Act, contributions that are transferred to a local committee are not required to be attributed to specific contributors.

**M. A Senator opened a committee to run for statewide office. The statewide election committee received new contributions and funds were transferred from the Senate election committee using the LIFO attribution method. If a decision is made to close the statewide committee, may the funds be transferred back to the Senate committee?**

Yes. The funds may be transferred, and must be attributed to specific contributors from the statewide committee using the LIFO or FIFO accounting method. The committee must ensure that no contributor, at any time, exceeded the applicable contribution limits to the Senate committee.

**N. I lost the primary election for State Assembly and my expenditures came very close to the voluntary expenditure ceiling (“VEC”) which I accepted. May the remaining funds be used for a party for campaign volunteers and for a mailer refuting some lies told about me by my opponent? Will either of these expenditures count toward the VEC?**

These expenditures do not count against the VEC and are permissible only before the funds become “surplus funds.” See Chapter 6 for additional information.

**O. An Assembly member opened a 2020 Senate election committee. Contributions from the Assembly committee were transferred, subject to attribution, to the 2020 Senate committee. In 2019, the Senate office became vacant and a special election was held for the office. The 2020 Senate committee transferred contributions, subject to attribution, to the 2019 special election committee. May a contributor whose contribution was transferred to the 2019 committee make new contributions to the 2020 committee?**

Yes, so long as the contributor's new contribution does not exceed the applicable contribution limit for the 2020 election.  
(FPPC Advice Letter: *Scott*, No. A-06-172)

**P. May a Senate candidate, who was successful in the primary election, use contributions that were designated for the general election to pay primary election debt?**


The Senate committee may not use contributions that were designated for the general election to pay primary election debt, unless the aggregate of any contributions attributed to a single contributor, when combined with all the contributions made by that contributor to the primary election, do not exceed the applicable primary election contribution limit.  
(FPPC Advice Letter: *Knight*, No. A-04-088)

## Authority

The following Government Code sections and Title 2 regulations provide authority for the information in this chapter:

### Government Code Sections

82015	Contribution.
82015.5	Contribution; Aggregation.
82022.5	Election-Related Activities.
82024	Elective State Office.
82025	Expenditure.
82047	Person.
82053	Statewide Elective Office.
85203	Small Contributor Committee.
85204.5	Special Election Cycle and Special Runoff Election Cycle.
85205	Political Party Committee.
85301	Limits on Contributions from Persons.
85302	Limits on Contributions from Small Contributor Committees.
85303	Limits on Contributions to Committees and Political Parties.
85304	Legal Defense Fund.
85305	Restrictions on Contributions by Candidates.
85306	Transfers Between a Candidate's Own Committees; Use of Funds Raised Prior to Effective Date.
85307	Loans.
85314	Special Elections and Special Runoff Elections as Separate Elections.
85315	Elected State Officer Recall Committees.
85316	Post-Election Fundraising Restrictions; State Officeholder Accounts.
85317	Carry Over of Contributions.
85318	Contributions Received for Primary and General Elections.
85319	Returning Contributions.
85319.5	Attribution of Contributions.
85400	Voluntary Expenditure Ceilings.



85401	Candidate Acceptance or Rejection of Expenditure Ceilings.
85402	Lifting Expenditure Limits; Opponent's Use of Personal Funds.
85403	Violations of Voluntary Expenditure Limits.
85600	Ballot Pamphlet Designation.
85601	Candidate Access to Ballot Pamphlet Statement.
85702	Contributions from Lobbyists.
85710.5	Recurring Contributions.
89519	Use of Surplus Campaign Funds.

## Title 2 Regulations

18215	Contribution.
18421.1	Disclosure of the Making and Receipt of Contributions.
18421.4	Reporting Cumulative Amounts for State Elections and State Recipient Committees.
18503	Small Contributor Committees.
18521.5	Ballot Measure Committees Controlled by Candidates for Elective State Office.
18530.4	Legal Defense Funds — State Candidates and Officers.
18530.7	Extensions of Credit.
18530.8	Personal Loans.
18531	Return of Excessive Contributions.
18531.2	Refunding General Election Contributions.
18531.5	Recall Elections.
18531.61	Treatment of Debts Outstanding After an Election.
18531.62	Elective State Officeholder Bank Accounts.
18534	Required Committee Bank Accounts.
18535	Restrictions on Contributions Between State Candidates.
18536	Transfer and Attribution of Contributions.
18537	Contribution Limits and Application to Repaid Loans.
18537.1	Carry Over of Contributions.
18540	Voluntary Expenditure Ceilings.
18542	Notification of Personal Contributions in Excess of the Voluntary Expenditure Limits.
18543	Lifting of Voluntary Expenditure Limits.
18544	Campaign Contribution and Voluntary Expenditure COLA Formula.
18545	Contribution Limit and Voluntary Expenditure Ceiling Amounts.
18572	Lobbyist Contributions—Making a Contribution Defined.
18951	Surplus Funds.