

1 **Amend 2 Cal. Code Regs., Section 18422 to read:**

2 **§ 18422. Multipurpose Organization Political Activity Transparency.**

3 (a) Any person or group that receives contributions from others of \$1,000 or more to
4 make expenditures in California must register as a committee and file campaign reports under
5 Section 82013 and the Act. In addition, a multipurpose organization making political
6 expenditures in California that qualifies as a committee pursuant to Section 84222 ~~shall~~ must file
7 a statement of organization and campaign reports to disclose the funds that ~~were~~ it used for the
8 political expenditures and the sources of those funds.

9 (b) Statement of Organization.

10 (1) Multipurpose Organization Committee Name. A multipurpose organization
11 committee's name ~~shall~~ must be the full legal name of the organization. Pursuant to Section
12 84222(e)(1)(A), a multipurpose organization filing a statement of organization ~~shall~~ must
13 indicate in its committee name that it is filing under Section 84222 by including one of the
14 following descriptions in parentheses after its name: (i) For a non-profit tax-exempt organization
15 include “nonprofit 501(c)()” specifying the type of nonprofit tax-exempt organization from
16 Internal Revenue Code Section 501(c)(3)-(10); (ii) For a federal or out-of-state political
17 committee, include “Fed PAC ID #” or the two letter state abbreviation such as “TX PAC ID #”;
18 or (iii) For any other type of multipurpose organization, include “multipurpose organization” or
19 “MPO.” This description ~~shall~~ must appear at the end of the committee's name in parentheses on
20 the committee's statement of organization and campaign reports. Notwithstanding any other
21 provision of the Act or Commission regulations, this description is not required to be included in
22 the committee's name on advertisements, communications, sender identification, or disclaimers.

1 (2) Calendar Year Filers. A multipurpose organization that becomes a committee subject
2 to Section 84222(c)(5) whose reporting obligations terminate automatically each year as
3 specified in Section 84222(e)(1)(B), ~~shall~~ must indicate its committee status to the filing officer
4 when it files its statement of organization, in the manner provided on the instructions to Form
5 410. If such a multipurpose organization elects to remain registered as a committee beyond the
6 calendar year, it may do so by stating its election to remain registered on the initial statement of
7 organization or on an amendment to the statement of organization filed before the end of the
8 calendar year. If a multipurpose organization whose registration terminated automatically in one
9 year, qualifies as a committee again in a subsequent year, the organization ~~shall~~ must use the
10 same committee identification number the Secretary of State previously assigned ~~by the~~
11 ~~Secretary of State~~.

12 (c) Reporting.

13 (1) Multipurpose Organizations under Section 84222(c)(1). A federal or out-of-state
14 political committee required to register in California because it is making expenditures on
15 California candidates or measures reports as specified in Section 84222(d). Such committees are
16 required to send major donor notices and expedited nonprofit filer notices as required by Section
17 84105, Regulation 18427.1, and subdivisions(d) and (e) of this regulation, when applicable. A
18 federal political committee must determine to whom to send notices by referring to the most
19 recent donors identified on its federal reports prior to the date of its expenditure in California.

20 (+2) Multipurpose Organizations under Section 84222(c)(2), (3), or (4). A multipurpose
21 organization required to register as a committee under Section 84222(c)(2), (3) or (4) ~~shall~~ must
22 follow the same reporting requirements ~~applicable~~ that apply to a recipient committee under
23 Section 82013(a). Such committees are required to send major donor notices and expedited

1 nonprofit filer notices as required by Section 84105, Regulation 18427.1, and subdivisions (d)
2 and (e) of this regulation, when applicable.

3 (23) Multipurpose Organizations under Section 84222(c)(5).

4 (A) Identifying Contributors. An organization that makes a contribution or expenditure
5 qualifying it as a committee required to report donors under Section 84222(c)(5), ~~shall~~ must
6 identify contributors using the last in, first out (LIFO) accounting method by the following times:

7 (i) During the 90 days prior to an election, within three business days following the
8 contribution or earlier if required for a report under Section 84204.

9 (ii) At all other times, within 10 business days following each contribution or
10 expenditure.

11 Donations to multipurpose organizations that are reported based on the ~~on a last in, first~~
12 ~~out (LIFO) accounting method basis~~ shall must be disclosed listing the date contributions were
13 received as the date of the expenditure made by the multipurpose organization.

14 (B) Employer Information. If the employer and occupation information cannot be
15 obtained, the report ~~shall~~ must provide an explanation of the organization's attempts to obtain the
16 information.

17 (C) Remaining Balance. If a multipurpose organization that makes a contribution or an
18 expenditure from its general treasury is required to identify additional donors because those
19 described in Section 84222(e)(1)(C) did not provide the full amount of the contribution or
20 expenditure, the organization ~~shall~~ must attribute the remaining balance of the contribution or
21 expenditure to itself.

22 (d) Major Donor Notices. If a multipurpose organization identifies contributors ~~by the~~
23 ~~last in, first out (LIFO) accounting method~~ who meet the major donor notice thresholds of

1 Section 84105 and Regulation 18427.1, the organization ~~shall~~ must send the contributors a major
2 donor notice informing them that they may be required to file campaign statements. The
3 organization ~~shall~~ must send major donor notices to contributors within the one or two week time
4 frames specified in Section 84105 following the date the organization receives the contributions
5 and identifies the contributors by the ~~last in, first out~~ LIFO accounting method under paragraph
6 (c).

7 (e) Multi-Layer Reporting.

8 (1) Funds Moving from One Multipurpose Organization to Another. To obtain disclosure
9 of the original sources of funds used by a multipurpose organization for political expenditures,
10 under Section 84222(e)(5), if a multipurpose organization identifies another multipurpose
11 organization as a source of funds, and the contributing organization qualifies as a committee, the
12 contributing organization may be required to file expedited campaign statements disclosing its
13 donors, if applicable.

14 (2) Expedited Notice. If a multipurpose organization identifies a contributor of more than
15 \$50,000 ~~by the last in, first out (LIFO) accounting method~~ that is itself a multipurpose
16 organization, the recipient organization ~~shall~~ must send a “nonprofit filer notice” to the
17 contributing organization stating that it may be required to register and file expedited campaign
18 statements disclosing its donors, if applicable. The “nonprofit filer” notice ~~shall~~ must be
19 provided within 24 hours of when the recipient organization identifies the contributor, during the
20 90-day period before an election and within ten business days outside that period. The recipient
21 organization ~~shall~~ must send the contributing organization notice by electronic mail, overnight
22 delivery, or facsimile, and ~~shall~~ must maintain a record of all notices sent. The nonprofit filer
23 notice ~~shall~~ must contain the language of the major donor notice specified in Regulation 18427.1

1 paragraph (a)(2), and ~~in addition,~~ at the beginning, ~~shall~~ must contain the following language or
2 substantially similar language:

3 The Political Reform Act requires disclosure of the source of donor funds used for
4 political expenditures and tracks back to the original donors when funds are contributed by one
5 multipurpose organization to another. Your organization was identified as a contributor of more
6 than \$50,000 in funds that our organization used for political expenditures. Therefore, your
7 organization may qualify as a committee under Government Code Section 84222 and Fair
8 Political Practices Commission (FPPC) Regulation 18422, contained in Title 2, Division 6 of the
9 California Code of Regulations, that is required to register with the Secretary of State on FPPC
10 Form 410 and file expedited reports on FPPC Form 460 disclosing donors for such funds within
11 three business days during the 90 days before an election or within 10 business days at all other
12 times.

13 (3) Expedited Filing. A multipurpose organization identified as a contributor ~~by the last~~
14 ~~in, first out (LIFO) accounting method~~ that qualifies as a recipient committee under Section
15 84222(c) (the contributing organization) must register and file campaign statements of its own,
16 disclosing its donors, if applicable. The multipurpose organization qualifies as a committee on
17 the date it knows or has reason to know that it met the qualification thresholds of Section
18 84222(c) by receiving the “nonprofit filer notice” referred to in paragraph (2) above, receiving a
19 major donor notice pursuant to Section 84105 and Regulation 18427.1, or being otherwise put on
20 notice. The contributing multipurpose organization ~~shall~~ must file a statement of organization
21 and an initial campaign statement on Form 460 within three business days during the 90 days
22 before an election, and within 10 business days at all other times.

1 (f) Recordkeeping. A multipurpose organization ~~shall~~ must maintain all records necessary
2 to establish its compliance with Section 84222, and must maintain records concerning its mass
3 mailings, notices to contributors of \$5,000 or more, and expenditures for advertisements, as
4 specified in Regulation 18401.

5 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82015 and 84222,
6 Government Code.