

1 Amend 2 Cal. Code Regs., Section 18423 to read:

2 **§ 18423. Payments for Personal Services as Contributions and Expenditures.**

3 (a) The payment of salary, reimbursement for personal expenses, or other compensation  
4 by an employer to an employee who spends more than 10% of his or her compensated time in  
5 any one month rendering services for political purposes is a contribution, as defined in Section  
6 82015 and Regulation 18215, or an expenditure, as defined in Section 82025 ~~and Regulation~~  
7 ~~18225~~, by the employer if:

8 (1) The employee renders services at the request or direction of the employer; or

9 (2) The employee, with consent of the employer, is relieved of any normal working  
10 responsibilities related to his or her employment in order to render the personal services, unless  
11 the employee engages in political activity on bona fide, although compensable, vacation time or  
12 pursuant to a uniform policy allowing employees to engage in political activity.

13 (b) Personal services are rendered for political purposes if they are carried on for the  
14 purpose of influencing or attempting to influence the action of the voters for or against the  
15 nomination or election of one or more candidates, or the qualification or passage of any measure,  
16 and include but are not limited to:

17 (1) Personal services received by or made at the behest of a candidate or committee by an  
18 employee; and

19 (2) Hours spent developing or distributing communications that expressly advocate the  
20 election or defeat of a clearly identified candidate or the qualification, passage or defeat of a  
21 clearly identified measure.

22 (c) The amount of the contribution or expenditure reportable pursuant to this regulation is  
23 the pro-rata portion of the gross salary, reimbursement for personal expenses or compensation

1 attributable to the time spent on political activity. An in-kind contribution of the services of  
2 salaried personnel to a committee and the expenditure by the person making the salary payment  
3 are considered to be made on the payroll date of the salaried personnel.

4 (d) This regulation does not affect the obligation of an employer or any other person to  
5 report expenditures and contributions other than the salary, reimbursement for personal  
6 expenses, or compensation for personal services of an employee.

7 (e) Notwithstanding the provisions of subsection (a), salary, reimbursement for personal  
8 expenses and compensation paid to an employee by an employer who has contracted to provide  
9 services to a candidate or committee are not contributions or expenditures by the employer,  
10 provided that the services rendered by the employee are not beyond the scope of the contract.

11 This paragraph does not affect any reporting obligation imposed by Section 84303.

12 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82015, 82025 and  
13 84211, Government Code.