

1 Amend 2 Cal. Code Regs., Section 18419. to read:

2 **§ 18419. Sponsored Committees.**

3 (a) The terms used in this section are defined as follows:

4 (1) “Sponsored committee” means a committee, other than a controlled committee, which  
5 has one or more sponsors.

6 (2) “Sponsor” of a committee means any person (except a candidate, proponent or other  
7 individual) to whom any of the following applies:

8 (A) The committee receives 80 percent or more of its contributions either from the person  
9 or from the person's members, officers, employees or shareholders in the preceding 24 months. A  
10 committee must make this determination at the time of filing each campaign statement;

11 (B) The person collects contributions for the committee by use of payroll deductions or  
12 dues from its members, officers or employees;

13 (C) The person provides, alone or in combination with other organizations, all or nearly  
14 all of the administrative services for the committee; or

15 (D) The person sets, alone or in combination with other organizations, the policies for  
16 soliciting contributions or making expenditures of committee funds.

17 (3) “Intermediate unit” means a chapter, local, branch, unit or similar component of a  
18 sponsor that collects money from its members, officers, employees or shareholders when, at the  
19 time of the making of the payment, the donor knows or has reason to know that the payment, or  
20 funds with which the payment will be commingled, will be used to make contributions by the  
21 sponsored committee ~~within the meaning 2 Cal. Code of Regs. section 18215(b)(1).~~

22 (4) “Member” includes a member, employee, officer, shareholder or any other person  
23 affiliated with a sponsor or an intermediate unit.

1 (5) "Member contribution" is a voluntary or mandatory payment made by a member of a  
2 sponsor or an intermediate unit when, at the time of making the payment, the donor knows or has  
3 reason to know that the payment, or funds with which the payment will be commingled, will be  
4 used to make contributions by a sponsored committee ~~within the meaning of 2 Cal. Code of~~  
5 ~~Regs. section 18215(b)(1).~~

6 (b) In the case of a sponsored committee:

7 (1) The committee shall include the name of its sponsor in the name of the committee. If  
8 the sponsored committee has more than one sponsor and the sponsors are members of ~~an~~ the  
9 same industry or other identifiable group, the name of the committee shall include a term  
10 identifying that industry or group. "Other identifiable group" means members of the same  
11 business or trade, or non-profit organizations with a common purpose. Sponsors with no such  
12 common industry or other identifiable group must be separately identified.

13 (A) The following examples illustrate terms that would sufficiently identify the same  
14 industry or other identifiable group of multiple sponsors: "Sponsored by California Health  
15 Insurers;" "Sponsored by Southern California Automobile Dealers;" "Sponsored by Sacramento  
16 Valley Almond Growers and Processors"; "Sponsored by Northern California Food Banks."

17 (B) The following examples illustrate terms that would not sufficiently identify the same  
18 industry or other identifiable group of multiple sponsors: "Sponsored by California Small  
19 Businesses;" "Sponsored by Sacramento Taxpayers;" "Sponsored by Los Angeles County  
20 Homeowners"; "Sponsored by a Coalition of Charities."

21 (2) The committee shall indicate on its statement of organization each sponsor's primary  
22 industry, business, or trade if the sponsor is a for-profit entity, and primary purpose if the  
23 sponsor is a non-profit organization.

1 (3) The sponsor shall file as a committee if it meets the thresholds set forth in  
2 ~~Government Code section~~Section 82013 except as provided in subdivisions (c) through (f).

3 (c) A sponsor is not a committee within the meaning of ~~Government Code section~~Section  
4 82013 if all of the following criteria are satisfied:

5 (1) The sponsor does not directly or indirectly make or receive a sufficient amount of  
6 contributions or independent expenditures, other than those in support of its sponsored  
7 committee, to satisfy the thresholds set forth in ~~Government Code section~~Section 82013. A  
8 sponsoring organization makes contributions and expenditures in support of its sponsored  
9 committee when it provides the committee with member contributions or money from its  
10 treasury, with the exception of establishment or administrative costs (see Regulation 2-Cal. Code  
11 ~~Regs. section~~ 18215(c)(16));

12 (2) The sponsored committee reports all contributions and expenditures made in support  
13 of the committee by the sponsor, its intermediate units, and the members of such entities. With  
14 respect to a member contribution which is channeled through the sponsor or an intermediate unit,  
15 the member is the contributor;

16 (3) The sponsored committee reports as an intermediary the sponsor and, if required by  
17 paragraph (f) of this regulation, any intermediate unit, as an intermediary, if the sponsor or  
18 intermediate unit directly or indirectly provides the committee with \$100 or more in member  
19 contributions regardless of whether any member for whom the sponsor or intermediate unit acts  
20 contributed \$100 or more; and

21 (4) A responsible officer of the sponsor, as well as the treasurer of the sponsored  
22 committee, verifies the committee's campaign statement pursuant to ~~Government Code section~~  
23 Section 81004.

1 (d) A sponsor which is a committee pursuant to ~~Government Code section~~Section 82013  
2 by virtue of making or receiving contributions or independent expenditures other than those in  
3 support of its sponsored committee:

4 (1) Need not report on its campaign statement member contributions to the sponsored  
5 committee if the committee discloses such contributions in compliance with the standards set  
6 forth in paragraphs (c)(2), (c)(3), and (c)(4) of this regulation;

7 (2) Must report contributions or payments for establishment or administrative costs it  
8 makes to the sponsored committee in the form of money from its treasury; and

9 (3) Must make a prominent reference on its campaign statement stating the name of its  
10 sponsored committee, including the committee's identification number issued by the Secretary of  
11 State's office.

12 (e) An intermediate unit is not a committee pursuant to ~~Government Code section~~Section  
13 82013 by virtue of making contributions and expenditures in support of its sponsor's sponsored  
14 committee or by virtue of acting as an intermediary pursuant to paragraph (c)(3) of this  
15 regulation. An intermediate unit which is a committee by virtue of making or receiving other  
16 contributions or independent expenditures need not disclose member contributions if the  
17 sponsored committee follows the procedures set forth in paragraph (c)(3) of this regulation for  
18 reporting the member contributions.

19 (f) An intermediate unit is reportable as an intermediary on the sponsored committee's  
20 campaign statement pursuant to paragraph (c)(3) of this regulation only if the name of the  
21 intermediate unit is substantially different from the name of the sponsor.

22 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82048.7 and  
23 84102, Government Code.