

1 Amend 2 Cal. Code Regs. Section 18422.5:

2 **§ 18431. Reporting of Expenditures by an Agent or Independent Contractor.**

3 (a) The following expenditures, and all similar expenditures, when made by an agent or
4 independent contractor, including any vendor or subvendor, on behalf of or for the benefit of a
5 candidate or committee, must be reported under Section 84303. Expenditures not of the types
6 included below do not have to be reported. Expenditures that must be reported include all of the
7 following:

8 (1) Expenditures to any person, other than an employee of the agent or independent
9 contractor, for expert advice, expert analysis, or campaign management services, including but
10 not limited to analysis, advice, or management services in connection with any of the following:

- 11 (A) Development of campaign strategy.
- 12 (B) Campaign management.
- 13 (C) Design or management of campaign literature or advertising.
- 14 (D) Campaign fund raising.

15 (2) Expenditures to any person, other than an employee of the agent or independent
16 contractor, who furnishes the candidate or committee with products or services that show how
17 the campaign is conducted, including but not limited to expenditures for any of the following:

- 18 (A) Printed campaign literature.
- 19 (B) Advertising time or space.
- 20 (C) Campaign buttons and other campaign paraphernalia.
- 21 (D) Surveys, polls, signature gathering and door-to-door solicitation of voters, except as
22 provided in subdivision (e).
- 23 (E) Facilities, invitations, or entertainment for fundraising events.

- 1 (F) Postage for campaign mailings.
- 2 (3) Any of the following types of expenditures:
- 3 (A) To the candidate.
- 4 (B) To any person for the personal use of the candidate, or his or her family.
- 5 (C) That are gifts to any person.
- 6 (D) To or on behalf of any other candidate or committee.
- 7 (E) To printers of mass mailings.
- 8 (F) To any person who transfers funds to any other person for expenditures reportable
9 under this regulation.

10 (G) For any commission, finder's fee or rebate provided to any person in connection with
11 any expenditure reportable under this regulation if the commission, finder's fee or rebate is
12 inconsistent, in either manner or amount, with customary industry practice.

13 (b) Expenditures made directly from a candidate's or committee's account, charged to the
14 candidate's or committee's credit, credit card, debit card or charge card, are not considered
15 expenditures by an agent or independent contractor reportable under Section 84303. These
16 expenditures shall be reported under Section 84211, and candidate or committee payments to a
17 credit card, debit card or charge card company shall be reported and itemized as specified in
18 Regulation 18421.9.

19 (c) An expenditure required to be reported by Section 84303 must be reported by the
20 candidate or committee at the same time and in the same manner and detail as required under
21 Section 84211 for the candidate's or committee's direct expenditures.

22 (d) An agent or independent contractor who makes an expenditure on behalf of or for the
23 benefit of a candidate or committee that is required to be reported under Section 84303 shall

1 make known to the candidate or committee all the information required for reporting the
2 expenditure under Section 84211. A subagent or subvendor may make the report required by this
3 subdivision to his or her principal, who shall then report the expenditure to the committee or
4 candidate. An agent or independent contractor shall report all expenditures required to be
5 reported under Section 84303 no later than three working days prior to the time the campaign
6 statement reporting the expenditure is required to be filed, except that an expenditure that must
7 be reported under Sections 84203 or 84204 shall be reported to the candidate or committee
8 within 24 hours of the time it is made.

9 (e) When reporting an expenditure made by an agent or independent contractor to an
10 individual for conducting signature gathering, door-to-door solicitations, or canvassing, a
11 committee is not required to report the name of the individual under Section 84303 and
12 subdivision (a)(2)(D), and the agent or independent contractor is not required to report the name
13 of the individual under subdivision (d).

14 Note: Authority cited: Section 83112, Government Code. Reference: Sections 84211 and 84303,
15 Government Code.