

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" includes members of the same
11 business or trade, labor unions representing workers in similar fields, and non-profit
12 organizations with a common purpose. If a committee has sponsors from multiple industries or
13 identifiable groups, the committee name shall include separate terms to identify those industries
14 or identifiable groups to which the committee sponsors belong. Sponsors with no such common
15 industry or other identifiable group must be separately identified by name.

16 (A) The following non-exhaustive examples illustrate terms that would sufficiently
17 identify the same industry or other identifiable group of multiple sponsors: "Sponsored by
18 California Health Insurers;" "Sponsored by Southern California Automobile Dealers;"
19 "Sponsored by Almond Growers and Processors"; "Sponsored by Public Employee Unions;"
20 "Sponsored by Local Food Banks; "Sponsored by Healthcare Providers and Chambers of
21 Commerce."

22 (B) The following non-exhaustive examples illustrate terms that would not sufficiently
23 identify the same industry or other identifiable group of multiple sponsors: "Sponsored by

1 California Small Businesses;” “Sponsored by Taxpayers and Homeowners”; “Sponsored by a
2 Coalition of Charities.”

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

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

8 (c) A sponsor is not a committee within the meaning of ~~Government Code section~~Section
9 82013 if all of the following criteria are satisfied:

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

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

21 (3) The sponsored committee reports as an intermediary the sponsor and, if required by
22 paragraph (f) of this regulation, any intermediate unit, as an intermediary, if the sponsor or
23 intermediate unit directly or indirectly provides the committee with \$100 or more in member

1 contributions regardless of whether any member for whom the sponsor or intermediate unit acts
2 contributed \$100 or more; and

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

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

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

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

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

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

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

4 Note: Authority cited: Section 83112, Government Code. Reference: Sections 82048.7 and
5 84102, Government Code.