

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18530.7. Extensions of Credit.

(a) Except as provided in subdivision (b), an extension of credit which consists of a receipt of goods or services pursuant to an agreement between the provider of the goods or services and a candidate or committee, and where payment is not made until a later date, is a contribution subject to Government Code section 85307(a).

(b) For purposes of Government Code section 85307(a), an extension of credit is not a contribution made by the provider of the goods or services or a contribution accepted by the candidate or committee if either subdivision (b)(1) or (b)(2) of this regulation is met:

(1) Payment is made on or before the earlier of the following dates:

(A) 45 days after the date of the invoice; or

(B) 45 days from the date the goods or services are delivered; or

(C) For services ongoing in nature, 45 days after the date of the invoice, where services are billed no less frequently than on a three-month billing cycle.

(2) All of the requirements of subsections (b)(2)(A)-(E) of this regulation are met:

(A) The credit arrangement is recorded in a written instrument;

(B) It is a regular business of the provider of goods or services to provide similar goods or services;

(C) The provider provides the goods and services in the ordinary course of business and on the same terms and conditions offered to customers generally;

(D) The provider of goods or services enters into the agreement with the intent that the candidate or committee be required to pay in accordance with terms of the agreement and does

not have actual knowledge that the candidate or committee would not be able to pay in accordance with those terms; and

(E) The provider of goods or services makes reasonable efforts to collect the full amount of the payment owed within four months of the date that the payment for the goods or services is due under the terms of the agreement. Reasonable efforts to collect the full amount of the payment may be demonstrated even if:

(i) The provider does not exhaust all available legal options; or

(ii) The provider accepts less than the full amount of the payment owed by the candidate or committee.

Note: Authority cited: Section 83112, Government Code. Reference: Section 85307, Government Code.

HISTORY

1. New section filed 7-20-2005; operative 8-19-2005 (Register 2005, No. 29). For prior history, see Register 2001, No. 18.