

1 Adopt 2 Cal. Code Regs., Section 18536 to read:

2 **§ 18536. Transfer and Attribution of Contributions**

3 For purposes of Section 85306:

4 (a) A committee transferring funds must designate in its records at the time of its first  
5 transfer whether it elects the “first in, first out” or a “last in, first out” method of accounting for  
6 the current and future transfers. That designation is irrevocable.

7 (1) “First in, first out” means that campaign funds being transferred are attributed to the  
8 transferring committee's contributors in chronological order beginning with the earliest of its  
9 contributors or, if there has been a prior transfer, beginning with the earliest contributor for  
10 which unattributed contributions remain.

11 (2) “Last in, first out” means that campaign funds being transferred are attributed to the  
12 transferring committee's contributors in reverse chronological order beginning with the most  
13 recent of its contributors or, if there has been a prior transfer, beginning with the most recent  
14 contributor for which unattributed contributions remain.

15 (3) Campaign funds shall be attributed to contributors in the lesser of the following  
16 amounts:

17 (A) The actual amount of the original contribution from the person to whom the  
18 campaign funds are being attributed;

19 (B) The applicable contribution limit under Section 85301 or 85302; or

20 (C) The amount of campaign funds the committee is seeking to transfer that has not yet  
21 been attributed.

22 (b) Except as provided in subdivisions (b) and (c) of Section 85306, campaign funds  
23 transferred, when aggregated with all other transfers attributable to, and contributions from, the

1 same contributor, may not exceed the contribution limits applicable to the candidate at the time  
2 of the transfer. Campaign funds attributed to a contributor who is a candidate for elective state  
3 office or a candidate for an elective city or county office subject to the contribution limit in  
4 Section 85301(d) at the time of the transfer, when aggregated with all other contributions from  
5 that contributor, may not exceed the amount provided in subdivision (a) of Section 85301.

6 (c) The committee transferring the funds shall maintain records that identify the specific  
7 contributors to whom any transferred contributions have been attributed. If the transferring  
8 committee no longer is required by Section 84104 to maintain detailed records, the receiving  
9 committee shall maintain either:

10 (1) Such records from the transferring committee as are sufficient, pursuant to paragraphs  
11 (1), (5) and (6) of subdivision (f) of Section 84211, to confirm the identity of the original  
12 contributors to whom transfers are being attributed; or

13 (2) Copies of the transferring committee's original verified and filed campaign reports  
14 that show the original contribution received from each contributor to whom a transferred  
15 contribution is attributed.

16 (d) The committee receiving the funds shall notify contributors whose contributions are  
17 transferred and attributed pursuant to Section 85306 and this regulation. The committee shall use  
18 the contributor's information on file with the transferring committee and shall maintain records  
19 of the notifications. The notifications shall be in writing and specify the date, amount, and name  
20 of the committee transferring the contribution; as well as the date, amount, and name of the  
21 committee receiving the transferred contribution. Notifications shall be issued within two weeks  
22 of funds being transferred.  
23

1           (~~de~~) A committee receiving transferred funds must disclose on its campaign statements  
2 each attributed contribution of one hundred dollars (\$100) or more, providing the same  
3 information required by subdivision (f) and, if applicable, subdivision (m) of Section 84211 as  
4 disclosed on the campaign statement on which the contribution was originally reported or as  
5 contained in the committee's records at the time of the transfer.

6           (~~ef~~) Transfers made prior to a primary election, when aggregated with all other transfers  
7 attributable to, and contributions from, the same contributor, may include amounts that could  
8 have been raised for the general election pursuant to Section 85318, provided the receiving  
9 committee complies with the requirements of this section.

10          (~~fg~~) A candidate or committee that receives a contribution which, when aggregated with  
11 contributions attributed to the same contributor, would otherwise constitute a violation of Section  
12 85301 or 85302, shall not be in violation of either of those sections provided the contribution is  
13 returned pursuant to Regulation 18531.

14          (~~gh~~) A contributor that makes a contribution which, when aggregated with contributions  
15 attributed to the same contributor, would otherwise be in violation of Section 85301 or 85302,  
16 shall not be in violation of either of those sections unless the contributor was aware of the  
17 attribution at the time the contribution was made.

18          (~~hi~~) This regulation does not apply to a candidate for statewide elective office, or the  
19 candidate's controlled committee for that office, in an election held before November 6, 2002.  
20 This regulation applies on and after November 6, 2002, to a candidate for statewide elective  
21 office, and the candidate's controlled committee for that office, in an election held on or after  
22 November 6, 2002.

(j) This regulation applies to a candidate for an elective city or county office subject to the contribution limit of Section 85301(d) or the candidate's controlled committee for that office, in an election held on and after January 1, 2021.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 85200, 85301, 85305, 85306, 85318 and 85702.5, Government Code