

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

**§ 18531.63. Treatment of Debts Outstanding After a City or County Election for Offices Subject to AB 571- Prior to January 1, 2021.**

(a) Application. The provisions of this regulation apply to contributions accepted by a committee for an elective city or county office subject to Section 85301(d) prior to January 1, 2021. For rules regarding the treatment of contributions received on or after January 1, 2021 by a committee for an elective city or county office subject to Section 85301(d), see Regulation 18531.64.

(b) Pre-2021 Elections. Section 85316 does not apply to a candidate for elective city or county office subject to Section 85301(d) in an election held prior to January 1, 2021.

(1) There are no contribution limits in effect under the Act for elections held prior to January 1, 2021 for contributions made on or after January 1, 2021 to elective city and county offices subject to Section 85301(d).

(2) Contributions for an election held prior to January 1, 2021 for those offices subject to the contribution limit in Section 85301(d) may be accepted in an amount that exceeds net debts outstanding.

(c) 2021 and Subsequent Elections. Section 85316 applies to a candidate for an elective city or county office subject to the limit in Section 85301(d) in an election held on or after January 1, 2021, as follows:

(1) The contribution limit in Section 85301(d) applies to a candidate controlled committee formed on or after January 1, 2021, whether the committee is designated for an election held pre- or post- January 1, 2021.

(2) Beginning January 1, 2021, contributions received by any candidate controlled committee subject to Section 85301(d) formed prior to January 1, 2021, for an election held after January 1, 2021, are subject to the limit of Section 85301(d).

(3) Transfers to a committee subject to Section 85301(d) formed for an election held on or after January 1, 2021, are subject to the requirements of Regulation 18536.

(d) A candidate for elective city or county office subject to subdivision (b) of this regulation may use contributions accepted pursuant to Section 85316 only for payment of net debts outstanding for an election.

(e) For purposes of this section, “net debts outstanding” includes the following:

(1) An amount necessary to cover the cost of raising funds as permitted under this section;

(2) Any costs associated with complying with the post-election requirements of this Title and other necessary administrative costs associated with winding down the campaign, including office space rental, staff salaries, and office supplies; and

(3) The total amount of unpaid debts, loans and accrued expenditures incurred with respect to an election, less the sum of:

(A) The total cash on hand available to pay those debts and obligations, including: currency; balances on deposit in banks, savings and loan institutions, and other depository institutions; traveler's checks; certificates of deposit; treasury bills; and any other committee investments valued at fair market value; and

(B) The total amounts owed to the candidate controlled committee in the form of credits, refunds of deposits, returns, or receivables, or a commercially reasonable amount based on the collectability of those credits, refunds, returns, or receivables.

(f) The amount of the net debts outstanding shall be reduced as additional funds are received. The candidate and his or her controlled committee(s) may accept contributions made after the date of an election, if such contributions do not exceed the amount of net debts outstanding on the date the contribution is received. Any contribution that exceeds the amount of net debts outstanding shall be treated in the same manner as a contribution in excess of the contribution limits.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 85201, 85301, 85306, 85316, 85317, 85318 and 85702.5, Government Code.

### **HISTORY**

1. New section filed 3-22-2021; operative 4-21-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 13). For prior history, see Register 2007, No. 26.