



STATE OF CALIFORNIA  
FAIR POLITICAL PRACTICES COMMISSION  
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February 23, 2021

Frank Adomitis  
7481 Mountain Laurel Drive  
Highland, Ca 92346  
franksc@startmail.com

Re: Your Request for Advice  
**Our File No. A-21-005**

Dear Mr. Adomitis:

This letter responds to your request for advice regarding the campaign provisions of the Political Reform Act (the “Act”).<sup>1</sup> Please note that we are not a finder of fact when rendering advice (*In re Oglesby* (1975) 1 FPPC Ops. 71), and any advice we provide assumes your facts are complete and accurate. If this is not the case or if the facts underlying these decisions should change, you should contact us for additional advice.

### QUESTIONS

1. Can an organization, that is a general purpose committee under the Act and a tax-exempt organization organized under Section 527 of the United States Internal Revenue Code (“527 political organization.”) close the general purpose committee and operate solely as a 527 political organization in California?
2. Can you terminate the general purpose committee as the treasurer?
3. How do you withdraw from being the treasurer of the general purpose committee?

### CONCLUSIONS

1. If the organization continues to engage in campaign activity in California that qualifies it as a general purpose committee, it must continue filing as a general purpose committee.
2. Yes. However, in order to terminate, the committee must have ceased receiving contributions or making expenditures, must not have any remaining funds, must have filed all campaign statements disclosing all reportable transactions, including the disposition of leftover funds and must have eliminated all debts and loans or have no intention or ability to discharge debts and loans.

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<sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

3. An amended Statement of Organization Form 410 (“Form 410”) would need to be filed to withdraw as treasurer of the general purpose committee.

### **FACTS AS PRESENTED BY REQUESTER**

You are the treasurer of Friends of Highland, a general purpose committee under the Act and a 527 political organization. You would like to terminate the general purpose committee and only operate as a 527 political organization in California. You have contacted the Internal Revenue Service (“IRS”) and were informed that you are not required to have a general purpose committee in addition to the 527 political organization, unless required by California law. You assert that all the same donations and expenditure information would be reported through the 527 political organization filings and disclosures on Form 8871, Political Organization Notice of Section 527 Status (“Form 8871”) and Form 8872, Political Organization Report of Contributions and Expenditures (“Form 8872”) as would be reported on the forms required under the Act for the general purpose committee.

You have provided that for purposes of this advice letter, it is assumed that the general purpose committee will engage in campaign activity in California. Such activity includes receiving contributions and making expenditures.

### **ANALYSIS**

#### General Purpose Committee

Pursuant to Section 82013 of the Act a “committee” means any person or combination of persons who directly or indirectly: (a) receives contributions totaling \$2,000 or more in a calendar year (commonly referred to as a “recipient” committee); (b) makes independent expenditures totaling \$1,000 or more in a calendar year; or (c) makes contributions totaling \$10,000 or more in a calendar year. “General purpose committee” includes any recipient committee which is formed or exists primarily to support or oppose more than one candidate or ballot measure, excluding primarily formed committees.<sup>2</sup> (Section 82027.5.)

The Act requires general purpose recipient committees to disclose the sources of contributions received and identify how the contributions are spent, among other disclosure requirements as outlined in Sections 84100-84511 of the Act. The reporting requirements in the Act apply to all state and local campaign committees. A federal committee must also comply with the Act’s reporting requirements when it makes contributions or independent expenditures in connection with California candidates and committees and qualifies as a committee pursuant to Section 82013.

A person or combination of persons that becomes a committee shall retain its status as a committee until such time as that status is terminated pursuant to Section 84214. (Section 82013.)

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<sup>2</sup> Section 82047.5 provides that “primarily formed committee” means a committee pursuant to subdivision (a) of Section 82013 which is formed or exists primarily to support or oppose any of the following: (a) a single candidate; (b) a single measure; (c) a group of specific candidates being voted upon in the same city, county, or multicounty election; (d) two or more measures being voted upon in the same city, county, multicounty, or state election.

As you have stated, Friends of Highland will continue engaging in activities that qualify it as a committee under the Act, such as receiving contributions and making expenditures in California, therefore it must continue filing campaign reports and cannot terminate unless it meets the requirements of Regulation 18404, discussed below.

### *Terminating the Committee*

A recipient committee may terminate only if it: (1) has ceased to receive contributions and make expenditures and does not anticipate receiving contributions or making expenditures in the future; (2) has eliminated or has declared that it has no intention or ability to discharge all of its debts, loans received and other obligations; (3) has no surplus funds; and (4) has filed all required campaign statements disclosing all reportable transactions. (Regulation 18404.) Upon meeting all of these requirements, the committee treasurer may terminate the committee status as a committee. (Regulation 18404.)

In order to terminate, a committee must file a Form 410 termination statement, and a final Form 460 Recipient Committee Campaign Statement (“Form 460”) or Form 450 Recipient Committee Campaign Statement - Short Form (“Form 450”)<sup>3</sup>. On the Form 410, the “Termination” box must be checked. The committee’s identification number and the date of termination (the date of termination is generally the date all funds have been disbursed) must be listed. Section 1 must be completed, and the treasurer or assistant treasurer must sign the verification. A Form 460 or a Form 450 must also be filed showing that all funds have been disbursed and the committee has no cash on hand. The “Termination” box on the cover page must be checked. The original and a copy of the Form 410 must be filed with the Secretary of State. County and city committees must also file a copy with the local filing officer who receives the committee’s original campaign statements. The Form 450 or the Form 460 are filed in the committee’s regular filing locations.

If Friends of Highland is still engaging in activity that qualifies it as a general purpose recipient committee under the Act, such as receiving contributions or making expenditures totaling \$2,000 or more in a calendar year, the filing obligations continue until the activity has ceased and the appropriate forms have been filed to terminate the committee.

### *Withdrawing as Treasurer of the Committee*

The treasurer must continue his or her duties under the Act and Regulation 18427 so long as the committee remains open. If you would like to withdraw as the treasurer of the committee while it remains open, an amended Form 410 must be filed. However, every recipient committee must have a treasurer. (Section 84100.) No expenditure shall be made by or on behalf of a committee without the authorization of the treasurer or his or her designates. (Section 84100.)

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<sup>3</sup> Form 450 is for use by a recipient committee if the committee meets all of the following criteria: (1) is not controlled by a candidate. (Exception: Candidate controlled ballot measure committees may use this form.); (2) has not received a contribution which must be itemized (a cumulative amount of \$100 or more from a single source); (3) has not received any other payment of \$100 or more (miscellaneous increases to cash); (4) has no outstanding loans made or received; and (5) has no accrued expenses (unpaid bills). If all criteria are not met, the committee must use Form 460, Recipient Committee Campaign Statement.

When the treasurer's office is vacant, no contribution or expenditure may be accepted or made by or on behalf of the committee. (Section 84100.) Therefore, please note that when you resign, and if in doing so the office of treasurer becomes vacant, the contributions received, and expenditures made must freeze until a replacement treasurer is found. However, should an existing treasurer no longer be able to fulfill his or her duties, no section of the Act requires an individual to act as treasurer until a replacement is found. (*Benedetti* Advice Letter, No. A-10-038.)

If you have other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Dave Bainbridge  
General Counsel

*Katelyn L. Greene*

By: Katelyn L. Greene  
Counsel, Legal Division

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