#### Fair Political Practices Commission Contribution Limits: City and County Candidates<sup>1</sup>

#### Introduction

Pursuant to Assembly Bill 571 (Stats. 2019, Ch. 556, AB 571 Mullin), beginning January 1, 2021 a state campaign contribution limit will by default apply to city and county candidates when the city or county has not already enacted a contribution limit on such candidates. Along with the new campaign contribution limit, there are also other related provisions that formerly applied only to state level candidates that will now apply to city and county candidates. Please note that none of the provisions of AB 571 discussed in this fact sheet apply to candidates in cities or counties for which the city or county has enacted campaign contribution limits.

#### **Current State Contribution Limit**

The contribution limit that will now apply to city and county candidates pursuant to AB 571 is updated biennially for inflation. Contribution limits can be found in Regulation  $18545(a)^2$  and on the FPPC website <u>here</u>. The default limit for contributions to city and county candidates subject to AB 571 for 2021-2022 is set at \$4,900 per election.

#### **Other Amended Provisions Affecting City and County Candidates**

Several other provisions will now apply to city and county candidates in jurisdictions that have not enacted campaign contribution limits, including the following:

- A candidate may not make a contribution over the AB 571 limit to another candidate in jurisdictions subject to the AB 571 limit.
- Candidates may transfer campaign funds from one candidate-controlled committee to another committee controlled by the same candidate if the committee receiving the transfer is for an elective state, county or city office. However, contributions transferred must be transferred using the "last in, first out" or "first in, first out" accounting method and shall not exceed the applicable contribution limit per contributor.

<sup>&</sup>lt;sup>1</sup> This fact sheet is informational only and contains only highlights of selected provisions of the law. It does not carry the weight of the law. For further information, consult the Political Reform Act and its corresponding regulations, advice letters, and opinions.

<sup>&</sup>lt;sup>2</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.

- Candidates may not personally loan to a candidate's campaign an amount for which the outstanding balance exceeds \$100,000. A candidate may not charge interest on any such loan the candidate made to the candidate's campaign.
- Candidates may establish a committee to oppose the qualification of a recall measure and the recall election when the candidate receives a notice of intent to recall. Campaign funds raised to oppose the qualification of a recall measure and/or the recall election would not be subject to any campaign contribution limit under the Act.
- Contributions after the date of the election may be accepted to the extent contributions do not exceed net debts outstanding from the election, and contributions do not otherwise exceed applicable contribution limits for that election.
- Candidates may carry over contributions raised in connection with one election to pay for campaign expenditures incurred in connection with a subsequent election for the same office.
- Candidates are permitted to raise contributions for a general election before the primary election and may establish separate campaign contribution accounts for the primary and general so long as candidates set aside contributions and use them for the general or special general election as raised. If the candidate is defeated in the primary election or otherwise withdraws from the general election, the general election funds must be refunded to contributors on a pro rata basis less any expenses associated with the raising and administration of the general elections.
- Candidates that are currently in office that are running for reelection to the same seat in an election after January 1, 2021 may carry over campaign funds without attribution. Candidates running for a different office also do not need to do LIFO FIFO or attribution.

#### FAQs

### A. If a city or county does not currently have contribution limits set within their ordinance would the state contribution limit be the default?

Yes. The state contribution limit stated above would be the default contribution limit if the city or county ordinance is silent on whether there are contribution limits within that jurisdiction or if there is no city or county ordinance in place.

### B. Is there a way for a city or county to adopt "no" contribution limits for city or county elective city and county offices?

Yes. A city or county may elect to have "no" contribution limits. To do so, it must explicitly state in the city or county ordinance that there are no limits on contributions. If it is explicit that the city or county has implemented "no" contribution limits, the state contribution limit will not apply as a default for that jurisdiction.

### C. Can a city or county ordinance be less restrictive than the AB 571 limit (e.g., the city or county limit is set higher than the state limit)?

Yes. A city or county can set contribution limits higher than the default state limit.

### D. If a city or county imposes contribution limits, is the Commission responsible for enforcing those limits?

No. The Commission will not regulate the administration or enforcement of the penalties. Cities or counties with existing limits or that adopt their own limits are not subject to the state limit and may impose their own penalties for violations.

### E. If a city or county has voluntary contribution limits, but no mandatory contribution limits will the state limit be applicable?

Yes. A city or county must enact <u>mandatory</u> contribution limits to avoid the state limit applying to elective city and county offices.

#### F. Does the default contribution limit also include judicial candidates?

No. Elective city and county offices do not include judicial offices.

# G. If a city or county has imposed contribution limits for particular city or county offices (e.g., Board of Supervisors), do those limits also apply to other positions such as the District Attorney or would the default state limit apply if a particular position is not specifically addressed by the city or county?

The default state limit would apply to other positions for which the city or county has not set contribution limits. A city or county ordinance must explicitly state the city or county contribution limits and for which elective offices those limits will apply. A city or county may adopt a general provision implementing a contribution limit for all elective city and county offices in that jurisdiction. As noted above, a city or county may also adopt an ordinance that states the city or county is adopting no contribution limits for any offices to avoid the default state limit applying.

#### H. Does AB 571 apply to special district or school district elections?

No. AB 571 applies only to city and county elections for offices that a city or county has not implemented its own contribution limit.

### I. Can candidates that are subject to the AB 571 contribution limit open an officeholder committee?

No. Officeholder committees are not permitted for candidates subject to the AB 571 contribution limit. However, a candidate may use a committee for the officeholder's future election for officeholder expenses. A candidate may also use existing funds in the election committee for current office for officeholder expenses.

### J. Does the AB 571 contribution limit apply to debt retirement for the 2020 election?

No. For purposes of retiring debt, the contribution limit is the one that was applicable to that election. The Act did not impose a contribution limit on city and county candidates in 2020.

#### K. If a contribution was received for an election occurring after January 1, 2021, PRIOR to January 1, 2021, does this contribution count towards the new AB 571 contribution limit after January 1, 2021?

Yes. There was no contribution limit imposed on city and county candidates under the Act prior to January 1, 2021; however, if someone has already contributed up to or above the limit for a given election occurring after January 1, 2021, they will not be able to further contribute after January 1, 2021 to the same candidate for the same election.

### L. If a contributor gave \$10,000 in 2020 (prior to the AB 571 limit going into effect) to committee for a 2022 primary election, what happens?

The AB 571 contribution limit does not apply to contributions made prior to January 1, 2021 so a contribution of this amount is permissible. However, the prior contribution would limit subsequent contributions for the same election (see last question).

# M. Does the AB 571 contribution limit apply to political party committees and small contributor committees making contributions to candidates subject to the AB 571 limit?

Yes. Political parties and small contributor committees are only permitted to give contributions to candidates subject to the AB 571 in amounts up to the applicable AB 571 contribution limit for that candidate.

#### N. Does the AB 571 limit apply to county central committee candidates?

No. AB 571 imposes a contribution limit on city and county elective offices when a local jurisdiction has not already done so. Local jurisdictions are prohibited from placing contribution limits on county central committee candidates; therefore, AB 571 is not applicable to those offices.

## O. If an election was held in November 2020, but resulted in the need for a run-off election to be held in February 2021, how would the contributions be treated under AB 571?

The run-off election is considered a new election. If a contributor gave any amount to an AB 571 candidate for the November 2020 election, the same contributor would still be permitted to contribute up to \$4,900 (the AB 571 limit) to the same candidate for the February 2021 run-off election.