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CALIFORNIA SECRETARY OF STATE

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Re: Ensuring compliance with AB 571

Dear County Elections Official,

In 2019, the State Legislature passed Assembly Bill (AB) 571, a bill that imposes state contribution limits on candidates for elective county or city office unless the county or city has established contribution limits. This bill became effective January 1, 2021. Earlier this year, the California Fair Political Practices Commission (FPPC) circulated a fact sheet regarding AB 571, which can be viewed at: <https://www.fppc.ca.gov/media/factsheets.html>.

Under FPPC regulations implementing AB 571, candidate-controlled committees subject to AB 571 (where there are no local contribution limits) **are not permitted to redesignate an existing committee for a new election**. This is a departure from how local committees have been able to file in the past. A candidate-controlled committee where AB 571 applies must now establish a separate controlled committee and campaign bank account for each election. This means that candidates that are subject to AB 571 cannot amend their Form 410 for their old committee to redesignate the committee for use when running for reelection.

As you know, the Political Reform Division (PRD) at the California Secretary of State is responsible for reviewing the Statement of Organization (FPPC 410) for all committees, including for candidates for local office who file all other disclosure reports locally, and assigning the Committee ID Number (sometimes called an FPPC ID) for newly formed committees. However, PRD does not review Statements of Organization for compliance with AB 571 because it does not track and maintain information on which local jurisdictions are subject to the requirements of AB 571. Therefore, this review should be done by the county and/or city filing officer, who are aware of their local campaign finance requirements and in the position to determine if AB 571 applies to their jurisdiction(s).

When you receive a Form 410 amendment either from the committee (a copy of the original submission) or from PRD (the copy of the filed statement with the Committee ID Number assigned), please check to make sure the redesignated committee is not in violation of AB 571. If a committee has amended the Form 410 for redesignation in error, please advise the committee to complete the following steps to correct the error:

- Send a Form 410 amendment to the Secretary of State to revert the original committee's name back to its previous name. Include a letter stating that the committee falls into the AB 571 committee requirements and provide the filing dates of any relevant Form(s) 410 that may have been previously sent to PRD, so our staff can quickly obtain and review those forms with this amended Form 410.

- Send an initial Form 410 to the Secretary of State to register a new committee. This new committee can have the name the original committee had been redesignated with the new election year; however, PRD will not accept this new name if the original committee's name has not already been reverted.
- Send a terminating Form 410 to the Secretary of State for the old committee, if that committee is eligible for termination and the committee wishes to terminate. This termination statement can be done on the same Form 410 as the amendment reverting the original committee's name or as a separate filing.
- Contributions received after the committee was redesignated must be refunded to contributors.
- Activity during the reporting period covered by a statement for the redesignated committees is reported on the Form 460 including the refunded contributions. Refunded contributions are reported as expenditures on Schedule E.
- Filing officers are not required to post amended Form 410s on the website for committees that have been redesignated in error.

Please forward this message to city filing officers within your jurisdiction that may be affected.

If you have any further questions and/or concerns about AB 571 generally, please email the FPPC advice line at advice@fppc.ca.gov or call their advice phone line at 866-ASK-FPPC (M-Th 9 a.m. to 11:30 a.m.) with any questions. If you have any questions about PRD's procedures in this area, please contact our main phone number at (916) 653-6224 and ask to speak to a F410 Subject Matter Expert or preferably, please email us at form410review@sos.ca.gov.

Thank you for your cooperation and help as we work together on AB 571 for your customers.