

Officeholder Accounts

FACT SHEET

CA Political Reform Act/FPPC Rules for Officeholder Accounts

State law allows local candidates who win the election to continue to maintain their campaign account after the election to receive contributions and to use campaign funds to offset officeholder expenses. During non-election years, the Form 460 is filed on a semi-annual basis as long as the committee remains open. State law further requires that the committee name include the candidate's last name, office sought, and year of the election, and that this name remain intact until and unless the candidate decides to run for re-election, in which case the candidate may redesignate the committee or create a new committee for the future office sought.

See FPPC *Disclosure Manual 2 – Information for Local Candidates, Superior Court Judges, Their Controlled Committees, and Primarily Formed Committees for Local Candidates*, available on the FPPC's website at www.fppc.ca.gov.

Oakland Campaign Reform Act (OCRA) Rules for Officeholder Accounts

Oakland law allows each elected city officeholder to establish one officeholder expense fund for expenses associated with holding the office currently held by the elected city officer. Contributions to the officeholder fund must be made by separate check or other separate written instrument, and single contributions may not be divided between the officeholder fund and any other candidate committee. The Oakland Campaign Reform Act (OCRA) imposes a limit on the total amount the officeholder fund may receive in contributions per year in office as follows (OMC 3.12.150A):

District Councilmembers, City Auditor, and School Board Directors	\$25,000
Councilmember-At-Large	\$30,000
Mayor	\$50,000

In addition, annual contributions received by or made to the officeholder fund shall be subject to the contribution limits under OCRA; however, expenditures made from the officeholder fund shall not be subject to the voluntary expenditure ceilings in OCRA (OMC 3.12.150E and 3.12.150F). No funds may be transferred from the officeholder fund of an elected city officeholder to any other candidate committee (OMC 3.12.150D).

A contributor may contribute up to the contribution limit to the officeholder fund each year it is in existence, in addition to making contributions at the applicable limit to the officeholder's campaign committee for a future election.

Transitioning a Campaign Committee into an Officeholder Fund

A candidate may decide to maintain the campaign committee in lieu of creating an officeholder committee; however, the candidate would be limited to the contribution limits that applied to

their contributors during the election. In other words, an individual who contributed to the candidate's campaign at the maximum amount would not be able to contribute again to the campaign committee, until and unless the campaign committee is re-designated as a campaign committee for the candidate's re-election. Even then, the contributor would be limited to the maximum contribution limit for the next election.

By establishing an officeholder account, an officeholder can receive a new set of contribution limits as outlined above and subject to OCRA's officeholder expenditure rules listed below. The new limits are in addition to the limits allowable for campaign contributions and are applied annually rather than per-election. In order to trigger the ability to accept officeholder contributions, a candidate must establish an "officeholder" account by re-designating the campaign committee as follows:

1. After the election, pay all campaign expenses and debts. Do not terminate the campaign committee.
2. After the elected official is sworn into office, file an amended Form 410 pursuant to state rules to add "Officeholder" to the committee name (the name must still include the candidate's last name, the prior office sought, and the year of the election). There is no required deadline for transitioning the committee from a campaign committee to an officeholder committee, except that, once a committee is renamed with "Officeholder," it can no longer accept campaign contributions, pay campaign debts, or make other campaign expenditures. Once deemed an "officeholder" committee, the committee can only receive officeholder contributions and make officeholder expenditures.
3. Once renamed with "Officeholder," the account becomes an officeholder fund allowable under Oakland law so that new annual and total contribution limits will apply and the expenditure ceiling that applied during the campaign is no longer applicable. In addition, once the account becomes an officeholder fund, the fund may no longer be used to pay for campaign expenditures and the officeholder expenditure rules listed in OMC 3.12.150B and 3.12.150C apply.
4. Any funds that remain in the account as it becomes an officeholder fund may not exceed the total amount the officeholder fund may receive in contributions per year in office under OMC 3.12.150A.
5. A contributor may not give to the campaign committee for the prior election and to the officeholder committee in the same calendar year; however, if and once the candidate forms a new campaign committee for their re-election or election to another office, a contributor may contribute up to the maximum amount to the officeholder committee and the future campaign committee.

Note: In lieu of the above campaign committee re-designation process, an officeholder could instead create a new campaign for re-election while in office, designate it with the name "officeholder," and use that committee for officeholder contributions and expenditures; however, the officeholder account must have a zero balance before the candidate begins to accept campaign contributions and make campaign expenditures for the candidate's future re-election, as OCRA prohibits any transfer of officeholder funds to another candidate committee.

Officeholder Expenditure Rules

Under OCRA section 3.12.150B, expenditures from an officeholder fund may be made for any political, governmental, or other lawful purpose such as the following:

1. Expenditures for fundraising (including solicitations by mail) for the officeholder expense fund;
2. Expenditures for office equipment, furnishings and office supplies;
3. Expenditures for office rent;
4. Expenditures for salaries of part-time or full-time staff employed by the officeholder for officeholder activities;
5. Expenditures for consulting, research, polling, photographic or similar services except for campaign expenditures for any city, county, regional, state or federal elective office;
6. Expenditures for conferences, meetings, receptions, and events attended in the performance of government duties by (1) the officeholder (2) a member of the officeholder's staff; or (3) such other person designated by the officeholder who is authorized to perform such government duties;
7. Expenditures for travel, including lodging, meals and other related disbursements, incurred in the performance of governmental duties by (1) the officeholder, (2) a member of the officeholder's staff, (3) such other person designated by the officeholder who is authorized to perform such government duties, or a member of such person's household accompanying the person on such travel;
8. Expenditures for meals and entertainment directly preceding, during or following a governmental or legislative activity;
9. Expenditures for donations to tax-exempt educational institutions or tax exempt charitable, civic or service organizations, including the purchase of tickets to charitable or civic events, where no substantial part of the proceeds will have a material financial effect on the elected officer, any member of his or her immediate family, or his or her committee treasurer;
10. Expenditures for memberships to civic, service or professional organizations, if such membership bears a reasonable relationship to a governmental, legislative or political purpose;
11. Expenditures for an educational course or educational seminar if the course or seminar maintains or improves skills which are employed by the officeholder or a member of the officeholder's staff in the performance of his or her governmental responsibilities;
12. Expenditures for advertisements in programs, books, testimonials, souvenir books, or other publications if the advertisement does not support or oppose the nominations or election of a candidate for city, county, regional, state or federal elective office;

13. Expenditures for mailing to persons within the city which provide information related to city-sponsored events, school district-sponsored events, an official's governmental duties or an official's position on a particular matter pending before the Council, Mayor, or School Board;
14. Expenditures for expressions of congratulations, appreciation or condolences sent to constituents, employees, governmental officials, or other persons with whom the officeholder communicates in his or her official capacity;
15. Expenditures for payment of tax liabilities incurred as a result of authorized officeholder expense fund transactions;
16. Expenditures for accounting, professional and administrative services provided to the officeholder fund;
17. Expenditures for ballot measures.

OCRA section 3.12.150C specifically prohibits the following expenditures from officeholder funds:

1. Expenditures in connection with a future election for any city, county, regional, state or federal elective office;
2. Expenditures for campaign consulting, research, polling, photographic or similar services for election to city, county, regional, state or federal elective office;
3. Membership in any athletic, social, fraternal, veteran or religious organization;
4. Supplemental compensation for employees for performance of an act which would be required or expected of the person in the regular course or hours of his or her duties as a city official or employee;
5. Any expenditure that would violate the provisions the California State Political Reform Act, including Government Code Sections 89506 and 89512 through 89519.

Termination of the Officeholder Fund

The officeholder fund shall be terminated at the time the officeholder's term of office ends or he or she leaves that office, whichever is earlier. An officeholder committee may not transfer funds to a campaign committee for a future election or to any other campaign committee. If the officeholder runs for re-election, the new campaign committee is a separate committee for a separate election and does not impact the existing officeholder committee. If the officeholder wins re-election, it is advised that the campaign committee for the candidate's re-election become the candidate's new officeholder committee according to the above procedures.