

February 9, 2006

Hon. Bill Lockyer
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Tricia Knight
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9005, we have reviewed the proposed statutory initiative related to political contributions (File No. SA2006RF0002).

Major Provisions

Current Law. Current law establishes limits on contributions from individuals and committees to candidates for state elective office. The limits vary according to the state office sought by the candidate. In addition, the limits vary by type of contributor—either an individual or a “small contributor committee.” (The latter is a committee in existence for at least six months with 100 or more members, none of whom contribute more than \$200 to the committee in a year, and which contributes to five or more candidates.) Under current law, these limits are adjusted every two years for inflation. Political parties are not subject to any contribution limits.

Measure’s Provisions. This measure reduces the maximum allowable contributions for individuals and small contributor committees. In addition, the measure imposes maximum contribution amounts on political parties. Under the measure, the same limits apply regardless of the state office sought by the candidate. The changes in contribution limits are summarized in Figure 1. As under current law, these limits would be adjusted every two years for inflation.

Figure 1 Campaign Contribution Limits, By Type of State Candidate				
Contributor	Current Law			Proposed Measure
	Legislature	Statewide Officers	Governor	All Candidates
Individual	\$3,300	\$5,600	\$22,300	\$1,000
Small contributor committee	6,700	11,100	22,300	2,000
Political party	No limit	No limit	No limit	1,000

Fiscal Effect

The state would experience increased costs to enforce the measure’s provisions, particularly by imposing new limits on political party contributions. Such costs could be partially offset by fines collected from individuals and entities not abiding by the measure’s provisions. The net result would probably be a minor increase in annual state costs.

Fiscal Summary. This measure would have the following fiscal impact:

- Probably minor annual increase in state election-related enforcement costs.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

Michael C. Genest
Director of Finance