



FPPC Approves Text Message Contributions, Triggering Compliance Concerns

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On Thursday, October 13, the Fair Political Practices Commission (FPPC) voted to allow text message contributions for campaign fundraising purposes. This makes California the first state in the country to institute the practice, previously used primarily by charitable non-profit organizations, for political campaigns. Under the regulation approved by the FPPC, text message contributions are subject to the same limits as contributions made by any other instrument, although the wireless providers who participate may impose their own restrictions. The regulation will be in effect for the 2012 election year.

The new regulation provides a number of rules impacting campaign committees. For reporting compliance purposes, the regulation lays out when a contribution is deemed "received" and how to attribute a contribution to a specific donor. Committees are required to collect donor information consistent with existing rules.

Although widely supported by candidate committees and fundraisers, some concerns were raised at a series of FPPC "Interested Persons" meetings prior to the October 13 vote. The wireless industry opposed the new regulation, citing inconsistencies with federal law and the prospect of 50 potentially different state rules, triggering a compliance minefield. Political committees also fear it will be impossible to comply with the requirement to verify eligibility and collect contributor information in certain situations, such as when the user makes a text message contribution from a pre-paid cellular phone. The regulation is silent on both of these points.

Candidates for the U.S. House and Senate are not impacted by this regulation. Last year, the Federal Election Commission rejected text message contributions as unworkable under the existing Federal campaign finance scheme.

Nossaman LLP has a 50 state compliance practice and will monitor state and local level ethics agencies to for similar text message contribution initiatives.

Nossaman's Public Policy Practice Group assists clients with a wide range of concerns related to California election law, campaign finance requirements, and ethics rules. We provide strategic counsel to help clients navigate the complex and ever changing regulations promulgated by California's ethics watchdog, the Fair Political Practices Commission. Our compliance team provides full-service legal, administrative, compliance, and reporting functions to

public officials, candidates, political treasurers, lobbyists, fundraisers, and consultants with political law needs. Questions about how to implement a text message fundraising program in compliance with California's new regulation may be directed to Amber Maltbie. She can be reached at 916.930.7751 or amaltbie@nossaman.com.