



California Fair Political Practices Commission

December 31, 1985

Margaret McArthur
Valentine, Inc.
1213 K Street, Ste. 101
Sacramento, Ca 95814

Re: FPPC No. A-85-246

Dear Ms. McArthur:

This is in reply to your letter dated November 27, 1985, and to confirm our telephone conversation of today.

You have asked if an organization which solicited and received funds from its members for the purpose of fighting a piece of legislation may donate the funds to a political action committee, or use the funds to hire a lobbyist.

The Political Reform Act places no restrictions on the use of the funds. However, the organization must file disclosure reports under the Political Reform Act if it uses the funds for campaign purposes or uses them to pay a lobbyist.

Enclosed for your information are the FPPC's "Information Manual on Campaign Disclosure Provisions" and "Information Manual on Lobbying Disclosure Provisions." These manuals set out the basic disclosure provisions for campaign and lobbying. However, legislative changes which go into effect January 1, 1986, will result in changes to both the campaign and the lobbying disclosure provisions. Therefore, please contact our office in late January for the revised information manuals. Also enclosed for your information are interim fact sheets which explain the 1986 provisions.

In our telephone conversation, you indicated that the organization may create its own political action committee and use the funds already collected as start up money. So long as the payments made by the members to the organization were not "earmarked" for campaign purposes (that is, at the time the members made the payments they did not know or have reason to know that the money would be used for campaign purposes), the funds will be a "contribution" from the organization to its PAC. Of course, any payments made by the members in the future must be reported as contributions from the members to the PAC.

Margaret A. McArthur
December 31, 1985
Page 2

Since the organization is unsure at this time what use will be made of the funds, I suggest that you or another representative of the organization contact us if the funds are used for campaign or lobbying purposes. We can then provide specific information regarding the reporting requirements.

Sincerely,

Jeanne Pritchard
Chief, Technical Assistance
& Analysis Division

JP:kt

VALENTINE • INCORPORATED
Consulting • Government Relations

F P P C
Dennis I. Valentine
Nov 27 8 10 AM '85

November 21, 1985

Ms. Barbara Milman
General Counsel
Fair Political Practices Commission
P. O. Box 807
Sacramento, California 95804

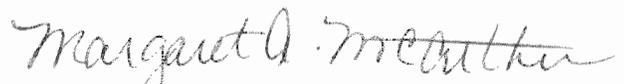
Dear Ms. Milman:

On behalf of a client, we are writing for an answer to the following:

Members of a society were solicited for funds to fight a piece of legislation. Can the society contribute these funds or part of these funds directly to the PAC and/or use them to hire a lobbyist?

We would appreciate an answer as soon as possible.

Sincerely,



Margaret A. McArthur
VALENTINE, INCORPORATED

MM : l s