



California Fair Political Practices Commission

September 11, 1989

Robert Leidigh
Olson, Connelly, Hagel & Fong
300 Capitol Mall, Suite 350
Sacramento, CA 95814

Re: Your Request for Advice
Our File No. A-89-495

Dear Mr. Leidigh:

You have requested advice on behalf of CAL-HY-PAC and its current treasurer Lance H. Olson regarding the campaign provisions of the Political Reform Act of 1974.¹

FACTS

1. CAL-HY-PAC is a sponsored committee of the California Dental Hygienists' Association.
2. CAL-HY-PAC is funded through dues allocations from dues paid to the California Dental Hygienists' Association by its members. The dues are paid annually to the national association, which then forwards the California association's pro-rata share of the dues to the California association. Of that pro-rata share, a certain amount is earmarked for contributions to CAL-HY-PAC. In past years, the amount has been either \$10 or \$5 per member per year.
3. In addition to the dues allocation, CAL-HY-PAC has its own fundraising mechanisms. However, few members of the association ever contribute \$100 or more per year to CAL-HY-PAC.
4. Although the contributions are allocated in the dues payments made by the members each annual period, because of vagaries in the system, CAL-HY-PAC receives these payments over several months' time. Thus, in some instances, there has been more than a year delay in transmitting the dues allocations from the national association to the California association to its sponsored committee.
5. As treasurer for CAL-HY-PAC, your office recently received two checks which each exceeded \$2,500 from the California association. These checks represent dues allocations from July 1987 to September 1988.

¹ Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

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6. CAL-HY-PAC has disclosed the contributions on its campaign reports for the periods in which the funds were actually received by CAL-HY-PAC.

QUESTIONS

1. May checks recently received by CAL-HY-PAC be treated as contributions from the members of the association?

2. If so, are any amendments to past campaign statements necessary in order to reflect when contributions were received by the national association versus when the national association transmitted the contributions to CAL-HY-PAC?

CONCLUSIONS

1. Checks received which represent dues allocations from members are contributions from the members, not from the national association nor the California association. In this case, both associations act as an intermediary for the contributions and, thus, must be listed as intermediaries on CAL-HY-PAC's campaign statements.

2. CAL-HY-PAC must report all contributions received by the committee or its agents during the period covered by the campaign statement. Therefore, if the national association received the dues allocation during one campaign reporting period, and CAL-HY-PAC reported receiving the contributions derived from those dues allocations in a different reporting period, an amendment must be filed to reflect the date that the national association, as the committee's agent, received the funds.

ANALYSIS

Since a portion of the members' dues collected by the national association is "earmarked" for CAL-HY-PAC, the national and California associations are acting as intermediaries for the members' contributions. (Section 84302.5; Regulation 18419.) Since no one member contributes \$100 or more in a calendar year, the national and California associations must be itemized with their addresses, the date of receipt of the contributions from the California association, and the amount of the contributions received on CAL-HY-PAC's campaign statement. (Section 84302.) For clarity, following the names and addresses of each association, you should indicate that no contribution of \$100 from a single source was received.

All contributions (pro-rated dues allocations) received by the national association must be reported to CAL-HY-PAC's treasurer no later than the closing date of any campaign statement the committee is required to file. (Section 84306.) Therefore, as an example, if the national association receives a dues allocation from a member on June 15 of any given year, the amount

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that will eventually be transmitted to CAL-HY-PAC must be reported to the treasurer no later than June 30 of that same year, since that is the close of the reporting period in which the contribution was received.

If this reporting procedure has not been followed in the past, you may file amendments to correct as many statements as require amending. (Section 81004.)

If you have additional questions, please contact me at (916) 322-5662.

Sincerely,

Kathryn E. Donovan
General Counsel

A handwritten signature in black ink, appearing to read "Kevin S. Braaten-Moen". The signature is written in a cursive style with a long horizontal stroke at the end.

By: Kevin S. Braaten-Moen
Political Reform Consultant

Law Offices of
OLSON, CONNELLY, HAGEL & FONG

FPPC

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August 21, 1989

Kathryn E. Donovan
General Counsel
FAIR POLITICAL PRACTICES COMMISSION
428 "J" Street, Suite 800
Sacramento, California 95814

RE: REQUEST FOR FORMAL WRITTEN ADVICE

Dear Ms. Donovan:

I write on behalf of CAL-HY-PAC and its current treasurer Lance H. Olson. I seek formal written advice regarding the following facts.

FACTS

1. Lance H. Olson recently became treasurer for CAL-HY-PAC.

2. CAL-HY-PAC is a sponsored committee of the California Dental Hygienists' Association within the meaning of 2 California Code of Regulations Section 18419.

3. CAL-HY-PAC is a broad based political committee within the meaning of Government Code Section 85102(d) and 2 California Code of Regulations Section 18502.

4. CAL-HY-PAC is funded through dues allocations from dues paid to the California Dental Hygienists' Association by its members. The dues are paid annually to the national association, which then forwards the California association's pro rata share of the dues to the California association. Of that pro rata share, a certain amount is earmarked for contributions to CAL-HY-PAC. In past years, the amount has been either \$10 per member per year, or \$5 per member per year.

5. In addition to the dues allocation, CAL-HY-PAC has various other fundraising mechanisms. Principal among these is a fundraiser held each year in conjunction with its annual convention. Contributions to that fundraiser are made directly by attending association members. These contributions seldom exceed \$50 per member. Hence, few members of the association ever contribute \$100 or more per year to CAL-HY-PAC.

LANCE H. OLSON
BRUCE J. HAGEL
LEROY Y. FONG
ROBERT E. LEIDIGH

OF COUNSEL
LLOYD G. CONNELLY, Member
California State Legislature

August 21, 1989

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6. Although the contributions are allocated in the dues payments made by the members each annual period, because of vagaries in the system, these payments arrive over several months' time. At least a few checks come in during any given calendar month, but most come in during the winter and summer months immediately surrounding the annual dues' dates.

7. In the past, the California Dental Hygienists' Association has been sporadic in transmitting the allocated portions earmarked for contributions to CAL-HY-PAC. In fact, in some instances, there has been more than a year delay in transmitting the dues allocations. This office is taking steps to have the transmittal speeded up.

8. However, in our capacity as treasurer for CAL-HY-PAC, we have recently received two checks which each exceed \$2,500 from the California Dental Hygienists' Association. These checks represent dues allocations for the following periods:

July 1987; August 1987; October 1987; November 1987; December 1987; January 1988; February 1988; April 1988; July 1988; August 1988; and September 1988.

September 1987, March 1988, and more recent months have been paid around the time of receipt of the funds from the national association. (It usually takes the national association a couple months to pro-rate the dues from members and forward them to the California association.)

9. Records exist which document who the members were at the times the dues allocations were originally paid by the members and received by the California association from the national association.

10. CAL-HY-PAC has disclosed the contributions on its campaign reports for the periods in which the funds are actually received by CAL-HY-PAC.

QUESTIONS

1. May we treat the checks recently received as contributions from the members of the association, pursuant to 2 California Code of Regulations Sections 18215 and 18419?

2. If so, are any amendments to past campaign statements necessary in order to reflect this treatment?

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3. If not all of the funds, may a portion of the funds be treated as contributions from the members; i.e., is there a limit with respect to promptness of forwarding which we may apply as to some of the funds?

4. If not, must we treat the checks as contributions from the California Dental Hygienists' Association? (We have secured a designation from the association that in this case the excess amount is to be used for purposes other than making contributions directly to candidates. We have placed these checks into a separate segregated account pending receipt of your response to this request.)

5. In the latter event, may the association designate portions of the excess to be transferred from the separate, segregated account into the CAL-HY-PAC candidate account in future fiscal years in sums not to exceed \$2,500?

Very truly yours,

OLSON, CONNELLY, HAGEL & FONG



ROBERT E. LEIDIGH

cc: CAL-HY-PAC
California Dental Hygienists' Association

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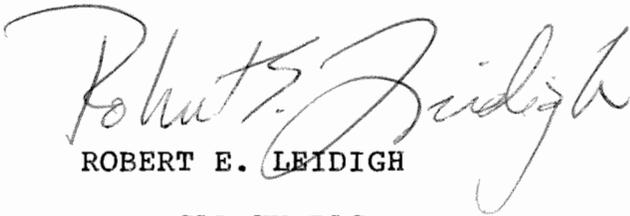
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Very truly yours,

OLSON, CONNELLY, HAGEL & FONG

A handwritten signature in cursive script, appearing to read "Robert E. Leidigh". The signature is written in dark ink and is positioned above the printed name.

ROBERT E. LEIDIGH

cc: CAL-HY-PAC
California Dental Hygienists' Association



California Fair Political Practices Commission

August 21, 1989

Robert E. Leidigh
Olson, Connelly, Hagel & Fong
300 Capitol Mall, Suite 350
Sacramento, CA 95814

Re: Letter No. 89-495

Dear Mr. Leidigh:

Your letter requesting advice under the Political Reform Act was received on August 21, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,


Jeanne Pritchard
Chief Technical Assistance
and Analysis Division

JP:plh