



# California Fair Political Practices Commission

January 29, 1990

Ruth Mordokowicz  
Coalition For Better Housing  
1801 Van Ness Avenue, Suite 350  
San Francisco, CA 94109

Re: Your Request for Advice  
Our File No. A-89-705

Dear Ms. Mordokowicz:

You have requested advice on behalf of "Yes on Q" and "Yes on R" concerning the campaign provisions of the Political Reform Act (the "Act").<sup>1</sup>

## QUESTION

May Yes on Q and Yes on R, which are committees primarily formed to support local ballot measures, transfer funds to a committee which will make contributions to candidates and committees primarily formed to support other ballot measures?

## CONCLUSION

The Political Reform Act does not prohibit these committees from making contributions to other committees which will use the funds for purposes other than making contributions to candidates. The contributions must be made to the other committees' "non-candidate account." Because Yes on Q and Yes on R have received contributions in excess of the contribution limits imposed by Proposition 73, the committees may not make contributions to committees which make contributions to candidates.

The Commission only has jurisdiction over matters covered by the Act. There may be other restrictions concerning the transfer of these monies under local or state law that are not covered by the Act. We recommend that you contact your City Attorney if you have questions in this regard.

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<sup>1</sup> 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.

### FACTS

You are inquiring on behalf of two committees, Yes on Q and Yes on R, which were formed to support ballot measures in San Francisco. During a telephone conversation, you indicated that since January 1, 1989, both committees have received contributions in excess of the \$2,500 contribution limit for political committees which make contributions to support or oppose candidates.

### ANALYSIS

Effective January 1, 1989, Proposition 73 imposed limits on contributions made to candidates and to committees which make contributions to candidates.<sup>2</sup> (Sections 85301-85303.) The Act does not limit contributions to committees which are formed for purposes other than making contributions to candidates, such as committees formed to support or oppose ballot measures. However, if such committees receive contributions over the stated limits, their funds may not be used for making contributions to candidates, either directly or through another committee.

Both Yes on Q and Yes on R have received contributions in excess of the \$2,500 limit imposed on committees which will use those funds for making contributions to candidates. Therefore, funds held by Yes on Q and Yes on R may not be contributed directly to candidates nor to committees for the purpose of making contributions to candidates. The funds may be contributed to committees formed for purposes other than making contributions to candidates, or to committees which have established separate bank accounts for purposes other than making contributions to candidates.

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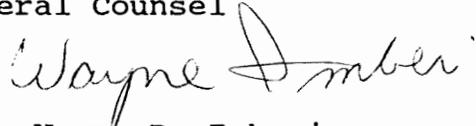
<sup>2</sup> The Act limits contributions which a candidate may receive from a "person" to \$1,000 per fiscal year (July 1 - June 30). A "person" includes an individual, business entity, or other entity which does not receive contributions. Contributions from a "political committee" to a candidate are limited to \$2,500 per fiscal year, and contributions from a political party or a "broad based political committee" to a candidate are limited to \$5,000 per fiscal year. Contributions to "political committees" and "broad based political committees" are limited to \$2,500 per fiscal year from any source. A "political committee" is a group of persons that receives contributions from two or more persons and makes contributions to candidates. (Section 85102(c).) A "broad based political committee" is a committee of persons which has been in existence for more than six months, receives contributions from one hundred or more persons, and acting in concert makes contributions to five or more candidates. (Section 85102(d).) Enclosed is a manual which summarizes these provisions.

You should also bear in mind that before Yes on Q and Yes on R can terminate they must spend or transfer all of their funds so their last campaign statements show no cash on hand.

Please contact me at (916) 322-5662 if you have any additional questions.

Sincerely,

Kathryn E. Donovan  
General Counsel

A handwritten signature in cursive script that reads "Wayne P. Imberi".

By: Wayne P. Imberi  
Political Reform Consultant

**Yes on Q/Yes on R**  
1801 Van Ness Avenue, Suite 350  
San Francisco, California 94109  
(415) 474-6987

**VIA FAX**

December 20, 1989

Mr. Wayne Imberi  
Fair Political Practices Commission  
428 J Street, Suite 600  
Sacramento, CA 95814

**RE: Transfer of money from a non-candidate committee to a non-profit trade association political action committee (PAC)**

Dear Wayne:

Per our telephone conversation this morning, I am requesting a formal opinion on the above referenced item.

After all bills for a non-candidate account have been paid and we are ready to terminate the committee account, may we transfer all remaining funds into a non-profit trade association PAC?

This money is intended to be used for future issues of importance.

Thank you very much for your quick response to my request.

Sincerely,



Ruth Mordokowicz

Ruth Mordokowicz

**COALITION FOR BETTER HOUSING**

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**VIA TELEFAX**NUMBER OF PAGES (INCLUDING THIS PAGE): 2DATE: December 20, 1989 (3:00pm.)TO: Mr. Wayne Imheri  
Sain Political Practices CommissionSUBJECT: attached letter

Please respond ASAP.

Thanks,  
Ruth