

## POLITICAL PRACTICES COMMISSION

K Street

Santo 95814

322-5539

18703



January 27, 1976

Raymond W. Schneider, County Counsel  
Humboldt County  
825 Fifth Street  
Eureka, Calif. 95501

~~D~~  
A-76-548

Re: Request for Opinion  
No. 76-006

Dear Mr. Schneider:

Thank you for your letter of January 12, 1976, requesting an opinion with respect to the application of the Conflict of Interest provisions of the Political Reform Act.

Opinions may be requested by "any person whose duties under the Act are in question or by that person's representative." 2 Cal. Adm. Code Section 18322(a). Since it is unclear from your letter whether you are writing as the representative of Mr. Lacy, no formal opinion can be issued by the Commission at this time. If you wish to resubmit your opinion request clarifying the relationship between you and Mr. Lacy, the Commission will again consider whether to issue a formal opinion.

I also want to advise you that the Commission currently is considering a regulation which might resolve your problem. Accordingly, please find enclosed a copy of proposed regulation 2 Cal. Adm. Code Section 18703. This regulation will be considered by the Commission during its meeting of February 3, 1976 through February 5, 1976. If you have any comments concerning the regulation, we would appreciate receiving them prior to this meeting.

If you wish to appeal the denial of your opinion request, you may do so pursuant to 2 Cal. Adm. Code Section 18321. Also, if you have any further questions, please contact Ted Prim, an attorney on the Commission staff.

Sincerely,

*Daniel H. Lowenstein*  
Daniel H. Lowenstein  
Chairman

DHL:jp  
Enclosure (1)



Request No. \_\_\_\_\_  
Date Received 1-13-76  
Response Due 1-27-76

COUNTY COUNSEL

**COUNTY OF HUMBOLDT**

EUREKA, CALIFORNIA 95501 PHONE (707) 445-7236

January 12, 1976

76548

Chairman of the  
Fair Political Practices Commission  
1100 K Street  
Sacramento, California

Re: Request for Opinion

Dear Sir:

In accordance with the provisions of Sections 83114 of the Government Code and 18320 of Title 2 of the California Administrative Code, I hereby request an opinion on the matters set forth in the attached letter from Wiley J. Lacy, Jr., a member of the governing board of the Scotia Union School District.

I have informed Mr. Lacy that the Conflict of Interest Code must be submitted to and reviewed by the Board of Supervisors of the County of Humboldt, rather than the Fair Political Practices Commission as erroneously stated in his letter. I have also furnished Mr. Lacy with a copy of a model Conflict of Interest Code which was developed by the League of California Cities and the County Supervisors' Association of California.

It is my understanding that, historically, the lumber company has performed work on school properties and furnished equipment and supplies to the school district without entering into written contracts with the district.

Because of the unique nature of this district, and the fact that most, if not all, of the governing board members are employed by the lumber company, I think it is important that the governing board members be given direction by the Commission as to how they are to comply with the conflict of interest and disclosure requirements set forth in Proposition 9.

Your early consideration of this matter will be greatly appreciated.

Very truly yours,

  
-Raymond W. Schneider  
County Counsel

RWS:mys  
cc: Wiley J. Lacy, Jr.

RECEIVED

JAN 3 1976

COUNTY COUNSEL  
COUNTY OF HUMBOLDT

December 31, 1975

Mr. Raymond W. Schneider  
Humboldt County Counsel  
825 - 5th Street  
Eureka, CA 95501

Dear Mr. Schneider:

I am presently a member of the Board of Trustees of the Scotia Union Elementary School District. It has come to my attention that all school boards must adopt a policy in order to comply with the conflict-of-interest legislation, known as Proposition 9, which was recently passed by the people of California.

Because Scotia Union is probably the most unique school district in the State of California, a little background is in order.

The Pacific Lumber Company has always maintained a school in Scotia. When it came time to replace the old school because of the Field Act, the very finest facility with the most modern and functional design was selected and built. This school was built in 1970-71 school year at a cost of \$500,000 to The Pacific Lumber Company. Not one cent went into this facility from the taxpayers of the district, nor were any funds from the County, State or Federal Government involved.

The school building and the land use for school purpose are owned by The Pacific Lumber Company. The school board receives no remuneration for its service. The students who attend this school come from the town of Scotia and its neighboring communities of Stafford, Shively, Holmes Flat, Larabee and Redcrest.

The Pacific Lumber Company pays approximately 90% of the county taxes collected within the school district. I hold a position of management with the Company. Only a very few families live within the district who are not either employed by the Company or receive some remuneration from the Company. The conflict-of-interest policy of the Scotia Union School District must be filed with the Fair Political Practices Commission on or by April 1, 1976 and within 30 days after the effective date of this policy each board member shall have filed his statement with the above commission.

As Legal Counsel for the Scotia Union Elementary School District, I respectfully request an opinion from you on the following questions:

1. The Pacific Lumber Company owns the school building and land, but also owns 85% of the real estate in the district. Who could serve on the Scotia Union board without a conflict-of-interest?
2. What would you recommend as a minimum form, for a policy to be adopted by the Scotia Union District, to comply with the conflict-of-interest code?
3. Would a financial disclosure statement require the nature of the investment or interest, as well as the name of the business entity and a general description of the business activity?
4. Disclosure of Income - does this require someone on the Scotia Union board to report all income aggregating \$250.00 or more and a description of the business activity and source of said income?

Waiting your prompt reply and with best wishes for the New Year.

Yours very truly,

*Wiley J. Lacy Jr.*

Wiley J. Lacy, Jr.

*Bix 83  
Scotia 95565*

WJL:lw