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State of California



Fair Political Practices Commission

P.O. BOX 807 • SACRAMENTO, 95804 ••• 1100 K STREET BUILDING, SACRAMENTO, 95814

Technical Assistance/Administration	•••	Executive/Legal	•••	Enforcement	•••	Conflict of Interest
(916) 322-5660		322-5901		322-6441		322-6444

A-78-202

May 16, 1978

Barry L. Smail
 Campaign Manager
 William B. Lynch for Assessor
 63 Monte Vista
 Novato, CA 94947

Dear Mr. Smail:

The Fair Political Practices Commission has received your mailgram concerning the reporting of discount newspaper advertising under the Political Reform Act ("Act"). Because your mailgram does not raise a substantial question of interpretation of the Act, a formal opinion will not be issued. However, I hope the following general advice will be helpful.

As I understand your mailgram, you have asked about the possible campaign disclosure when a candidate's campaign supporter, who is a volume advertiser, provides a newspaper display advertisement to the candidate. You have asked (1) whether the candidate may pay the supporter directly; (2) whether the candidate may pay the newspaper directly; or (3) whether the advertisement could be an in-kind contribution from the supporter. Any of these three methods are permitted under the Act so long as the payment is reported correctly. The following discussion addresses each of the possibilities separately:

(1) If the candidate or the candidate's committee ("committee") if any, pays the supporter directly, that payment will be reportable as an expenditure on the campaign statement. (Government Code Section 82025 and 2 Cal. Adm. Code Section 18225(b)(1) and (2).) 1/ If the candidate or committee pays the campaign supporter \$50 or more for the adver-

1/ All further statutory references are to the Government Code.

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tisement, the supporter's full name and address must be reported as an expenditure on the campaign statement, as well as the amount of the expenditure and a brief description of the consideration for the expenditure. Moreover, the campaign statement must also disclose the name and address of the newspaper since the one who provided the consideration (the newspaper) was different from the payee (the supporter). Section 84210(h).

Section 84210(h) also requires that all expenditures incurred "during the period covered by the campaign statement" be disclosed on the campaign statement at the end of the period. Section 82025 provides that "[a]n expenditure is made on the date the payment is made or on the date consideration, if any, is received, whichever is earlier." In the case of a newspaper advertisement, the consideration is received, at a minimum, no later than the time when the advertisement appears in the newspaper. Accordingly, the expenditure for the advertisement must be disclosed on the campaign statement which covers the period either when the payment is made or when the advertisement appeared, whichever is earlier.

(2) If the candidate or committee pays the newspaper directly, that payment must be reported as an expenditure, as outlined above. If the payment is made to the newspaper, an explanation should be added to the campaign statement indicating that the advertisement was provided by the supporter who is a volume advertiser.

(3) If the candidate or committee does not pay for the advertisement, the supporter will have made an in-kind contribution to the candidate or committee equal to the discounted cost of the advertisement. The amount of the discount the supporter receives will not be reportable because we assume that the same discount is extended to all volume advertisers. The value of the advertisement will be reportable on the candidate's or committee's campaign statement.

Incidentally, Section 84300 now requires that the value of all non-monetary contributions of \$50 or more must be reported in writing by the contributor to the recipient. Thus, if the advertisement is worth \$50 or more, the supporter must submit a written statement to the candidate or committee. However, the contributor will not be required

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to file campaign statements unless he or she makes non-monetary contributions totaling \$5,000 or more in a calendar year. Section 82013(c).

I hope this information has been helpful. If you have any further questions, please contact me.

Sincerely,

Barbara Campbell
Barbara Campbell
Counsel
Legal Division

BARRY L SMAIL
63 MONTE VISTA
NEVATO CA 94947

western union Mailgram®



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JEANNE PRITCHARD
STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1100 K ST
SACRAMENTO CA 95814

DEAR MS PRITCHARD

I WOULD LIKE TO HAVE A FORMAL RULING ON THE FOLLOWING QUESTION
PERTAINING TO THE CAMPAIGN DISCLOSURE LAW: CAN A CANDIDATE PAY FOR
NEWSPAPER DISPLAY ADVERTISING BY HAVING A CAMPAIGN SUPPORTER, WHO,
BECAUSE HE IS A VOLUME ADVERTISER, ENJOYS DISCOUNT RATES, PAY FOR THE
DISCOUNT COSTS OF THE POLITICAL ADVERTISEMENT? IF SO, MUST THE
CANDIDATE PAY THE VOLUME ADVERTISER FOR THESE SERVICES, OR MUST HE PAY
THE NEWSPAPER DIRECTLY, OR CAN IT BE REPORTED AS AN IN/KIND
CONTRIBUTION BY THE VOLUME ADVERTISER? TO WHAT EXTENT IS SUCH A
PRACTICE PERMITTED AND HOW MUST IT BE HANDLED ACCORDING TO LAW?

SINCERELY

BARRY L SMAIL
CAMPAIGN MANAGER
WILLIAM B LYNCH FOR ASSESSOR
MARIN COUNTY
63 MONTE VISTA
NEVATO CA 94947

17:48 EST

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