

June 26, 1978

78-216

Mr. Norton T. Hildreth, Treasurer
"Yes on 13" Committee
1674 Willow Creek Drive
San Jose, California 95124

Dear Mr. Hildreth:

This is in response to your June 10, 1978, letter concerning your reporting requirements under the Political Reform Act. You state in your letter that you have been treasurer of the "Yes" on 13 Committee, ("Committee") ID #781168, and as such responsible for keeping records of contributions received and expenditures made. However, without your knowledge, a separate bank account was established into which contributions were deposited and from which expenditures were made. It is not clear from your letter whether the second bank account was opened in the name of the Committee. I will assume for purposes of this letter that it was.

At some point in time, the records for this second account were turned over to you. Since these records are incomplete as to the required information on contributions and expenditures, you have asked how you as treasurer can fulfill your responsibilities for the post-election campaign statement due no later than July 31, 1978.

Government Code Section 84100 describes the obligations of a treasurer and the treasurer's agents. The relevant subsections are:

- (b) No expenditure shall be made by or on behalf of a committee without the authorization of the treasurer or that of his designated agents.
- (c) All contributions received by a person acting as an agent of a candidate shall be reported promptly by such person to the candidate or any of his designated agents. All contributions received by a person acting as an agent of a committee shall be reported promptly by the recipient to the committee's treasurer or any of his designated agents. "Promptly" as used in this section means not later than five days

before the closing date of any campaign statement required to be filed by the treasurer, and immediately if the contribution was received less than five days before the closing date. All contributions shall be segregated from and may not be commingled with any personal funds of the recipient or any other person.

Keeping those subsections in mind and the requirement under Government Code Section 81004 that the treasurer must verify a campaign statement stating that he used reasonable diligence and that the campaign statement is true and complete to the best of his knowledge, I hope the following comments are helpful.

If the individuals who opened the second bank account are your agents, they are required, under Government Code Section 84100(c), to report to you contributions received by them. They are required to provide you, as treasurer, with complete information "promptly", that is, not later than five days before the closing date of the post-election campaign statement or June 25, 1978. You should include on the Committee's campaign statement the information you are provided concerning the contributions and expenditures of the second bank account. To the extent the information is not complete, you could attach an explanation to your campaign statement. An amendment should be filed when additional information is later obtained.

If the individuals are not your agents, they may have qualified as a separate recipient committee under Government Code Section 82013(a) with an obligation to register with the Secretary of State's Office and file a Statement of Organization and campaign statements.

If the Committee has surplus funds after its activity has ceased, those funds may be disposed of in accordance with the Committee's desires. The payment of the surplus funds will be reportable as an expenditure by the Committee on a campaign statement.

If the Committee decides, after filing the post-election campaign statement, that it wishes to terminate, a Statement of Termination could be filed with the appropriate filing officer. However, a Statement of Termination can only be filed if the Committee can meet the conditions outlined in the enclosed informational sheet and the Fair Political Practices Commission's regulation on termination of committees, 2 Cal. Adm. Code Section 18404. For your possible use, I am enclosing a copy of Form 415.

Mr. Norton T. Hildreth

-3-

June 26, 1978

Regina Siciliano-Kutchins of our staff has spoken with Mr. Robert Barrett, Chairman of the Committee, and explained the above advice to him and indicated that he would receive a copy of this response.

If you have any questions, please contact me or Ms. Siciliano-Kutchins, by calling collect, (916) 322-5662.

Sincerely,

John C. Greenwood
Technical Assistance Program
Coordinator

JCG

Enclosures

cc: Robert Barrett

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Sincerely,

John C. Greenwood
Technical Assistance Program
Coordinator

JCG

Enclosures

cc: Robert Barrett

'YES' on 13 Committee

with 'NO' ON 8

F P P C

300 Railway Avenue - Campbell, California 95008
(408) 379-4611

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June 20, 1978

The Honorable March Fong Eu, Secretary of State
c/o Fair Political Practices Commission
1100 K Street
Sacramento, Ca. 95814

SUBJECT: Accounting Procedure #781168

Dear Madam Secretary:

I am puzzled as to why I have not received any response from your office. I am awaiting some response as to what I should do about the second bank account which was established.

My final report is due soon and I do need advice.

As stated in the previous letter, copy of which is attached, we are available to come to Sacramento and discuss this matter - or will meet with someone from your office here in San Jose.

Thank you for an early reply.

Respectfully,

Norton T. Hildreth
Norton T. Hildreth, Treasurer
"Yes on 13" Committee

1674 Willow Creek Drive
San Jose, California 95124

lh

Telephone: Home - 408-266-2764

Work - 408-925-6533

● The "YES" on 13 ("NO" on 8) Committee seeks tax relief for home-owners, renters, mobile home tenants and businesses. Remember a "NO" on 8 is as important as a "YES" on 13.

Printed by General Printing Co.

885 W. Julian St., San Jose



June 10, 1978

The Honorable March Fong Eu, Secretary of State
c/o Fair Political Practices Commission
1100 K Street
Sacramento, Ca. 95814

SUBJECT: Accounting Procedure #781168

Dear Madam Secretary:

My duties as acceptor and dispenser of funds (treasurer) to be used on behalf of Proposition 13 have been plagued by a problem which became known to me during the past few weeks which requires a decision to be made by yourself as the Honorable Secretary of State, or your Staff, with jurisdiction over the "Fair Political Practices Commission" relating to elections.

The "Yes on 13" Committee, 300 Railway Avenue, Campbell, Ca. 95008, has an established checking account at the First National Bank of San Jose for which in-person or by-mail contributions are received, identified, and receipted by the staff. The daily receipts are then turned over to the treasurer for deposit in the checking account.

It has developed that a second banking account was established by a member of the Headquarters Staff without my knowledge. I do not know the actual receipts or expenditures, if any, from this account. Two persons involved volunteered to turn over the account - seemingly with incomplete itemized receipts and expenditures. I am at a loss as to the technique for clearing up the situation in compliance with the law and in preparation for closing the report period of June 30th.

I will be available for further information - either in Sacramento or here in San Jose - at your discretion. My home telephone number is 408-266-2764 - my work telephone is 408-925-6533.

Thank you for whatever advice you can give.

Respectfully,

Norton T. Hildreth

Norton T. Hildreth, Treasurer
"Yes on 13" Committee

1674 Willow Creek Drive
San Jose, California 95124

NTH/lh


cc: File

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'YES' on 13 Committee with 'NO' ON 8

300 Railway Avenue - Campbell, California 95008

(408) 379-4611

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