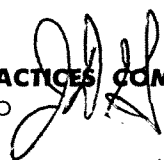


Memorandum

To : The File

Date : March 28, 1980

From : **FAIR POLITICAL PRACTICES COMMISSION**
John Giansello



A -80-83-113

Subject: Opinion Request of United Professors of California
dated March 14, 1980

Our advice given in response to this request is limited to sponsoring organizations and their political action committees eligible to file and filing in accordance with 2 Cal. Admin. Code §18419.

The mailing in this case includes a circular previously paid for by the political action committee and reported or reportable by the latter as a separate expenditure.

The union will be preparing the mailing, including the circular, and paying the costs of sending the entire envelope of material.

The mailing costs (postage, employee time, envelopes, etc.) must be allocated on some reasonable basis between the political material and the non-political contents of the mailing. The mailing costs attributable to the political material will be a non-monetary contribution by the union to the political action committee. The political action committee must report the receipt of such value as a non-monetary contribution from the union.

If the union and the political action committee are filing according to §18419, either may be deemed the sender and the name and address of either may appear on the outside of the envelope to satisfy the requirements of Govt. Code §84305.

John Giansello

Mass Mailings

The United Professors of California is a labor organization. It sponsors a political action committee which solicits its funds directly from individual members of the union. None of its funds come from the union treasury.

The union itself wishes to send out a mailing to all members on insurance and pension matters. None of this material will involve political purposes as we define them.

The political action committee has prepared and paid for the printing of a circular to oppose Proposition 9.

The political action committee wishes the union to include a copy of the political circular in each envelope mailed to members in connection with insurance and pension matters. The union is agreeable and will pay for the envelopes and postage, as well as its own enclosures.

Who is the sender? (If the entire mailing is counted, the union will bear the major portion of the cost.)

What is the mass mailing, the entire package or just the political enclosure and any incremental postal charge attributable to the inclusion of the political material? Or should the cost of the envelopes also be pro-rated by the relative length, volume or weight of the contents?

What must be on the outside of the envelope?

Our requirements for mass mailings in Government Code §84305 apply only to persons who make "expenditures." 2 Cal. Admin. Code §18225(c)(3) talks about expenditures that are "reportable" by persons other than those described in 18225(b) who make payments for communications which expressly advocate the nomination, election or defeat of a clearly identified candidate or candidates, or the qualification, passage or defeat of a clearly identified ballot measure (our multi-purpose committees). The union in this case would be such a multi-purpose committee if it made such payments. By 18225(c)(3) the only parts of the payments that are reportable by a multi-purpose committee are those directly attributable to the political communication. Regular ongoing business overhead which will be incurred in similar amounts

regardless of the political communication is not part of the expenditure for a multi-purpose committee.

Here, if the enclosure makes the entire package political, the union will be making an expenditure, and because it is paying the larger portion of the whole the union will be the sender.

If the insurance and pension materials, on the other hand, are "regular ongoing business overhead" - including envelope and postage, then the union will be making no "expenditure." The only "expenditures" made will be by the PAC, and the mass mailing requirements would seem to apply only to the PAC and its costs. Even if there is an incremental postal charge attributable to the enclosure, paid by the union, the PAC will be paying the larger portion of the political costs and will be the sender.

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 •• Statements of Economic Interest
(916) 322-5662 322-5660 322-5901 322-6441 322-6444

November 8, 1982

Kirk Alan Pessner, Administrator
Political Reports/Research Unit
Dobbs & Nielsen
Suite 2500, The Alcoa Bldg.
One Maritime Plaza
San Francisco, CA 94111

Re: Request for Advice on 2 Cal.
Adm. Code Section 18419
Our No. A-82-177

Dear Mr. Pessner:

Thank you for your letter requesting advice on the application of 2 Cal. Adm. Code Section 18419(b)(1). Stated succinctly, your question is as follows:

Assuming that all other requirements of Section 18419(b) are met, how close must the name of the PAC be to the name of the sponsoring organization in order to comply with 18419(b)(1) in light of the fact that the full name of the sponsoring organization must be included on the PAC's campaign statement (Form 420)?

The specific example which you postulate is that of a PAC called "San Joaquin Farmers for Good Government," sponsored by the "San Joaquin Valley Farm Association." You ask whether this would be sufficient.

On balance, we believe that insertion of the word "Valley" in the name of the PAC, so that it would read "San Joaquin Valley Farmers for Good Government" would suffice to comply with the requirement of 18419(b). Otherwise, confusion could result as to whether only San Joaquin County farmers were involved.

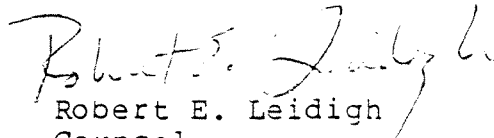
You have also asked a follow-up question: whether a sponsoring organization, which meets all of the criteria of 18419(b), must also file a Form 461 report?

Kirk Alan Pessner, Administrator
November 8, 1982
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If the sponsoring organization does not make a sufficient amount of contributions and expenditures, other than those in support of its PAC, to qualify as a committee pursuant to Government Code Section 82013, and so long as all the other criteria set out in Section 18419(b) are met, the sponsoring organization has no obligation to file a campaign disclosure statement. If, however, the sponsoring organization is required to file campaign disclosure statements because all of the criteria in Section 18419(b) are not met, it must report all of its campaign activity, including its contributions and expenditures on behalf of its PAC.

I trust that this answers your questions. However, should you have any further questions regarding this advice, please do not hesitate to call. You may reach me at (916) 322-5901.

Sincerely,



Robert E. Leidigh
Counsel
Legal Division

REL:pln

State of California



Fair Political Practices Commission

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107 SOUTH BROADWAY • • • SUITE 7007 • • • LOS ANGELES, 90012

April 8, 1981

Ms. Denise Hansen Miller
Mori and Ota
One Wilshire Building, Suite 2600
624 South Grand Avenue
Los Angeles, California 90017

A 81-175

Dear Ms. Miller:

This is in response to your letter of March 13, 1981 requesting confirmation and clarification of advice given during our previous telephone conversations regarding a Political Action Committee (PAC) sponsored by a trade association.

While the Political Reform Act (Act) does not prohibit the use of contributions from foreign nationals, representative offices or agencies for state or local campaigns, the Act does not address the issue of the legality of "foreign contributions." The staff of the Fair Political Practices Commission cannot answer your question concerning such contributions. You should, therefore, direct your questions concerning contributions from foreign representative offices and agencies to the Federal Elections Commission for clarification. Their toll free telephone number is (800) 424-9530.

Under the Act, a trade association is not prohibited from sponsoring a PAC and may contribute money from its general fund or account to the PAC. The trade association itself would not incur a filing obligation as a "committee" within the meaning of Government Code Section 82013 as long as the association meets the requirements and guidelines set forth in an adopted regulation by the Fair Political Practices Commission (2 Cal. Adm. Code Section 18419), a copy of which has been enclosed for your information.

If, however, the association did make other independent contributions to other committees, candidates, officeholders or ballot measures and those contributions totaled five

Ms. Denise Hansen Miller
April 8, 1981
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thousand dollars (\$5,000) in a calendar year, the association would then have to file periodic campaign statements as a "Major Donor" committee pursuant to Government Code Section 82013(c).

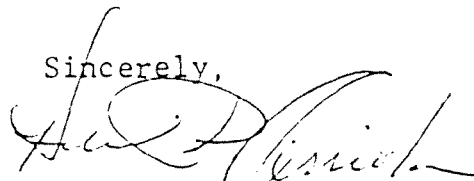
Government Code Section 84100 specifies that "every committee shall have a treasurer. No expenditure shall be made by or on behalf of a committee without the authorization of the treasurer or that of his or her designated agents. No contribution or expenditure shall be accepted or made by or on behalf of a committee at a time when there is a vacancy in the office of the treasurer." Officers of the trade association are not prohibited by the Political Reform Act from holding or acting as officers of the political action committee. The association may appoint, or use whatever manner they want to have as many officers of the PAC as they wish. The only officer required by the Act is the treasurer.

Finally, the trade association may solicit contributions from its members for the PAC on an unlimited basis as the Political Reform Act contains no limitations or restrictions on how to raise contributions, or from whom contributions may be received. The Act does, however, require the disclosure of donors which cumulatively contributes a hundred dollars (\$100) or more in a calendar year. The PAC must itemize such donors by name, street, address, occupation, name of employer or if self-employed the name of the business, the date and amount received and the cumulative amount of contributions. (Government Code Section 84211(f)).

I hope this advice is helpful and I have enclosed a copy of the Political Reform Act of 1974 as Amended to January 1, 1981 for your information.

Please do not hesitate to contact our office if I can be of any further assistance.

Sincerely,



Helen P. Arriola
Political Reform
Consultant

HPA:jg

Enclosures: (3)