

State of California



Fair Political Practices Commission

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

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)