



California Fair Political Practices Commission

June 3, 1988

Mr. Jim Peterson
P. O. Box 57
Sunland, CA 91040

Re: Your Request for Informal
Assistance
Our File No. I-88-170

Dear Mr. Peterson:

This letter will confirm my telephone advice to you on May 18, 1988. You have requested our assistance by way of a memorandum to Commissioner Michael B. Montgomery.

QUESTIONS

You have asked what disclaimers are required on a slate mailer sent by a slate mailer organization. As discussed below, you have also asked two questions regarding political action committees, neither of which are governed by the Political Reform Act (the "Act").^{1/}

CONCLUSIONS

A slate mailer, as defined, must include the disclaimers specified in Government Code Section 84305.5, in the type size and typeface specified in the statute. These requirements are outlined in more detail in the analysis section of this letter.

FACTS

You are the campaign manager for Fred Calabro, a candidate for the office of District Attorney for the County of Los Angeles. You also serve as treasurer for a political action committee ("PAC") which has mailed slate mailers in the past. This PAC is known as the Free Enterprise Good Government Committee.

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated.

ANALYSIS

You have asked two questions regarding PACs in general. The first is whether a PAC may donate money to a charity by purchasing a table for 10 at a charitable fundraising affair. This issue is not governed by the Act. Therefore, we are not able to provide advice on this subject. We refer you instead to the Attorney General for an interpretation of the "personal use" statute, Elections Code Section 12400, et seq.

Your second PAC question is whether it is legal under state law for the PAC's decisions to be subject to ratification by another independently constituted organization. The Act does not regulate the way in which PACs organize themselves. However, the situation which you posit may have ramifications for the manner in which the PAC is registered as a committee under the Act. It is quite possible that it should be registered as a "sponsored committee" under Section 82048.5. You should contact the Commission's Technical Assistance and Analysis Division at (916) 322-5662 for further assistance in this regard.

You have asked what disclaimers are required for slate mailers under recent legislation which added Section 84305.5 to the Act. In pertinent part, that section provides as follows:

(a) No slate mailer organization shall send a slate mailer unless:

(1) The name, street address, and city of the slate mailer organization are shown on the outside of each piece of slate mail and on at least one of the inserts included with each piece of slate mail in no less than 8-point roman type which shall be in a color or print which contrasts with the background so as to be easily legible. A post office box may be stated in lieu of a street address if the organization's street address is a matter of public record with the Secretary of State's Political Reform Division.

(2) At the top or bottom of the front side or surface of at least one insert or at the top or bottom of one side or surface of a postcard or other self-mailer, there is a notice in at least 8-point roman, boldface type, which shall be in a color or print which contrasts with the background so as to be easily legible, and in a printed or drawn box and set apart from any other printed matter. The notice shall consist of the following statement:

NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (name of slate mailer organization), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an *.

(3) The name, street address, and city of the slate mailer organization as required by paragraph (1) and the notice required by paragraph (2) may appear on the same side or surface of an insert.

(4) Each candidate and each ballot measure which has paid to appear in the slate mailer is designated by * . Any candidate or ballot measure which has not paid to appear in the slate mailer is not designated by * .

The * required by this subdivision shall be of the same type size, type style, color or contrast, and legibility as is used for the name of the candidate or the ballot measure name or number and position advocated to which the * designation applies except that in no case shall the * be required to be larger than 10-point boldface type. The designation shall immediately follow the name of the candidate, or the name or number and position advocated on the ballot measure where the designation appears in the slate of candidates and measures. If there is no slate listing, the designation shall appear at least once in at least 8-point boldface type, immediately following the name of the candidate, or the name or number and position advocated on the ballot measure.

(Emphasis added.)

As you can see, the requirements of the section are quite explicit. Any slate mailer which is covered by Section 84305.5 must contain the required disclaimers precisely as set forth in the statute. A slate mailer would be covered by this provision if it is sent by a slate mailer organization as defined in Section 82048.5. As I understand it from our telephone conversation, your PAC's slate mailers would be covered under the provisions of Section 82048.5, which provides as follows:

(a) "Slate mailer organization" means, except as provided in subdivision (b), any person who, directly or indirectly, does all of the following:

Jim Peterson
June 3, 1988
Page -2-

(1) Is involved in the production of one or more slate mailers and exercises control over the selection of the candidates and measures to be supported or opposed in the slate mailers.

(2) Receives or is promised payments totaling five hundred dollars (\$500) or more in a calendar year for the production of one or more slate mailers.

(b) Notwithstanding subdivision (a), a slate mailer organization shall not include any of the following:

(1) A candidate or officeholder or a candidate's or officeholder's controlled committee.

(2) An official committee of any political party.

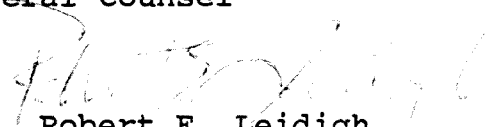
(3) A legislative caucus committee.

(4) A committee primarily formed to support or oppose a candidate, officeholder, or ballot measure....

I trust that this letter adequately responds to your request for assistance. Enclosed are the slate mailer organization registration and disclosure forms, and the "Information Manual on Campaign Disclosure Provisions of the Political Reform Act for Slate Mailer Organizations." If you have any questions regarding this letter, I may be reached at (916) 322-5901.

Sincerely,

Diane M. Griffiths
General Counsel


By: Robert E. Leidigh
Counsel, Legal Division

REL:ld:88170

Enclosures

Rec. of ...
Camp. Mgr for Fred Calabro
Card. for DA - LA County
Also Treas. for a PAC which has done
5/3/88 slate mailers in
the past
Free Entry
1000 & Cont
Low

TO: Michael Montgomery

RE: Miscellany Questions Concerning Fair Election Practices

QUESTION: Does a legally constituted PAC have the authority to donate money to a charity by purchasing a table of 10 (\$1750) at a charitable affair?

QUESTION: In regard to the new "Slate Mail" law as provided for by Senate Bill 1311 which became effective on 1/1/88, is there sample of a form for the disclaimer which itemizes all the listings required. This organization is not new to slate mailers, having prepared and distributed at least one previously in 1986. The following is what we feel is required to be printed in at least 8 pt Roman type on the mailing piece:

5/1

=====
Prepared and Paid for by the (Name of Slate Mailing Organization), (Address of Organization), Name of Treasurer of Organization).
=====

IN ADDITION the following statement will be printed in at least 8 pt type as provided for in SEC. 8, Section 84305.5:

=====
NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (Name of Slate Mailer Organization), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an *.
=====

QUESTION: Originally when the PAC was organized by its parent group, the by-laws of the parent organization called for its Board of Directors to ratify the endorsements as decided by the PAC. The question by some of the members is if it is legal under state law for the independent PAC organization to be subject to authorization by another independently constituted organization?

Memo to Michael Montgomery 3/3/88

Recently in the campaign for Los Angeles County District Attorney, it was disclosed by DA Candidate Fred Calabro that incumbent Ira Reiner had received \$217,741.68 in 1984 from one individual who was under criminal investigation at the time of the campaign contributions.

THE QUESTION IS:

In the history of California reporting of campaign contributions, is the above sum the largest donation by one individual to one candidate in one year?

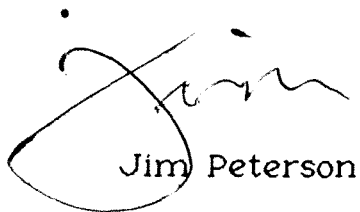
No

(We would like to know of other extraordinary large campaign contributions by one individual to one candidate in one year.)

I would appreciate a call and written confirmation of any such findings. I can be reached at (818) 352-5863 or (213) 460-6330 and Box 57, Sunland, CA 91040.

called 5/18/88 @ 9:15 am. - left
mess. w/ woman

Thank you.



Jim Peterson

If do state matter, then will send out more than usual
(\$100,000)

February 11, 1988
Page Two

- (3) A legislative caucus committee.
- (4) A committee primarily formed to support or oppose a candidate, officeholder or ballot measure.

(Government Code Section 82048.5.)

"Slate mailer" means a mass mailing which supports or opposes a total of four or more candidates or ballot measures. (Government Code Section 82048.3.)

Enclosed are the following:

(1) FPPC "Information Manual for Slate Mailer Organizations." The information manual sets out the registration and reporting requirements for slate mailer organizations, and also provides information concerning the requirements for certain information which must appear on all "slate mailers" sent by the organizations.

(2) "Slate Mailer Organization Statement of Organization" (Form 400), "Slate Mailer Organization Campaign Disclosure Statement" (Form 401) and "Slate Mailer Organization Statement of Termination" (Form 402).

Please review the definitions and instructions in the information manual. If you determine that your organization qualifies as a slate mailer organization, you must complete and file the statement of organization (Form 400) within 10 days of qualifying. However, because the registration form was not available earlier, those organizations which qualified prior to February 15, 1988, may file the statement of organization no later than February 25, 1988, and will not be deemed to have filed late.

If you have any questions about the new requirements, or if you would like to discuss any aspect of the duties of slate mailer organizations, please call Carla Wardlow, Political Reform Consultant with the Commission, at (916) 322-5662.

Senate Bill No. 1311

CHAPTER 905

An act to add Sections 82048.3, 82048.5, 84108, 84218, 84219, 84220, 84221, and 84305.5 to the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 19, 1987. Filed with
Secretary of State September 21, 1987.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1311, Craven. Political Reform Act: slate mailers.

Under the Political Reform Act of 1974, no person may make an expenditure for the purpose of sending a mass mailing, as defined, unless the sender is identified but the act does not otherwise regulate slate mailers.

This bill would impose various requirements on "slate mailers" and "slate mailer organizations," as defined.

This bill would require every slate mailer organization to file certain information with the Secretary of State concerning the organization and to file campaign statements, as specified.

This bill would require slate mailer organizations, when sending a slate mailer, to show in no less than 8-point type, specified information on the slate mailer, including the name of the sender, a notice to the voters concerning those candidates or ballot measures for which payment has been made or not made for appearance of the name of the candidate or ballot measure, and a notice to the voters that the mailing was prepared by the slate mailer organization, not an official political party organization.

This bill would further subject violators of these provisions to the penalties provided for in the Political Reform Act of 1974, thereby creating a state-mandated local program by creating new crimes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 82048.3 is added to the Government Code, to read:

82048.3. "Slate mailer" means a mass mailing which supports or opposes a total of four or more candidates or ballot measures.

SEC. 2. Section 82048.5 is added to the Government Code, to read:

82048.5. (a) "Slate mailer organization" means, except as provided in subdivision (b), any person who, directly or indirectly, does all of the following:

(1) Is involved in the production of one or more slate mailers and exercises control over the selection of the candidates and measures to be supported or opposed in the slate mailers.

(2) Receives or is promised payments totaling five hundred dollars (\$500) or more in a calendar year for the production of one or more slate mailers.

(b) Notwithstanding subdivision (a), a slate mailer organization shall not include any of the following:

(1) A candidate or officeholder or a candidate's or officeholder's controlled committee.

(2) An official committee of any political party.

(3) A legislative caucus committee.

(4) A committee primarily formed to support or oppose a candidate, officeholder, or ballot measure.

(c) The production and distribution of slate mailers by a slate mailer organization shall not be considered making contributions or expenditures for purposes of subdivision (b) or (c) of Section 82013.

If a slate mailer organization makes contributions or expenditures other than by producing or distributing slate mailers, and it reports those contributions and expenditures pursuant to Sections 84218 and 84219, no additional campaign reports shall be required of the slate mailer organization pursuant to Section 84200 or 84200.5.

SEC. 3. Section 84108 is added to the Government Code, to read:

84108. (a) Every slate mailer organization shall comply with the requirements of Sections 84100, 84101, 84103, and 84104.

(b) The statement of organization of a slate mailer organization shall include:

(1) The name, street address, and telephone number of the organization.

(2) The full name, street address, and telephone number of the treasurer and other principal officers.

(3) The full name, street address, and telephone number of each person with final decisionmaking authority as to which candidates or measures will be supported or opposed in the organization's slate mailers.

(c) The statement of organization shall be filed with the Secretary of State within 10 days after the slate mailer organization receives or is promised five hundred dollars (\$500) or more for producing one or more slate mailers. However, if an entity qualifies as a slate mailer organization before the date of an election in which it is required to file preelection statements, but after the closing date of the last campaign statement required to be filed before the election pursuant to Section 84218, the slate mailer organization shall file with the Secretary of State, by telegram or personal delivery within 24 hours of qualifying as a slate mailer organization, the information

required to be reported in the statement of organization.

SEC. 4. Section 84218 is added to the Government Code, to read:

84218. (a) A slate mailer organization shall file semiannual campaign statements for each period in which it has received payments totaling five hundred dollars (\$500) or more from any person for the support of or opposition to candidates or ballot measures in a slate mailer, or in which it has expended five hundred dollars (\$500) or more to produce one or more slate mailers. The semiannual statements shall be filed no later than July 31 for the period ending June 30, and no later than January 31, for the period ending December 31.

(b) In addition to the semiannual statements required by subdivision (a), slate mailer organizations shall file preelection statements as follows:

(1) Any slate mailer organization which produces a slate mailer supporting or opposing candidates or measures being voted on in an election held upon the first Tuesday after the first Monday in June or November of an even-numbered year shall file the statements specified in Section 84200.7 if, during the period covered by the preelection statement, the slate mailer organization receives payments totaling five hundred dollars (\$500) or more from any person for the support of or opposition to candidates or ballot measures in one or more slate mailers, or expends five hundred dollars (\$500) or more to produce one or more slate mailers.

(2) Any slate mailer organization which produces a slate mailer supporting or opposing candidates or measures being voted on in an election held on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year shall file the statements specified in Section 84200.8 if, during the period covered by the preelection statement, the slate mailer organization receives payments totaling five hundred dollars (\$500) or more from any person for the support of or opposition to candidates or ballot measures in one or more slate mailers, or expends five hundred dollars (\$500) or more to produce one or more slate mailers.

(c) A slate mailer organization shall file two copies of its campaign reports with the clerk of the county in which it is domiciled. A slate mailer organization is domiciled at the address listed on its statement of organization unless it is domiciled outside California, in which case its domicile shall be deemed to be Los Angeles County for purposes of this section.

In addition, slate mailer organizations shall file campaign reports as follows:

(1) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in a state election, or in more than one county, shall file campaign reports in the same manner as state general purpose committees pursuant to subdivision (a) of Section 84215.

(2) A slate mailer organization which produces one or more slate

mailers supporting or opposing candidates or measures voted on in only one county, or in more than one jurisdiction within one county, shall file campaign reports in the same manner as county general purpose committees pursuant to subdivision (d) of Section 84215.

(3) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in only one city shall file campaign reports in the same manner as city general purpose committees pursuant to subdivision (e) of Section 84215.

(4) Notwithstanding the above, no slate mailer organization shall be required to file more than the original and one copy, or two copies, of a campaign report with any one county or city clerk or with the Secretary of State.

SEC. 5. Section 84219 is added to the Government Code, to read:

84219. Whenever a slate mailer organization is required to file campaign reports pursuant to Section 84218, the campaign report shall include the following information:

(a) The total amount of receipts during the period covered by the campaign statement and the total cumulative amount of receipts. For purposes of this section only, "receipts" means payments received by a slate mailer organization for production and distribution of slate mailers.

(b) The total amount of disbursements made during the period covered by the campaign statement and the total cumulative amount of disbursements. For purposes of this section only, "disbursements" means payment made by a slate mailer organization for the production or distribution of slate mailers.

(c) For each candidate or committee that is a source of receipts totaling one hundred dollars (\$100) or more during the period covered by the campaign statement:

(1) The name of the candidate or committee, identification of the jurisdiction and the office sought or ballot measure number or letter, and if the source is a committee, the committee's identification number, street address, and the name of the candidate or measure on whose behalf or in opposition to which the payment is made.

(2) The date and amount received for each receipt totaling one hundred dollars (\$100) or more during the period covered by the campaign statement.

(3) The cumulative amount of receipts on behalf of or in opposition to the candidate or measure.

(d) For each person other than a candidate or committee who is a source of receipts totaling one hundred dollars (\$100) or more during the period covered by the campaign statement:

(1) Identification of the jurisdiction, office or ballot measure, and name of the candidate or measure on whose behalf or in opposition to which the payment was made.

(2) Full name, street address, name of employer or, if self-employed, name of business, of the source of receipts.

(3) The date and amount received for each receipt totaling one hundred dollars (\$100) or more during the period covered by the campaign statement.

(4) The cumulative amount of receipts on behalf of or in opposition to the candidate or measure.

(e) For each candidate or ballot measure not reported pursuant to subdivision (c) or (d), but who was supported or opposed in a slate mailer sent by the slate mailer organization during the period covered by the report, identification of jurisdiction, office or ballot measure, and name of the candidate or measure who was supported or opposed.

(f) The total amount of disbursements made during the period covered by the campaign statement to persons who have received one hundred dollars (\$100) or more.

(g) The total amount of disbursements made during the period covered by the campaign statement to persons who have received less than one hundred dollars (\$100).

(h) For each person to whom a disbursement of one hundred dollars (\$100) or more has been made during the period covered by the campaign statement:

(1) His or her full name.

(2) His or her street address.

(3) The amount of each disbursement.

(4) A brief description of the consideration for which each disbursement was made.

(5) The information required in paragraphs (1) to (4), inclusive, for each person, if different from the payee, who has provided consideration for a disbursement of one hundred dollars (\$100) or more during the period covered by the campaign statement.

(i) Cumulative disbursements, totaling one thousand dollars (\$1,000) or more, made directly or indirectly to any person listed in the slate mailer organization's statement of organization. For purposes of this subdivision, a disbursement is made indirectly to a person if it is intended for the benefit of or use by that person or a member of the person's immediate family, or if it is made to a business entity in which the person or member of the person's immediate family is a partner, shareholder, owner, director, trustee, officer, employee, consultant, or holds any position of management or in which the person or member of the person's immediate family has an investment of one thousand dollars (\$1,000) or more. This subdivision shall not apply to any disbursement made to a business entity whose securities are publicly traded.

(j) The full name, street address, and telephone number of the slate mailer organization and of the treasurer.

(k) Whenever a slate mailer organization also qualifies as a general purpose committee pursuant to Section 82027.5, the campaign report shall include, in addition to the information required by this section, the information required by Section 84211.

SEC. 6. Section 84220 is added to the Government Code, to read:
84220. If a slate mailer organization receives a payment of two thousand five hundred dollars (\$2,500) or more for purposes of supporting or opposing any candidate or ballot measure in a slate mailer, and the payment is received at a time when, if the payment were a contribution it would be considered a late contribution, then the slate mailer organization shall report the payment in the manner set forth in Section 84203 for candidates and committees when reporting late contributions received. The slate mailer organization shall, in addition to reporting the information required by Section 84203, identify the candidates or measures whose support or opposition is being paid for, in whole or in part, by each late payment.

SEC. 7. Section 84221 is added to the Government Code, to read:
84221. Slate mailer organizations shall terminate their filing obligations in the same manner as applies to committees qualifying under subdivision (a) of Section 82013.

SEC. 8. Section 84305.5 is added to the Government Code, to read:

84305.5. (a) No slate mailer organization shall send a slate mailer unless:

(1) The name, street address, and city of the slate mailer organization are shown on the outside of each piece of slate mail and on at least one of the inserts included with each piece of slate mail in no less than 8-point roman type which shall be in a color or print which contrasts with the background so as to be easily legible. A post office box may be stated in lieu of a street address if the organization's street address is a matter of public record with the Secretary of State's Political Reform Division.

(2) At the top or bottom of the front side or surface of at least one insert or at the top or bottom of one side or surface of a postcard or other self-mailer, there is a notice in at least 8-point roman, boldface type, which shall be in a color or print which contrasts with the background so as to be easily legible, and in a printed or drawn box and set apart from any other printed matter. The notice shall consist of the following statement:

NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (name of slate mailer organization), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an *.

(3) The name, street address, and city of the slate mailer organization as required by paragraph (1) and the notice required by paragraph (2) may appear on the same side or surface of an insert.

(4) Each candidate and each ballot measure which has paid to appear in the slate mailer is designated by *. Any candidate or ballot measure which has not paid to appear in the slate mailer is not designated by *.

The * required by this subdivision shall be of the same type size, type style, color or contrast, and legibility as is used for the name of the candidate or the ballot measure name or number and position advocated to which the * designation applies except that in no case shall the * be required to be larger than 10-point boldface type. The designation shall immediately follow the name of the candidate, or the name or number and position advocated on the ballot measure where the designation appears in the slate of candidates and measures. If there is no slate listing, the designation shall appear at least once in at least 8-point boldface type, immediately following the name of the candidate, or the name or number and position advocated on the ballot measure.

(b) For purposes of the designations required by paragraph (4) of subdivision (a), the payment of any sum made reportable by the provisions of subdivision (c) of Section 84219 by or at the behest of a candidate or committee, whose name or position appears in the mailer, to the slate mailer organization, shall constitute a payment to appear, requiring the * designation. Such payment shall also be deemed to constitute authorization to appear in the mailer.

(c) A slate mailer which complies with the requirements of this section shall be deemed to satisfy the requirements of Sections 11703 and 11704 of the Elections Code.

SEC. 8.5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 9. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the

Ch. 905

— 8 —

Government Code.

O



California Fair Political Practices Commission

May 9, 1988

Jim Peterson
Box 57
Sunland, CA 91040

Re: 88-170

Dear Mr. Peterson:

Your letter requesting advice under the Political Reform Act was received on May 3, 1988 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact Robert Leidigh, an attorney in the Legal Division, directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Diane M. Griffiths".

Diane M. Griffiths
General Counsel

DMG:plh

TO: Michael Montgomery

5/3/88

RE: Miscellany Questions Concerning Fair Election Practices

QUESTION: Does a legally constituted PAC have the authority to donate money to a charity by purchasing a table of 10 (\$1750) at a charitable affair?

QUESTION: In regard to the new "Slate Mail" law as provided for by Senate Bill 1311 which became effective on 1/1/88, is there sample of a form for the disclaimer which itemizes all the listings required. This organization is not new to slate mailers, having prepared and distributed at least one previously in 1986. The following is what we feel is required to be printed in at least 8 pt Roman type on the mailing piece:

=====
Prepared and Paid for by the (Name of Slate Mailing Organization), (Address of Organization), Name of Treasurer of Organization).
=====

IN ADDITION the following statement will be printed in at least 8 pt type as provided for in SEC. 8, Section 84305.5:

=====
NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (Name of Slate Mailer Organization), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an *.
=====

QUESTION: Originally when the PAC was organized by its parent group, the by-laws of the parent organization called for its Board of Directors to ratify the endorsements as decided by the PAC. The question by some of the members is if it is legal under state law for the independent PAC organization to be subject to authorization by another independently constituted organization?

Memo to Michael Montgomery 3/3/88

Recently in the campaign for Los Angeles County District Attorney, it was disclosed by DA Candidate Fred Calabro that incumbent Ira Reiner had received \$217,741.68 in 1984 from one individual who was under criminal investigation at the time of the campaign contributions.

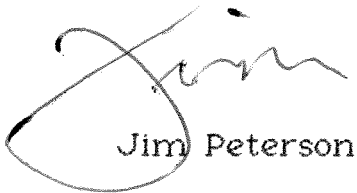
THE QUESTION IS:

In the history of California reporting of campaign contributions, is the above sum the largest donation by one individual to one candidate in one year?

(We would like to know of other extraordinary large campaign contributions by one individual to one candidate in one year.)

I would appreciate a call and written confirmation of any such findings. I can be reached at (818) 352-5863 or (213) 460-6330 and Box 57, Sunland, CA 91040.

Thank you.



Jim Peterson



California Fair Political Practices Commission

February 11, 1988

TO: Interested Persons

FROM: Technical Assistance and Analysis Division
(916) 322-5662

RE: Registration and Reporting Requirements
for "Slate Mailer Organizations"

This letter is to provide you with information about "slate mailer organizations," a type of entity with new reporting obligations under the Political Reform Act of 1974.

Legislative amendments to the Political Reform Act effective January 1, 1988 (SB 1311, Chapter 905, Stats. 1987) define "slate mailer organization" as follows:

(a) "Slate mailer organization" means, except as provided in subdivision (b), any person who, directly or indirectly, does all of the following:

(1) Is involved in the production of one or more slate mailers and exercises control over the selection of the candidates and measures to be supported or opposed in the slate mailers.

(2) Receives or is promised payments totaling five hundred dollars (\$500) or more in a calendar year for the production of one or more slate mailers.

(b) Notwithstanding subdivision (a), a slate mailer organization shall not include any of the following:

(1) A candidate or officeholder or a candidate's or officeholder's controlled committee.

(2) An official committee of any political party.

(Over)

Senate Bill No. 1311

CHAPTER 905

An act to add Sections 82048.3, 82048.5, 84108, 84218, 84219, 84220, 84221, and 84305.5 to the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 19, 1987. Filed with Secretary of State September 21, 1987.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1311, Craven. Political Reform Act: slate mailers.

Under the Political Reform Act of 1974, no person may make an expenditure for the purpose of sending a mass mailing, as defined, unless the sender is identified but the act does not otherwise regulate slate mailers.

This bill would impose various requirements on "slate mailers" and "slate mailer organizations," as defined.

This bill would require every slate mailer organization to file certain information with the Secretary of State concerning the organization and to file campaign statements, as specified.

This bill would require slate mailer organizations, when sending a slate mailer, to show in no less than 8-point type, specified information on the slate mailer, including the name of the sender, a notice to the voters concerning those candidates or ballot measures for which payment has been made or not made for appearance of the name of the candidate or ballot measure, and a notice to the voters that the mailing was prepared by the slate mailer organization, not an official political party organization.

This bill would further subject violators of these provisions to the penalties provided for in the Political Reform Act of 1974, thereby creating a state-mandated local program by creating new crimes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 82048.3 is added to the Government Code, to read:

82048.3. "Slate mailer" means a mass mailing which supports or opposes a total of four or more candidates or ballot measures.

SEC. 2. Section 82048.5 is added to the Government Code, to read:

82048.5. (a) "Slate mailer organization" means, except as provided in subdivision (b), any person who, directly or indirectly, does all of the following:

(1) Is involved in the production of one or more slate mailers and exercises control over the selection of the candidates and measures to be supported or opposed in the slate mailers.

(2) Receives or is promised payments totaling five hundred dollars (\$500) or more in a calendar year for the production of one or more slate mailers.

(b) Notwithstanding subdivision (a), a slate mailer organization shall not include any of the following:

(1) A candidate or officeholder or a candidate's or officeholder's controlled committee.

(2) An official committee of any political party.

(3) A legislative caucus committee.

(4) A committee primarily formed to support or oppose a candidate, officeholder, or ballot measure.

(c) The production and distribution of slate mailers by a slate mailer organization shall not be considered making contributions or expenditures for purposes of subdivision (b) or (c) of Section 82013. If a slate mailer organization makes contributions or expenditures other than by producing or distributing slate mailers, and it reports those contributions and expenditures pursuant to Sections 84218 and 84219, no additional campaign reports shall be required of the slate mailer organization pursuant to Section 84200 or 84200.5.

SEC. 3. Section 84108 is added to the Government Code, to read:

84108. (a) Every slate mailer organization shall comply with the requirements of Sections 84100, 84101, 84103, and 84104.

(b) The statement of organization of a slate mailer organization shall include:

(1) The name, street address, and telephone number of the organization.

(2) The full name, street address, and telephone number of the treasurer and other principal officers.

(3) The full name, street address, and telephone number of each person with final decisionmaking authority as to which candidates or measures will be supported or opposed in the organization's slate mailers.

(c) The statement of organization shall be filed with the Secretary of State within 10 days after the slate mailer organization receives or is promised five hundred dollars (\$500) or more for producing one or more slate mailers. However, if an entity qualifies as a slate mailer organization before the date of an election in which it is required to file preelection statements, but after the closing date of the last campaign statement required to be filed before the election pursuant to Section 84218, the slate mailer organization shall file with the Secretary of State, by telegram or personal delivery within 24 hours of qualifying as a slate mailer organization, the information

required to be reported in the statement of organization.

SEC. 4. Section 84218 is added to the Government Code, to read:

84218. (a) A slate mailer organization shall file semiannual campaign statements for each period in which it has received payments totaling five hundred dollars (\$500) or more from any person for the support of or opposition to candidates or ballot measures in a slate mailer, or in which it has expended five hundred dollars (\$500) or more to produce one or more slate mailers. The semiannual statements shall be filed no later than July 31 for the period ending June 30, and no later than January 31, for the period ending December 31.

(b) In addition to the semiannual statements required by subdivision (a), slate mailer organizations shall file preelection statements as follows:

(1) Any slate mailer organization which produces a slate mailer supporting or opposing candidates or measures being voted on in an election held upon the first Tuesday after the first Monday in June or November of an even-numbered year shall file the statements specified in Section 84200.7 if, during the period covered by the preelection statement, the slate mailer organization receives payments totaling five hundred dollars (\$500) or more from any person for the support of or opposition to candidates or ballot measures in one or more slate mailers, or expends five hundred dollars (\$500) or more to produce one or more slate mailers.

(2) Any slate mailer organization which produces a slate mailer supporting or opposing candidates or measures being voted on in an election held on a date other than the first Tuesday after the first Monday in June or November of an even-numbered year shall file the statements specified in Section 84200.8 if, during the period covered by the preelection statement, the slate mailer organization receives payments totaling five hundred dollars (\$500) or more from any person for the support of or opposition to candidates or ballot measures in one or more slate mailers, or expends five hundred dollars (\$500) or more to produce one or more slate mailers.

(c) A slate mailer organization shall file two copies of its campaign reports with the clerk of the county in which it is domiciled. A slate mailer organization is domiciled at the address listed on its statement of organization unless it is domiciled outside California, in which case its domicile shall be deemed to be Los Angeles County for purposes of this section.

In addition, slate mailer organizations shall file campaign reports as follows:

(1) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in a state election, or in more than one county, shall file campaign reports in the same manner as state general purpose committees pursuant to subdivision (a) of Section 84215.

(2) A slate mailer organization which produces one or more slate

mailers supporting or opposing candidates or measures voted on in only one county, or in more than one jurisdiction within one county, shall file campaign reports in the same manner as county general purpose committees pursuant to subdivision (d) of Section 84215.

(3) A slate mailer organization which produces one or more slate mailers supporting or opposing candidates or measures voted on in only one city shall file campaign reports in the same manner as city general purpose committees pursuant to subdivision (e) of Section 84215.

(4) Notwithstanding the above, no slate mailer organization shall be required to file more than the original and one copy, or two copies, of a campaign report with any one county or city clerk or with the Secretary of State.

SEC. 5. Section 84219 is added to the Government Code, to read: 84219. Whenever a slate mailer organization is required to file campaign reports pursuant to Section 84218, the campaign report shall include the following information:

(a) The total amount of receipts during the period covered by the campaign statement and the total cumulative amount of receipts. For purposes of this section only, "receipts" means payments received by a slate mailer organization for production and distribution of slate mailers.

(b) The total amount of disbursements made during the period covered by the campaign statement and the total cumulative amount of disbursements. For purposes of this section only, "disbursements" means payment made by a slate mailer organization for the production or distribution of slate mailers.

(c) For each candidate or committee that is a source of receipts totaling one hundred dollars (\$100) or more during the period covered by the campaign statement:

(1) The name of the candidate or committee, identification of the jurisdiction and the office sought or ballot measure number or letter, and if the source is a committee, the committee's identification number, street address, and the name of the candidate or measure on whose behalf or in opposition to which the payment is made.

(2) The date and amount received for each receipt totaling one hundred dollars (\$100) or more during the period covered by the campaign statement.

(3) The cumulative amount of receipts on behalf of or in opposition to the candidate or measure.

(d) For each person other than a candidate or committee who is a source of receipts totaling one hundred dollars (\$100) or more during the period covered by the campaign statement:

(1) Identification of the jurisdiction, office or ballot measure, and name of the candidate or measure on whose behalf or in opposition to which the payment was made.

(2) Full name, street address, name of employer or, if self-employed, name of business, of the source of receipts.

(3) The date and amount received for each receipt totaling one hundred dollars (\$100) or more during the period covered by the campaign statement.

(4) The cumulative amount of receipts on behalf of or in opposition to the candidate or measure.

(e) For each candidate or ballot measure not reported pursuant to subdivision (c) or (d), but who was supported or opposed in a slate mailer sent by the slate mailer organization during the period covered by the report, identification of jurisdiction, office or ballot measure, and name of the candidate or measure who was supported or opposed.

(f) The total amount of disbursements made during the period covered by the campaign statement to persons who have received one hundred dollars (\$100) or more.

(g) The total amount of disbursements made during the period covered by the campaign statement to persons who have received less than one hundred dollars (\$100).

(h) For each person to whom a disbursement of one hundred dollars (\$100) or more has been made during the period covered by the campaign statement:

(1) His or her full name.

(2) His or her street address.

(3) The amount of each disbursement.

(4) A brief description of the consideration for which each disbursement was made.

(5) The information required in paragraphs (1) to (4), inclusive, for each person, if different from the payee, who has provided consideration for a disbursement of one hundred dollars (\$100) or more during the period covered by the campaign statement.

(i) Cumulative disbursements, totaling one thousand dollars (\$1,000) or more, made directly or indirectly to any person listed in the slate mailer organization's statement of organization. For purposes of this subdivision, a disbursement is made indirectly to a person if it is intended for the benefit of or use by that person or a member of the person's immediate family, or if it is made to a business entity in which the person or member of the person's immediate family is a partner, shareholder, owner, director, trustee, officer, employee, consultant, or holds any position of management or in which the person or member of the person's immediate family has an investment of one thousand dollars (\$1,000) or more. This subdivision shall not apply to any disbursement made to a business entity whose securities are publicly traded.

(j) The full name, street address, and telephone number of the slate mailer organization and of the treasurer.

(k) Whenever a slate mailer organization also qualifies as a general purpose committee pursuant to Section 82027.5, the campaign report shall include, in addition to the information required by this section, the information required by Section 84211.

SEC. 6. Section 84220 is added to the Government Code, to read:
84220. If a slate mailer organization receives a payment of two thousand five hundred dollars (\$2,500) or more for purposes of supporting or opposing any candidate or ballot measure in a slate mailer, and the payment is received at a time when, if the payment were a contribution it would be considered a late contribution, then the slate mailer organization shall report the payment in the manner set forth in Section 84203 for candidates and committees when reporting late contributions received. The slate mailer organization shall, in addition to reporting the information required by Section 84203, identify the candidates or measures whose support or opposition is being paid for, in whole or in part, by each late payment.

SEC. 7. Section 84221 is added to the Government Code, to read:
84221. Slate mailer organizations shall terminate their filing obligations in the same manner as applies to committees qualifying under subdivision (a) of Section 82013.

SEC. 8. Section 84305.5 is added to the Government Code, to read:

84305.5. (a) No slate mailer organization shall send a slate mailer unless:

(1) The name, street address, and city of the slate mailer organization are shown on the outside of each piece of slate mail and on at least one of the inserts included with each piece of slate mail in no less than 8-point roman type which shall be in a color or print which contrasts with the background so as to be easily legible. A post office box may be stated in lieu of a street address if the organization's street address is a matter of public record with the Secretary of State's Political Reform Division.

(2) At the top or bottom of the front side or surface of at least one insert or at the top or bottom of one side or surface of a postcard or other self-mailer, there is a notice in at least 8-point roman, boldface type, which shall be in a color or print which contrasts with the background so as to be easily legible, and in a printed or drawn box and set apart from any other printed matter. The notice shall consist of the following statement:

NOTICE TO VOTERS

THIS DOCUMENT WAS PREPARED BY (name of slate mailer organization), NOT AN OFFICIAL POLITICAL PARTY ORGANIZATION. Appearance in this mailer does not necessarily imply endorsement of others in this mailer. Appearance is paid for and authorized by each candidate and ballot measure which is designated by an *.

(3) The name, street address, and city of the slate mailer organization as required by paragraph (1) and the notice required by paragraph (2) may appear on the same side or surface of an insert.

(4) Each candidate and each ballot measure which has paid to appear in the slate mailer is designated by *. Any candidate or ballot measure which has not paid to appear in the slate mailer is not designated by *.

The * required by this subdivision shall be of the same type size, type style, color or contrast, and legibility as is used for the name of the candidate or the ballot measure name or number and position advocated to which the * designation applies except that in no case shall the * be required to be larger than 10-point boldface type. The designation shall immediately follow the name of the candidate, or the name or number and position advocated on the ballot measure where the designation appears in the slate of candidates and measures. If there is no slate listing, the designation shall appear at least once in at least 8-point boldface type, immediately following the name of the candidate, or the name or number and position advocated on the ballot measure.

(b) For purposes of the designations required by paragraph (4) of subdivision (a), the payment of any sum made reportable by the provisions of subdivision (c) of Section 84219 by or at the behest of a candidate or committee, whose name or position appears in the mailer, to the slate mailer organization, shall constitute a payment to appear, requiring the * designation. Such payment shall also be deemed to constitute authorization to appear in the mailer.

(c) A slate mailer which complies with the requirements of this section shall be deemed to satisfy the requirements of Sections 11703 and 11704 of the Elections Code.

SEC. 8.5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 9. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the

Ch. 905

— 8 —

Government Code.

O