



California Fair Political Practices Commission

September 20, 1988

Joseph Remcho
Remcho, Johansen & Purcell
220 Montgomery Street, Suite 800
San Francisco, CA 94104

Re: Your Request for Informal
Assistance
Our File No. I-88-361

Dear Mr. Remcho:

You have requested informal assistance concerning the campaign disclosure provisions of the Political Reform Act.^{1/}

QUESTION

If a company contributes 80 percent or more of the funds received by a recipient committee, will the company meet the definition of a "sponsor"?

CONCLUSION

A company which provides "all or nearly all" of a committee's funds meets the definition of a "sponsor." The Commission has not addressed this issue; thus, there is no specific percentage standard which applies. However, the staff's current advice is that a company which provides 80 percent or more of a committee's funds meets the definition of a "sponsor." We reach no conclusion about whether a company which provides less than 80 percent of a committee's funds meets the definition of a "sponsor."

ANALYSIS

Every entity which receives political contributions totaling \$1,000 or more in a calendar year is a recipient committee. (Section 80213(a).) Each recipient committee is

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Government Code Section 83114; 2 Cal. Code of Regs. Section 18329(c)(3).)

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required to file a statement of organization with the Secretary of State within 10 days after qualifying as a recipient committee. (Section 84101.)

The statement of organization must include, among other things, the name of the committee. If the committee is a "sponsored committee," the committee's name must include the name of its sponsor.

Section 82048.5 defines "sponsored committee" as follows:

(a) "Sponsored committee" means a committee, other than a controlled committee, which has one or more sponsors. Any person, except a candidate, proponent or other individual, may sponsor a committee.

(b) A person sponsors a committee if any of the following apply:

(1) The committee receives all or nearly all of its contributions from the person or its members, officers, employees or shareholders.

(2) The person collects contributions for the committee by use of payroll deductions or dues from its members, officers, or employees.

(3) The person alone or in combination with other organizations, provides all or nearly all of the administrative services for the committee.

(4) The person, alone or in combination with other organizations, sets the policies for soliciting contributions or making expenditures of committee funds.

The question you have asked is answered by subdivision (b)(1) of Section 82048.5. That subdivision provides that an entity qualifies as a "sponsor" if it provides "all or nearly all" of a committee's funds. Although the Commission has not determined a specific percentage amount which constitutes "all or nearly all" of

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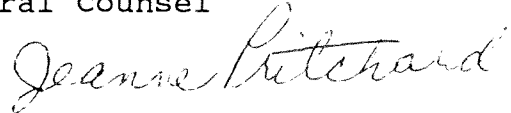
a committee's contributions, the staff's current advice is that 80 percent or more is within the meaning of subdivision (b)(1). This is not to say that contributions of less than 80 percent would not constitute "all or nearly all" of a committee's contributions.

A specific percentage test might be addressed by the Commission in the future. Therefore, this advice is subject to change.

If you have any questions about this letter, please call me at (916) 322-5662.

Sincerely,

Diane M. Griffiths
General Counsel



By: Jeanne Pritchard
Division Chief
Technical Assistance and
and Analysis Division

REMCHO, JOHANSEN & PURCELL

ATTORNEYS AT LAW

220 MONTGOMERY STREET, SUITE 800
SAN FRANCISCO, CALIFORNIA 94104
415 / 398-6230 FAX: 415 / 398-7256

September 16, 1988

Jeanne Pritchard
Chief, Technical Assistance Division
Fair Political Practices Commission
P.O. Box 807
Sacramento, California 95804-0807

Re: Sponsored Committee Requirements

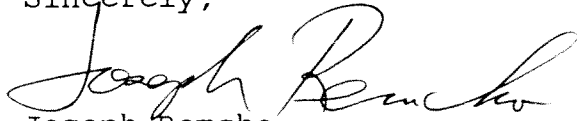
Dear Ms. Pritchard:

This is to confirm our conversation of today in which I asked you about the requirements for sponsored committees under Government Code Section 82048.5.

Specifically I asked you whether a company that contributed 80 percent or more of the funds to a committee would be considered a "sponsor" of the committee within the meaning of the Political Reform Act, whether or not it met other attributes that make a company a sponsor. You advised me that the answer was yes. You advised me that regardless of other factors, a committee that receives 80 percent or more of its funds from a particular company is considered sponsored by that company and must identify itself as sponsored by the company and comply with all requirements for sponsored committees.

I would appreciate your confirming in writing as soon as possible that my understanding of your informal advice is correct.

Sincerely,


Joseph Remcho

JR:lmf

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