



California Fair Political Practices Commission

March 13, 1989

The Honorable Bill Lancaster
California State Assembly
P.O. Box 942849
Sacramento, CA 94249-0001

Re: Your Request For Advice
Our File No. A-89-072

Dear Assemblyman Lancaster:

You have requested advice regarding the the campaign disclosure provisions of the Political Reform Act.1/

As discussed in a telephone conversation with Mr. Bill Nunes of your office, because of a recent court ruling, campaign funds held by candidates and committees on January 1, 1989, may not be used to support or oppose a candidacy. (California Common Cause v. California Fair Political Practices Commission, Los Angeles Sup. Ct. No. C 709383.) Therefore, the first question in your letter is moot and will not be addressed in this letter.

QUESTION

For future contributions, do you need to contact every PAC that makes a total fiscal year contribution of more than \$2,500 to determine whether it is a "broad based political committee"?

CONCLUSION

Before accepting a contribution of more than \$2,500 in a fiscal year, you must determine that the contributor has qualified

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.

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as a "broad based political committee." If the committee has not so informed you at the time the contribution was made, you must contact the committee to determine if it is a broad based political committee.

ANALYSIS

The contribution limitations of Proposition 73 provide that a "political committee" may contribute up to \$2,500 in a fiscal year to a candidate, and that a "broad based political committee" may contribute up to \$5,000 in a fiscal year to a candidate. (Section 85303; see also Section 85102 for the definition of "political committee" and "broad based political committee.")

Regulation 18502 (copy enclosed) provides guidance concerning the circumstances under which a committee may qualify as a broad based political committee.

Regulation 18502.1 provides:

Prior to making any contribution totaling more than \$2,500 for the support of or opposition to a candidate for elective office after January 1, 1989, a broad based political committee shall amend its statement of organization to indicate:

- (a) That it is a broad based political committee; and
- (b) The date on which it qualified as a broad based political committee.

A committee which qualified as a broad based political committee on or before January 1, 1989, need not state the date on which it qualified as a broad based political committee, but shall merely indicate that the date was "on or before January 1, 1989."

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Section 85303 specifically provides that candidates and committee treasurers may not solicit or accept a contribution which would exceed the contribution limitations. Therefore, it is incumbent upon candidates and treasurers to ensure that all contributions they accept are in compliance with the contribution limitations. This creates a duty to inquire if there is any question whether a committee which contributes more than \$2,500 has met the definition of a "broad based political committee."

If you have any questions about this letter, please call me at (916) 322-5662 (ATSS 492-5662).

Sincerely,

Diane M. Griffiths
General Counsel

By: Jeanne Pritchard
Division Chief
Technical Assistance and
Analysis Division

PLEASE RESPOND TO

SACRAMENTO ADDRESS

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0001
TELEPHONE (916) 445 9234

DISTRICT OFFICE ADDRESS

145 E. BADILLO STREET
COVINA, CA 91723
TELEPHONES (818) 332-6271
(714) 599-6615

California Legislature

BILL LANCASTER

ASSEMBLYMAN, SIXTY-SECOND DISTRICT

COMMITTEES:

FINANCE AND
INSURANCE
TRANSPORTATION
LOCAL GOVERNMENT
PUBLIC EMPLOYEES, RETIREMENT
AND SOCIAL SECURITY
JOINT LEGISLATIVE AUDIT

CHAIRMAN

JOINT LEGISLATIVE
ETHICS

January 24, 1989

Jan 26 8 48 AM '89
FPPC

John Larson, Chairman
Fair Political Practices Commission
P.O. Box 807
Sacramento, CA 95804

Dear John:

I would like answers to the following two questions regarding Political Action Committee contributions.

1. For the segregation process for funds on hand on December 31, 1988, we can only transfer \$1,000 from any PAC, regardless of size, if that PAC had contributions from its members that exceeded the Proposition 73 limitations. Is it our responsibility to contact every PAC on our list to find out about their contributions and thus, whether or not we can transfer up to their full \$2,500/\$5,000 limit?

2. For future contributions, do we need to contact every PAC that ~~makes a total fiscal-year contribution~~ of more than \$2,500 but not more than \$5,000 to determine whether or not it is broad based?

Sincerely,


BILL LANCASTER

BL:mm