

CONCLUSIONS

1. Assuming from the facts in your letter that the Citizens for Mike Woo account is the account for which he filed Forms 501 and 502 in connection with his 1989 election, funds left over in that account may be used to pay officeholder expenses and, if desired, new funds may be solicited for such expenses under the provisions of Proposition 73.

The Friends of Michael Woo account may be designated for use in connection with his 1993 reelection campaign or any future election. Form 501 must be filed prior to soliciting any funds for this account. Form 502 must also be filed designating the account for a particular election. If the Friends of Michael Woo account is designated for use in connection with a future election to his current seat on the Los Angeles City Council, in addition to paying expenses in connection with that election, Mr. Woo may use the funds to pay officeholder expenses.

The contribution limits contained in Proposition 73 will apply in the aggregate to all of Mr. Woo's campaign accounts.

2. The Commission is currently considering the issue of how Proposition 73 will affect contribution limitations contained in local ordinances. Therefore, we will not provide an answer to your second question at this time. See the following analysis for a discussion of how contributions must be solicited and deposited, and how contributions which exceed the state contribution limitations must be handled.

ANALYSIS

Proposition 73, passed by the voters in the June 1988 state primary election, amended the Political Reform Act by imposing contribution limitations and other new restrictions on candidates, officeholders and committees.

With regard to candidates and officeholders, Proposition 73 requires the filing of a statement of intention to be a candidate prior to solicitation of any contributions, requires establishment of a bank account and notification of the bank address and account number, and imposes various restrictions on the deposit and expenditure of funds from the bank account. (Sections 85200-85202.)

The Commission has adopted several regulations (copies enclosed) to clarify how candidates and officeholders may comply with these new requirements. These include:

Regulation 18520--Candidates and officeholders may file statements of intention for more than one office, but contribution limits apply to the aggregate amount contributed to all offices for which the candidate has filed.

Regulation 18521--Candidates must establish separate controlled committees for each specific office identified in candidate intention statements once \$1,000 in contributions is received.

Regulation 18523--A candidate with more than one controlled committee who receives a contribution not designated for a particular committee may allocate the contribution to any one of the controlled committees. The regulation describes the procedures for allocation and deadlines for allocation.

Regulation 18523.1--Written solicitations for contributions must specify the controlled committee for which contributions are sought. At its May 2 meeting, the Commission amended this regulation to add that written solicitations also must identify the specific office and the particular election for which contributions are sought.

Regulation 18524--Allows candidates to transfer funds from a designated campaign account to certificates of deposit, savings accounts and other similar interest-bearing accounts; allows candidates to obtain credit cards and charge accounts for campaign bank accounts; allows candidates to establish \$100 petty cash fund for each campaign bank account.

Regulation 18525--Clarifies which campaign-related expenses must be paid out of an account designated for a future election, and allows payment of officeholder expenses out of any account designated for a current office or for reelection to that same office.

Regulation 18526--Allows candidate-controlled committees to reimburse volunteers and campaign employees for certain expenses. Also allows reimbursement of campaign consultants under certain circumstances.

Regulation 18531--Establishes procedures for returning contributions which exceed the state contribution limits.

Please note that some of the above regulations may be affected by the recent ruling in the case of Service Employees International Union, AFL-CIO, et al. v. Fair Political Practices Commission, U.S. District Court, Eastern District of California, Case No. C1VS-89-433 LKK-JFM. Among other things, the court ruled that the Commission is preliminarily enjoined from enforcing Proposition 73's prohibition against the transfer of contributions from one candidate's controlled committee to his or her other controlled campaign committees. These regulations will be revised accordingly if the injunction becomes permanent.

Also enclosed is the Commission's "Interim Information Manual on Proposition 68 and Proposition 73."

Margaret M. Lee
Page 4

You should expect a response to your second question in the near future.

Please call me at (916) 322-5662 if you have additional questions.

Sincerely,

Kathryn E. Donovan
General Counsel

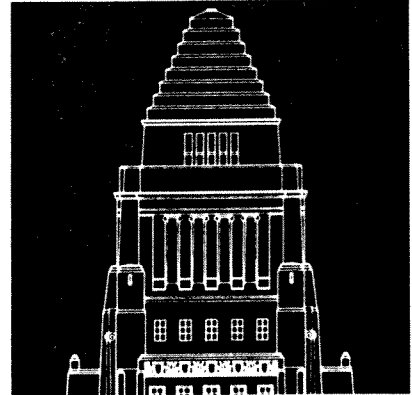
Carla Wardlow

By: Carla Wardlow
Political Reform Consultant

Enclosures

Councilman Michael Woo

City of Los Angeles
13th District



April 25, 1989

Fair Political Practices Commission
428 J Street
Sacramento, CA 95814

Re: "Citizens for Mike Woo" - ID# 861562

Dear Ladies and Gentlemen:

Enclosed is a copy of a letter sent to the City Attorney in Los Angeles. We asked the City Attorney for advice regarding incumbent and non-incumbent activities, in addition to proper handling of contributions in excess of \$500.

We need your advice regarding the same issues because we must not be in conflict with either state or local laws. We would greatly appreciate an expeditious reply to our questions. Please mail your reply to the Committee's address, 632 Alta Vista Circle, So. Pasadena, CA 91030.

Thank you for your attention to this.

Cordially,

CITIZENS FOR MIKE WOO

Margaret M. Lee
Treasurer

enclosure

Not printed or mailed at public expense

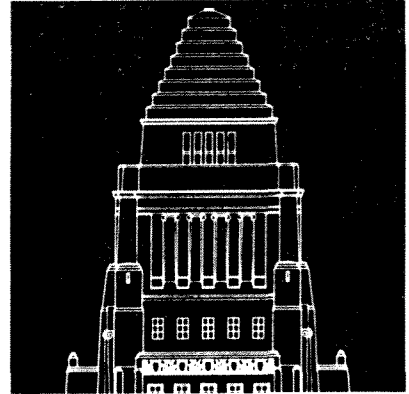
Chair
Transportation and Traffic Committee
Vice Chair
Planning and Environment Committee
Member
Charter and Elections Committee

Mailing Address
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200 North Spring Street
Los Angeles, CA 90012
(213) 485-3353

District Offices:
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Los Angeles, CA 90027
(213) 485-6471
12229 Ventura Boulevard
Studio City, CA 91604
(818) 989-8099

Councilman Michael Woo

City of Los Angeles
13th District



April 19, 1989

Mr. Tony Alperin
Office of the City Attorney
Room 1700, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Dear Mr. Alperin:

In planning for future activities, we need advice on a number of questions concerning the structure of funds and committees.

We currently maintain two separate bank accounts that correspond with our two committees. We used the "Friends of Michael Woo" account to pay 1985 election debt. Also, we dispensed funds for general overhead items such as subscriptions and advertisements from this account. We exhausted this account where a balance less than \$50 remains. We used the "Citizens for Mike Woo" account for 1989 campaign re-election expenses. We solicited contributions for this committee applying the local restriction of accepting no more than \$500 per entity per election. Expenses paid for from this account included items directly related to the campaign and re-election of the Councilman.

For the situations below where we would like to raise and expend funds, how shall we organize our funds and committees? Can we continue to use the accounts now in operation? Also, what documents must we file? What sorts of restrictions apply?

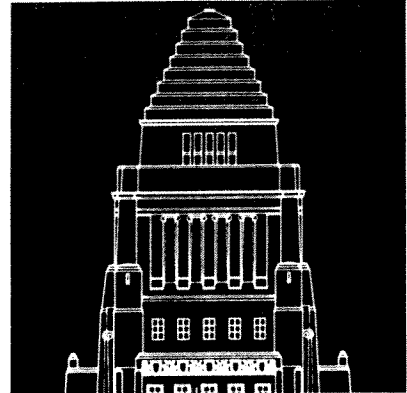
For on-going Council District #13 activities, i.e., 1993 re-election purposes.

For on-going non-Council District #13 activities. Examples of such expenditures might include state-wide fundraising activities, travel costs, subscriptions, and advertisements.

Chair	Campaign Headquarters:	City Hall, Room 218	District Offices:
Governmental Operations Committee	6464 Sunset Boulevard	200 North Spring Street	4640 Hollywood Boulevard
Vice Chair	Lobby Level	Los Angeles, CA 90012	Los Angeles, CA 90027
Planning and Environment Committee	Hollywood, CA 90028	(213) 485-3353	(213) 485-6471
Member	(213) 962-8014		12229 Ventura Boulevard
Transportation and Traffic Committee			Studio City, CA 91604
			(818) 989-8099

Councilman Michael Woo

City of Los Angeles
13th District



Page 2

In addition, we have an immediate need to know how to handle donors wishing to contribute in excess of their \$500 maximum. Can we accept their donation? What restrictions apply and under what committee would we deposit these funds?

Please feel free to call me at (213) 840-4277 during business hours should you need additional information. The Councilman's Chief Deputy, Larry Kaplan, can also respond to any questions you may have (213) 485-3353.

Thank you for your attention to these questions.

Cordially,

CITIZENS FOR MIKE WOO
FRIENDS FOR MICHAEL WOO

Margaret M. Lee
Treasurer

cc: L. Kaplan
B. Greaves ✓
FPCC

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California Fair Political Practices Commission

June 1, 1989

Margaret M. Lee
Citizens for Mike Woo
632 Alta Vista Circle
So. Pasadena, CA 91030

Re: Letter No. 89-257

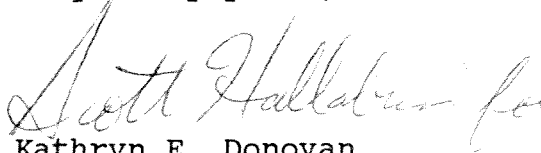
Dear Ms. Lee:

Your letter requesting advice under the Political Reform Act was received on May 25, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact John W. Wallace 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,

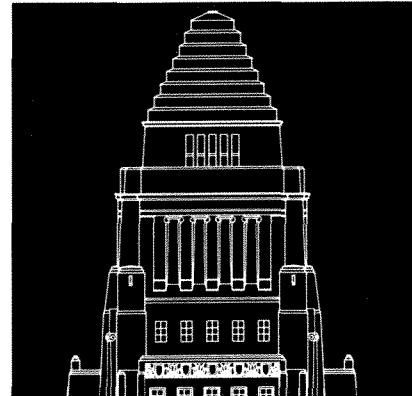

Kathryn E. Donovan
General Counsel

KED:plh

Councilman Michael Woo**City of Los Angeles
13th District**

FPPC

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April 25, 1989

Fair Political Practices Commission
428 J Street
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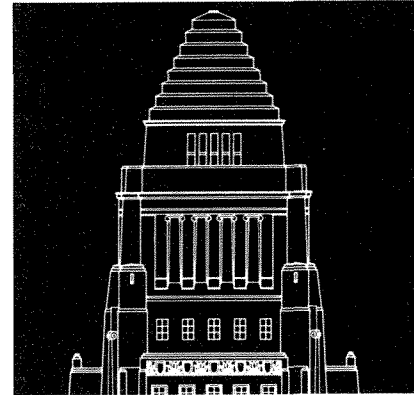
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Councilman Michael Woo

City of Los Angeles
13th District



April 19, 1989

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Office of the City Attorney
Room 1700, City Hall
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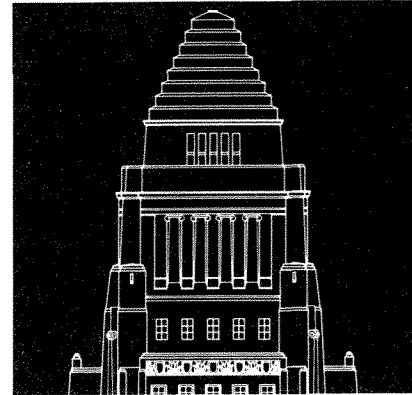
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Councilman Michael Woo

City of Los Angeles
13th District



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FRIENDS FOR MICHAEL WOO

Margaret M. Lee
Treasurer

cc: L. Kaplan
B. Greaves ✓
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California Fair Political Practices Commission

May 2, 1989

Margaret M. Lee
Treasurer
Citizens for Mike Woo
City Hall, Room 239
200 North Spring Street
Los Angeles, CA 90012

Re: Letter No. 89-257

Dear Ms. Lee:

Your letter requesting advice under the Political Reform Act was received on April 26, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

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Very truly yours,

Jeanne Pritchard by jpb
Jeanne Pritchard
Chief Technical Assistance
and Analysis Division

JP:plh