



California Fair Political Practices Commission

December 26 , 1989

Ms. Gail Schulze
Law Clerk
Sewell Krueger and Styer
3620 American River Dr., Suite 136
Sacramento, CA 95864

Re: Your Request for Informal Assistance
Our File No. I-89-654

Dear Ms. Schulze:

You have requested confirmation of telephone advice provided to you concerning the campaign provisions of the Political Reform Act.^{1/} Because your question addresses a hypothetical situation, we consider it to be a request for informal assistance pursuant to Regulation 18329(c).^{2/}

Your letter, dated November 14, 1989, correctly summarizes my advice that if a local organization makes a contribution to a candidate and is reimbursed by the political action committee of its statewide association, the local organization is acting as an intermediary on behalf of the committee. As an intermediary, the local organization, must disclose to the recipient of the contribution its own name and address as well as the name and address of the committee. (Section 84302.)

The committee which made the reimbursement must disclose the contribution on its campaign disclosure statement. It is recommended that a notation also be made in the committee's records that the contribution was made by an intermediary. However, it is not required to be footnoted on the campaign report.

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.

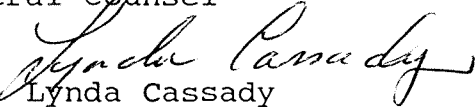
2/ Informal assistance does not provide the requestor with the immunity provided by an opinion or formal written advice. (Government Code Section 83114; 2 Cal. Code of Regs. Section 18329(c)(3).)

For your clarification, Section 84302.5 provides that a person who delivers a contribution is an intermediary. That section does in fact exempt a person who delivers a contribution from an association to which the person belongs. However, a person who makes a contribution on behalf of another person, as outlined in the hypothetical situation posed in your letter, is required under Section 84302 to be disclosed as an intermediary and is not covered by the exemption in Section 84302.5. Enclosed is Regulation 18432.5, which was adopted by the Commission at its November 7, 1989, meeting, and which clarifies the Act's intermediary provisions.

Please do not hesitate to contact me at (916) 322-5662 if you have additional questions.

Sincerely,

Kathryn E. Donovan
General Counsel

By: 
Lynda Cassady
Political Reform Consultant

Enclosure

SEWELL KRUEGER AND STYER

A LAW CORPORATION

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FPFC
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November 14, 1989

Ms. Linda Cassidy
Fair Political Practices Commission
428 J Street
Sacramento, Calif. 95814

Re: Our file No. 1251: Reporting requirements where an association acts as an intermediary for its larger, central body

Dear Ms. Cassidy,

Confirming our telephone conversations, and using the following hypothetical situation:

A series of associations such as the Palomino Horse Owners, Cutting Horse Owners, Pinto Horse Owners, etc. belong to the statewide Magenta Horseman's Association which has a registered Political Action Committee (having filed Form 410 with the FPFC). The Pinto Horse Owners made a contribution to Senator X's campaign and was subsequently reimbursed by the Magenta Assoc.

In this situation, Pinto is acting as an intermediary for the Magenta Association within the meaning of Govt. Code Sec 84302 and as such must disclose to Senator X that the contribution was made as an intermediary for Magenta.

In addition, Magenta must report the contribution on its Form 420 and footnote the fact that the contribution was made by and through its intermediary, Pinto.

This is true even though new Section 84302.5 provides that an intermediary includes, "(a) person who delivers a contribution to a candidate or committee from another person unless such contribution is from ... an association to which the person belongs." You stated that this section is intended to except only employees of associations and was not intended to apply in a case such as that described above.

Thank you again for your cooperation in this matter.

Sincerely,



Gail C. Schulze
Law Clerk



California Fair Political Practices Commission

November 17, 1989

Gail Schulze
Law Clerk, Sewell, Krueger
and Styer
3620 American River Drive, #136
Sacramento, Ca 95864

Re: Letter No. 89-654

Dear Ms. Schulze:

Your letter requesting advice under the Political Reform Act was received on November 15, 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.

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 the 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,

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

JP:plh