

RAVI MEHTA  
CHAIRMAN



FAIR POLITICAL PRACTICES COMMISSION

October 24, 1996

Donald C. Carroll  
Law Offices of Carroll  
& Scully, Inc.  
300 Montgomery Street, Suite 735  
San Francisco, CA 94104-1909

Re: Your Request for Informal  
Assistance  
Our File No. I-96-270

Dear Mr. Carroll:

This is in response to your request for advice on behalf of Teamsters Local Union No. 856 Political Action Committee regarding the campaign reporting provisions of the Political Reform Act (the "Act").<sup>1/</sup> Since your inquiry is general in nature, we are treating your letter as a request for informal assistance pursuant to Regulation 18329(c).<sup>2/</sup>

**QUESTION**

How does the Teamsters Local Union No. 856 Political Action Committee ("PAC") report its member contributions that are received through Teamsters Local Union No. 856 ("Union")?

**CONCLUSION**

The Union must be reported as an intermediary for the member contributions on the PAC's campaign statements.

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<sup>1/</sup> 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.

<sup>2/</sup> 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. Sections 18329(c) (3).)

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### FACTS

The membership of the Teamsters Local Union No. 856 recently adopted a resolution which provides that \$.25 out of the monthly periodic dues paid by individual members will constitute voluntary earmarked contributions to the Teamsters Local Union No. 856 Political Action Committee from the individual dues paying members to be utilized in whole or in part for contributions to candidates for the California Assembly, California Senate, State Constitutional Offices and local elected offices.

The resolution provides that no contributions shall be made to the committee by or on behalf of non-members who pay agency fees to the local union. The resolution further provides that members of the local union may direct in writing that the portion of their future periodic dues constituting voluntary earmarked contributions to the committee shall not in fact be paid to the committee.

### ANALYSIS

The campaign disclosure provisions of the Act require candidates and committees to file periodic reports disclosing contributions received and expenditures made. (Section 84100, et seq.)

A committee means any person<sup>3/</sup> or combination of persons who receives contributions totaling one thousand dollars (\$1,000) or more in a calendar year. (Section 82013(a).)

Regulation 18215 states, in relevant part:

(a) A contribution is any monetary or nonmonetary payment made for political purposes for which full and adequate consideration is not made to the donor. A payment is made for political purposes if it is:

(1) For the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a candidate or candidates, or the qualification or passage of any measure; or

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<sup>3/</sup> A "person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert. (Section 82047.)

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(2) Received by or made at the behest of:

\* \* \*

(D) An organization formed or existing primarily for political purposes as defined in subsection (a)(1), including but not limited to a political action committee established by any membership organization, labor union or corporation.

Regulation 18419 defines "sponsored committee" as a committee that receives all or nearly all of its contributions either from the sponsor or from its members, officers, employees or shareholders. The facts provided in your letter indicate that the Union is the sponsor of the PAC.

This regulation also sets forth procedures for reporting contributions received through the sponsor. With respect to member contributions which are channeled through the sponsor, the member is the contributor. The PAC must report as an intermediary the sponsor if the sponsor directly or indirectly provides the committee with \$100 or more in member contributions regardless of whether any member for whom the sponsor acts contributed \$100 or more on its campaign disclosure statements (Form 420 or Form 450).

You have stated in your letter that the PAC intends to report contributions received through the Union with an annotation that the total amount from the intermediary Union reflects \$.25 per month from X number of members received during the month subject to reporting on each campaign statement. The Union will be listed as the intermediary for purposes of the contributions. Because members will be making contributions of less than \$25 per calendar year, the PAC can also add a notation on the statement that no single contributor is required to be itemized for this reason. This method of reporting appears to be consistent with Regulation 18419.

Please note for reporting purposes that a monetary contribution collected by means of payroll deductions or membership dues by a membership organization for its sponsored committee is "received" by the committee on the earlier of the following:

(1) The date that the committee obtains actual possession or control of the contribution;

(2) Within 60 days after the receipt of the payment by the committee's sponsor. (Regulation 18421.1.)

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If you have any questions concerning this letter, please  
contact me at (916) 322-5660.

Sincerely,

Steven G. Churchwell  
General Counsel

*Dixie Howard*

By: Dixie Howard  
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