



RAVI MEHTA
CHAIRMAN

FAIR POLITICAL PRACTICES COMMISSION

January 21, 1997

Stephen J. Kaufman
Smith & Kaufman
601 S. Figueroa Street
41st Floor
Los Angeles, CA 90017-5758

Re: Your Request for Advice
Our File No. A-96-356

Dear Mr. Kaufman:

This is in response to your request for advice on behalf of the Women's Political Committee, a general purpose committee, regarding the campaign provisions of Proposition 208 and the Political Reform Act (the "Act").¹

QUESTIONS

1. What, if any, limitations apply to the use or expenditure of pre-existing funds by a general purpose committee after January 1, 1997?
2. Are contributions made in 1997 by a general purpose committee to candidates or candidate-controlled committees using funds raised prior to January 1, 1997, subject to the contribution limits set forth in Government Code Section 85301?
3. Do contributions made in 1997 by a general purpose committee to state candidates or candidate-controlled committees using funds raised prior to January 1, 1997, count against the committee's \$25,000 two-year aggregate contribution limit under Government Code Section 85310?

¹ Government Code Sections 81000-91015. All references are to the Government Code unless otherwise indicated. All references to regulations are to Title 2 of the California Code of Regulations.

CONCLUSIONS

1. Proposition 208 does not change the permissible use of pre-existing funds by a general purpose committee after January 1, 1997. These uses are set out in Sections 89510-89518.

2. The contribution limits of Section 85301 apply to contributions made to candidates by the committee on or after January 1, 1997, regardless of when the funds were raised. Note that Proposition 208 has no provisions that limit the amount that may be contributed to committees established to support or oppose ballot measures.

3. Yes. Section 85310 forbids any "person"² from contributing in the aggregate more than \$25,000 to all state candidates³ and the state candidates' controlled committees and political party committees in any two-year period. Section 85204 defines two-year period as follows:

"Two-year period" means the period commencing with January 1 of an odd-numbered year and ending with December 31 of the next even-numbered year."

This restriction applies to all contributions made during the two-year period. The statute does not contain any language about the source of the funds used to make the contribution. Therefore, Section 85310 applies to all contributions from the committee to state candidates during the two-year periods defined in Section 85204 without regard to the source of the funds used. After January 1, 1997, the contribution limits that apply to committees will apply to contributions your committee receives.

You may want to advise the Women's Political Committee, that if their committee makes contributions to candidates, the committee may not accept contributions from any persons totaling more than \$500 per year. (Section 85301(d).) If their organization has more than 100 members, receives no more than \$50.00 in contributions from any person, and has been in existence for more than six months, their committee may qualify as a small contributor committee and thus be permitted to give higher contributions to candidates. (Sections 85203 and 85302.)

² "Person" is broadly defined for purposes of the Act to include, among others, individuals and organizations. (Section 82047.) Proposition 208 does not affect this definition.

³ "State candidate" is defined in Section 82050 as a candidate who seeks nomination or election to any elective state office.

Additionally, if their committee makes independent expenditures of more than \$1,000 in support or opposition to any candidate, the committee may not accept a contribution in excess of \$250. (Section 85301; Ford Advice Letter, No. A-96-351.) Note that the \$25,000 aggregation limit of Section 85310 applies to both contributions from individuals and small contributor committees.

Please keep in mind that Section 85311 provides that all payments made by a person "established, financed, maintained, or controlled" by any organization or group of persons shall be considered to be made by a single person. Therefore, if the Women's Political Committee establishes committees that make contributions to candidates, contributions made by the committees may be aggregated with contributions made by the Women's Political Committee or other committees formed by their organization.

If you have any other questions regarding Proposition 208, please contact me at (916) 322-5660.

Sincerely,

Steven G. Churchwell
General Counsel



By: Lynda Doherty
Political Reform Consultant
Legal Division

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