

RAVI MEHTA  
CHAIRMAN



## FAIR POLITICAL PRACTICES COMMISSION

April 8, 1997

Joseph P. Enserro  
Committee for San Jacinto School District  
600 East Main Street  
San Jacinto, California 92583

**Re: Your Request for Advice  
Our File No. A-97-136**

Dear Mr. Enserro:

This letter is a response to your request for advice regarding the provisions of the Political Reform Act (the "Act").<sup>1</sup>

### QUESTIONS

1. May the Committee for San Jacinto School Children use surplus campaign funds for a "Thank You for Your Support" luncheon/dinner?
2. May the Committee for San Jacinto School Children use surplus campaign funds to purchase overhead projectors, cameras, computers, etc., for the new middle school?

### CONCLUSION

Funds remaining in the account of a local ballot measure committee do not become "surplus campaign funds" after the election. The only provision of the Act specifically directed to leftover or "surplus" campaign funds is Section 89519, which addresses the leftover campaign funds of a candidate or elected officer, not a ballot measure committee. The committee may therefore expend its funds in any manner consistent with Article 4 of the Act, Sections 89510-89522. From the facts you have provided, the expenditures appear to be reasonably related to a political, legislative, or governmental purpose and are permissible.

---

<sup>1</sup> Government Code sections 81000 - 91014. Commission regulations appear at title 2, sections 18109 - 18995, of the California Code of Regulations.

## FACTS

The Committee for San Jacinto School Children was formed to help pass a measure that would allow the school district to sell general obligation bonds to help build a new middle school. The measure passed on November 5, 1996. The Committee would like to terminate and has inquired about the use of its leftover funds.

## ANALYSIS

Article 4 of the Act (Sections 89510-89522) governs the use of campaign funds, and its provisions prescribe the use of such funds by committees.

Although it is clear that the Act's provisions regarding campaign funds are intended to apply generally to such funds without regard to who or what may hold them, it is also clear that particular sections of Article 4 are applicable only to certain parties. Thus, Section 89511.5 expressly applies only to incumbent elected officials. Similarly, the only reference to "surplus funds" is in Section 89519 which addresses only the use of such funds by former candidates or elected officers. (*Bailey Advice Letter, No. A-96-309.*)

We have historically construed Section 89519 by its plain meaning, concluding that campaign funds held by ballot measure committees do not become "surplus funds" within the meaning of Section 89519. (See, e.g., *Carter Advice Letter, No. A-90-746.*) As a result, the particular restrictions of Section 89519 give way in such instances to the other provisions of Article 4 governing the use of campaign funds. (See also *Hiltachk Advice Letter, No. I-90-053.*) The general rule for expenditures of committees such as the Committee for San Jacinto School Children is given at Section 89512.5 as follows:

"(a) Subject to the provisions of subdivision (b), any expenditure by a committee not subject to the trust imposed by subdivision (b) of Section 89510 shall be reasonably related to a political, legislative, or governmental purpose of the committee.

(b) Any expenditure by a committee that confers a substantial personal benefit on any individual or individuals with authority to approve the expenditure of campaign funds held by the committee, shall be directly related to a political, legislative, or governmental purpose of the committee."

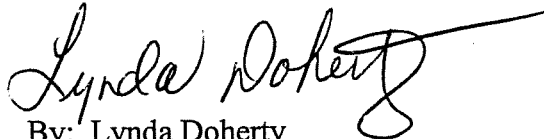
The information you have provided to us indicates that the purpose of the Committee for San Jacinto School Children was to sell general obligation bonds to help build a new middle school. You wish to spend some of the committee's surplus funds to hold a thank you luncheon/dinner and to donate to the school district to buy overhead projectors, cameras, computers, etc. Based on the facts presented, the expenditure of the committee's leftover funds as described would be reasonably related to the political, legislative, or governmental purpose of the Committee for San Jacinto School Children, and thus permissible under the Act.

You have not alerted us to any basis for suspecting that the expenditure of leftover funds would enure to the personal benefit of any individual, invoking the higher standard of Section 89512.5(b). Keep in mind that Elections Code Section 18680 imposes duties on those entrusted with funds directed at the promotion of ballot measures. We cannot render advice with respect to interpretation of the Elections Code. However, we have advised that to the extent that this provision of the Elections Code and the personal use provisions of the Act can be read together, that is the construction that should be applied. However, if there is a conflict, it has been our position that the personal use provisions of the Act would control. (Section 81013; *Lilyquist Advice Letter*, No. I-91-310.)

If you have any other questions on this matter, please contact me at (916) 322-5660.

Sincerely,

Steven G. Churchwell  
General Counsel

A handwritten signature in black ink that reads "Lynda Doherty". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

By: Lynda Doherty  
Political Reform Consultant, Legal Division

SGC:LD:ak