

RAVI MEHTA
CHAIRMAN



FAIR POLITICAL PRACTICES COMMISSION

August 4, 1997

Steven S. Lucas
Nielsen, Merksamer, Parrinello,
Mueller & Naylor
591 Redwood Highway, #4000
Mill Valley, California 94941

**Re: Your Request for Advice
Our File No. I-97-331**

Dear Mr. Lucas:

This is in response to your request for advice under the provisions of the Political Reform Act (the "Act").¹ Since you are merely confirming telephone advice given to you regarding a general application of the law, your letter is considered a request for informal assistance.²

QUESTION

Are payments by a sponsoring organization for establishment and administration of a sponsored committee "contributions" subject to the contribution limits of Proposition 208?

CONCLUSION

No. Any payments by a sponsoring organization for the establishment and administration of a sponsored committee are not "contributions" provided such payments are reported on the committee's statements. (Regulation 18215(c)(16).)

¹ Government Code sections 81000-91014. Commission regulations appear at title 2, sections 18109-18995, 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. (Section 83114; Regulation 18329.)

DISCUSSION

On January 21, 1997, the Fair Political Practices Commission adopted as an emergency regulation subsection (c)(16) of Regulation 18215. The emergency provision provided that an organization that formally sponsors a political committee may pay specified expenses of its committee, and such payments are not considered contributions. Californians for Political Reform filed a Petition for Writ of Mandate seeking to invalidate the emergency provision.

On March 28, 1997, the court heard oral arguments from both sides, and then ruled in favor of Californians for Political Reform. The judgment entered by the court on April 4, 1997, rescinded the emergency language *ab initio*, thus invalidating the new section from its date of operation.

In response to the court's ruling, the Fair Political Practices Commission filed a notice of appeal. This automatically stayed the trial court's decision. (Code of Civil Procedure, §§ 916, 1109.) On May 1, 1997, the Commission permanently adopted the emergency language of Regulation 18215(c)(16). (Excerpt from Fair Political Practices *Bulletin*, Vol. 23, Issue 2, May 1997.)

Accordingly, as of May 1, 1997, the staff has been advising that payments made by a sponsor for the overhead expenses of its committee, are not contributions subject to the limits of Proposition 208 provided such payments are reported on the committee's campaign statements.

I trust this answers your question sufficiently. If you have any other questions or need further assistance, please feel free to call me at (916) 322-5660.

Sincerely,

Steven G. Churchwell
General Counsel



By: Jeanette E. Turvill
Political Reform Consultant
Technical Assistance Division

SGC/JET/jt