



FAIR POLITICAL PRACTICES COMMISSION

December 5, 1997

Donald Waters
Assistant Executive Director
Alameda-Contra Costa Medical Association
6230 Claremont Avenue
Post Office Box 2895
Oakland, California 94618

**Re: Your Request for Advice
Our File No. A-97-530**

Dear Mr. Waters:

This letter is in response to your request for advice regarding the provisions of the Political Reform Act (the "Act").¹

FACTS

You are the Assistant Executive Director of the Alameda-Contra Costa Physicians' Committee, a political action committee sponsored by the Alameda-Contra Costa Medical Association ("ACCMA") to support political candidates who share the association's interest in improving the quality of medical care in your community. This political action committee has been in existence for nine years, annually receiving voluntary contributions from approximately 600 physician-members of the ACCMA in amounts of \$25 per physician.

QUESTIONS & CONCLUSIONS

1. *What are the differences and limitations between a small contributor committee as compared to other political action committees?*

Proposition 208 limits the amount a person may contribute to candidates for elective office. (See Sections 85301, 85402.) Small contributor committees, unlike other political action committees, may make contributions of twice the contribution limit for persons prescribed in

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

section 85301 or 85402, whichever is applicable. A small contributor committee is a general purpose recipient committee that meets all of the following criteria: (1) it has a membership of at least 100 individuals; (2) all the contributions it receives from any person in a calendar year total fifty dollars (\$50) or less; (3) it has been in existence for at least six months; and (4) it is not a candidate-controlled committee.” (Section 85203.)

2. May the Alameda-Contra Costa Physicians’ Committee, which annually receives voluntary contributions from approximately 600 physicians in amounts of \$25 per physician, be converted into a small contributor committee? If so, how is this accomplished? If it is not permissible, is it legally permissible for the sponsor of the Alameda-Contra Costa Physicians’ Committee to separately and simultaneously sponsor a small contributor committee?

If the Alameda-Contra Costa Physicians’ Committee satisfies the criteria mentioned above, it may convert into a small contributor committee. Before making a contribution of twice the limits specified in section 85301 or 85402, the committee must amend its statement of organization to indicate that it is a small contributor committee and the date on which it qualified as such. (Regulation 18502.1, copy enclosed.)

If the Alameda-Contra Costa Physicians’ Committee does not satisfy the above criteria, the sponsor of that committee may simultaneously sponsor a separate small contributor committee. (*Patack* Advice Letter, No. A-97-441.) Please note that if an organization sponsors more than one committee, it may have reporting obligations under the Act. (Regulation 18419.)

3. Assuming the Alameda-Contra Costa Physicians Committee is permitted to become a small contributor committee, may it transfer its current assets into this committee, or must it generate new funds for its activities? If it is not permissible to transfer its current assets to a small contributor committee, would contributions made by the existing political action committee be considered coming from the same source as contributions made by a newly constituted small contributor committee?

If the Alameda-Contra Costa Physicians’ Committee satisfies the criteria in section 85203, it may retain its current assets when converting itself into a small contributor committee. (*Bannon* Advice Letter, No. A-97-443, copy enclosed.)

If the committee does not satisfy the above criteria and the sponsoring organization simultaneously sponsors a separate small contributor committee, the existing sponsored committee and the newly formed small contributor committee will be considered “affiliated entities.” (Section 85311, Regulation 18531.1(a), copy enclosed.) For purposes of the contribution limits, all contributions made by affiliated entities are considered to be made by a single person. (Regulation 18531.1(b).)

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

Sincerely,

Steven G. Churchwell
General Counsel

A handwritten signature in cursive script that reads "Julia Butcher".

By: Julia Butcher
Graduate Legal Assistant, Legal Division

SGC:JB:tls

Enclosures