



FAIR POLITICAL PRACTICES COMMISSION

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April 21, 1998

Alan Carlan
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**Re: Your Request for Advice
Our File No. I-98-066**

This is in response to your request for advice regarding the provisions of the Political Reform Act (the Act).¹ Since your questions are general in nature, we are providing informal assistance pursuant to Regulation 18329(c).²

QUESTIONS

1. Are tax exempt municipal bonds reportable on Schedule A-1 of Form 700?
2. Must you report investments in your wife's individual retirement account (IRA)?

CONCLUSIONS

1. Government bonds, including municipal bonds, are not reportable on a Statement of Economic Interests (Form 700).
2. Whether investments in your wife's IRA are reportable depends on the nature of those investments.

ANALYSIS

Section 87200 provides a list of public officials to whom the section applies. Included in that list are elected state officers. Section 82024 states that "elective state office" means member

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.)

of the Legislature. Section 87201 provides that every candidate for an office specified in Section 87200 shall file a statement disclosing their investments, interests in real property, and any income received during the immediately preceding 12 months. Section 82029 states "immediate family" means the spouse and dependent children.

Section 82034 states:

"Investment" means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly, or beneficially by the public official, or other filer, **or his or her immediate family....**The term investment **does not include** a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any **bond or other debt instrument issued by any government or government agency....**" (Emphasis added.)

If your wife's IRA holds reportable assets, such as real property or stock in business entities which are located in or doing business in California, then you must report the IRA on Form 700. (See page 5 of the Form 700 appendix.) However, if her IRA is invested in vehicles including, but not limited to, diversified mutual funds or government bonds, you would not be required to report them.

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

Sincerely,

Steven G. Churchwell
General Counsel

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By: Wayne Imber

Political Reform Consultant