



FAIR POLITICAL PRACTICES COMMISSION

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April 22, 1999

Dina E. Goldman
The State Bar of California
Office of General Counsel
555 Franklin Street
San Francisco, California 94102-4498

**Re: Your Request for Advice
Our File No. A-99-064**

Dear Ms. Goldman:

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

QUESTION

Do the provisions of Government Code section 87462 apply to designated employees of the State Bar of California?

CONCLUSION

Yes, section 87462 applies to designated employees of the State Bar of California.

ANALYSIS

Sections 87460, 87461 and 87462 were adopted by the Legislature in 1997. Section 87460 imposes restrictions on elected officers and public officials regarding the receipt of loans. Section 87461 provides that elected officers may not receive personal loans of \$500 or more unless certain requirements are met, or unless the type of loan is exempt under that provision. Section 87462 provides that loans will become gifts under specified circumstances. Unlike sections 87460 and 87461, section 87462 does not expressly limit its application to elected officers and/or public officials.

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

Section 82020 defines “elected officer” to be “any person who holds an elective office or has been elected to an elective office but has not yet taken office. A person who is appointed to fill a vacant elective office is an elected officer.” Section 82048 defines “public official” as “every member, officer, employee or consultant of a state or local government agency” but goes on to specifically exclude from its definition, among others, “designated employees of the State Bar of California.” Therefore, the provisions of sections 87460 and 87461 do not apply to designated employees of the State Bar of California, as they are neither elected officers nor public officials as defined in the Act.

Unlike sections 87460 and 87462, section 87462 does not explicitly limit its application to elected officers or public officials. This leads directly to your question, namely whether or not section 87462 applies only to public officials and therefore exempts designated employees of the State Bar of California. It is elemental that the fundamental purpose of statutory construction is to ascertain the intent of lawmakers to effectuate the purposes of the law. (*People v. Pieters* (1991) 52 Cal.3d 894.) The first step is to look at the words in a given statute and to give them their usual and ordinary meaning. (*City of Santa Cruz v. Municipal Court* (1989) 49 Cal.3d 74, 90.) Applying this rule, we turn to section 87462 and note that it states that “a personal loan shall become a gift to the *debtor* for the purposes of this title in the following circumstances....” (Section 87462(a), emphasis added.) By its plain reading, it seems to apply to all debtors who are governed by the Act, including designated employees of the State Bar of California.

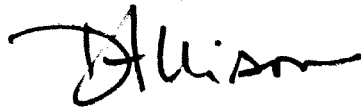
It is also well established that chapter and section headings of an act may properly be considered in determining legislative intent and are entitled to considerable weight. (*People v. Hull* (1991) 1 Cal.4th 266, 272, internal citations omitted.) Sections 87460, 87461, and 87462 are contained in article 4.6 of the Act. That article is titled “Loans to Public Officials.” Reading the title literally, one could conclude that section 87462 applies only to public officials, and thus not to designated employees of the State Bar of California. We reject this interpretation. Another fundamental rule of statutory interpretation is that a statute must be construed in the context of the entire statutory system of which it is a part, in order to achieve harmony among the parts. (*People v. Woodhead* (1987) 43 Cal.3d 1002, 1009.) The statute states that “a personal loan shall become a gift to the debtor *for purposes of this title....*” (Section 87462, emphasis added.) Thus, its rule applies to all debtors subject to the Act, and not just to public officials as singled out in the article heading. In addition, Section 81003 states that “this title should be liberally construed to accomplish its purposes.” We believe this interpretation more closely furthers the purposes of the Act as set forth in section 81002.

After analyzing the text of section 87462 along with the other provisions of article 4.6 of the Act and the Act itself, we conclude that section 87462 applies to all debtors governed by the Act, including designated employees of the State Bar of California.

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 black ink that reads "Allison". The signature is written in a cursive style with a large, prominent initial "A".

By: Deborah Allison
Staff Counsel, Legal Division

SGC:DA:tls