

Memorandum

To : Mrs. Janice Masterton

Date : July 1, 1991

From : Mary C. Armstrong

Subject: Contribution Disclosure Opinion No. 91-18
Majority Shareholders

This is in response to your memorandum of June 6, 1991 in which you raise the following question:

"In the event that the taxpayer is a close corporation and there is a majority shareholder, does Government Code Section 15626 require that the majority shareholder sign the contribution disclosure?"

Section 15626(f) provides that:

"When a close corporation is a party to, or a participant in, an adjudicatory proceeding pending before the board, the majority shareholder is subject to the disclosure requirement specified in this section."

Section 15626(6) provides in pertinent part:

"The notice of contribution shall be on a form prescribed under rules adopted by the board to provide for staff inquiry of each party, participant, close corporation, and its majority shareholder, ...to determine whether any contribution has been made"

We are of the opinion that a majority shareholder is required to sign the Contribution Disclosure form because the

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majority shareholder is "subject to the disclosure requirements" of section 15626 and the staff is charged with inquiring whether any contribution has been made.

Mary Armstrong

MCA:wk
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cc: Honorable Brad Sherman
Honorable Ernest J. Dronenburg, Jr.
Honorable William Bennett
Honorable Matthew K. Fong
Honorable Gray Davis
Ms. Cindy Rambo
Contribution Disclosure Binder Distribution List