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7
8 **BEFORE THE FAIR POLITICAL PRACTICES COMMISSION**
9 **STATE OF CALIFORNIA**

10
11 In the Matter of

12 CALIFORNIA NEW CAR DEALERS
13 ASSOCIATION ISSUES PAC AND
THOMAS HILTACHK,

14 Respondents.

FPPC Case No. 2022-00928

STIPULATION, DECISION AND ORDER

Date Submitted to Commission: October 2025

15 **INTRODUCTION**

16 Respondent, California New Car Dealers Association Issues PAC (ID#1256259) (“Committee”),
17 was originally a primarily formed ballot measure committee sponsored by the California New Car
18 Dealers Association, initially qualifying in 2003. The Committee has changed its designation between a
19 primarily formed ballot measure committee and a state general purpose committee multiple times over
20 the life of the Committee. In 2020, the Committee was designated a state general purpose committee. At
21 the end of September 2020, the Committee was required to re-evaluate the Committee’s designation
22 based on the Committee’s activity. As a result of the Committee’s activity at that time, the Committee
23 was required to amend the Statement of Organization to re-designate from a state general purpose
24 committee to a state primarily formed ballot measure committee and include the name of the relevant
25 propositions in the Committee name by October 10, 2020. Respondent, Thomas Hiltachk (“Hiltachk”),
26 served as the Committee’s treasurer.

27 This case arose from an audit performed by the Franchise Tax Board’s Political Reform Audit
28

1 Program. This case involves the failure to file an amended Statement of Organization to re-designate the
2 Committee to a primarily formed committee and amend the name of the Committee—in violation of the
3 Political Reform Act (the “Act”).¹

4 SUMMARY OF THE LAW

5 The Act and its regulations are amended from time to time. All legal references and discussions
6 of law are intended to be citations to statutes and regulations as they existed at the time of the violations
7 in this case.

8 Need for Liberal Construction and 9 Vigorous Enforcement of the Political Reform Act

10 When enacting the Political Reform Act, the people of California found and declared that:
11 “[p]revious laws regulating political practices have suffered from inadequate enforcement by state and
12 local authorities.”² Thus, it was decreed that the Act “should be liberally construed to accomplish its
13 purposes.”³ One purpose of the Act is to promote transparency by ensuring that receipts and expenditures
14 in election campaigns are fully and truthfully disclosed so that voters are fully informed and improper
15 practices are inhibited.⁴ The Act, therefore, establishes a campaign reporting system designed to
16 accomplish this purpose of disclosure. Another purpose of the Act is to provide adequate enforcement
17 mechanisms so that the Act will be “vigorously enforced.”⁵

18 A committee, along with the treasurer, may be held jointly and severally liable for violations of
19 the Act.⁶

20 Duty to Identify Committee as Primarily Formed

21 The Act defines “primarily formed committee” to include, in relevant part, a committee which is
22 formed or exists primarily to support or oppose a single ballot measure or two or more measures being
23

24 ¹ The Political Reform Act is contained in Government Code sections 81000 through 91014, and all statutory
25 references are to this code. The regulations of the Fair Political Practices Commission are contained in Sections 18104 through
26 18998 of Title 2 of the California Code of Regulations, and all regulatory references are to this source.

27 ² Section 81001, subd. (h).

28 ³ Section 81003.

⁴ Section 81002, subd. (a).

⁵ Section 81002, subd. (f).

⁶ Sections 81004, 83116.5, 91006; and Regulation 18427.

1 voted upon in the same city, county, multicounty, or state election.⁷ Further, a committee is primarily
2 formed if it makes more than 70 percent of its total contributions and expenditures on all candidates and
3 measures on a specific single measure, or group of measures in the same election, during either the
4 immediately preceding 24 months or the current two-year period beginning January 1 of an odd-
5 numbered year.⁸

6 A committee that has reason to know it is close to becoming primarily formed shall determine
7 whether it is primarily formed quarterly at the end of March, June, September, and December.⁹ An
8 existing general purpose committee need only change its filing status to primarily formed if it makes at
9 least \$100,000 of contributions and/or expenditures if supporting or opposing state candidates or
10 measures.¹⁰

11 Within 30 days of the designation of the numerical order of propositions appearing on the ballot,
12 any committee which is primarily formed to support or oppose a ballot measure shall, if supporting the
13 measure, include the statement “a committee for Proposition ___” in the name of the committee in any
14 reference to the committee required by law.¹¹ A primarily formed ballot measure committee must also
15 identify the title and ballot measure letter in its statement of organization.¹²

16 Whenever there is a change in any of the information contained in a statement of organization,
17 including the committee name, an amendment shall be filed within ten days to reflect the change.¹³ The
18 committee must file the original of the amendment with the Secretary of State and a copy with the local
19 filing officer.¹⁴

23 ⁷ Section 82047.5, subds. (b) and (d).

24 ⁸ Regulation 18247.5, subds. (c)(3) and (d)(3).

25 ⁹ Regulation 18247.5, subd. (d)(1).

26 ¹⁰ Regulation 18247.5, subd. (f)(2).

27 ¹¹ Section 84107.

28 ¹² Section 84102, subd. (d).

¹³ Section 84103, subd. (a).

¹⁴ Sections 84103, subd. (a); and 84215.

1 **Joint and Several Liability of Committee and Treasurer**

2 It is the duty of a committee treasurer to ensure the committee complies with the Act.¹⁵ A
3 treasurer may be held jointly and severally liable, along with the committee, for violations
4 committed by the committee.¹⁶

5 **SUMMARY OF THE FACTS**

6 In 2020, the Committee was designated a state general purpose committee. At the end of
7 September 2020, the Committee was required to re-evaluate the Committee’s designation based on the
8 Committee’s activity. On September 21, 2020, the Committee made a contribution in the amount of
9 \$150,000 to No on Proposition 15-Stop Higher Property Taxes and Save Prop 13-A Coalition of
10 California Homeowners, Taxpayers, and Businesses (ID#1403027), a primarily formed committee
11 supporting Proposition 13 and opposing Proposition 15, both state ballot measures in the November 3,
12 2020 General Election. As a result of this contribution, at the end of September 2020, the Committee had
13 made more than 70 percent of its expenditures on state propositions on the same ballot during the prior
14 24 months, and was required to amend the Statement of Organization to re-designate from a state general
15 purpose committee to a state primarily formed ballot measure committee and include the support of
16 Proposition 13 and Opposition of Proposition 15 in the Committee name by October 10, 2020. The
17 Committee failed to amend the Statement of Organization, as required.

18 **VIOLATIONS**

19 **Count 1: Failure to Properly Amend the Statement of Organization**

20 The Committee and Hiltachk failed to timely file an amendment to the Statement of Organization
21 to identify the Committee as a state primarily formed committee and include identification of the
22 pertinent ballot measures in the name of the Committee, in violation of Sections 84103 and 84107.

23 **STREAMLINE EXCLUSION**

24 Certain types of cases are eligible for streamline settlement, but cases involving the use of the
25 wrong committee name with over \$50,000 in committee activity are excluded from Tier 2 of the
26 _____

27 ¹⁵ Section 84104 and Regulation 18427, subd. (a).

28 ¹⁶ Sections 83116.5 and 91006.

streamline program. As such, the current case is excluded from the streamline program.¹⁷

PROPOSED PENALTY

The maximum penalty that may be imposed per count is \$5,000. In this case, one count is recommended, with a maximum penalty for the count charged of \$5,000.¹⁸

In determining the appropriate penalty for a particular violation of the Act, the Enforcement Division considers the typical treatment of a violation in the overall statutory scheme of the Act, with an emphasis on serving the purposes and intent of the Act. Additionally, the Enforcement Division considers the facts and circumstances of the violation in the context of the following factors (which are from Regulation 18361.5subd. (e)(1)-(8)):

1. the extent and gravity of the public harm caused by the specific violation;
2. the level of experience of the violator with the requirements of the Act;
3. penalties previously imposed by the Commission in comparable cases;
4. the presence or absence of any intention to conceal, deceive or mislead;
5. whether the violation was deliberate, negligent or inadvertent;
6. whether the violator demonstrated good faith by consulting Commission staff or any other governmental agency in a manner not constituting a complete defense under Section 83114, subdivision (b);
7. whether the violation was isolated or part of a pattern—and whether the violator has a prior record of violations of the Act or similar laws; and
8. whether the violator, upon learning of a reporting violation, voluntarily filed amendments to provide full disclosure.

The public harm inherent in failing to designate as a primarily formed committee and disclose the name of the measures supported in the name of the committee is that the public is deprived of required information regarding the financial support of the committee, as well as additional filing requirements as a primarily formed committee. In aggravation, Hiltachk is a professional treasurer and experienced with the Act. Additionally, the Committee failed to timely file a 24-Hour Contribution Report for a contribution received by the Committee in the amount of \$10,250 prior to the November 3, 2020 General

¹⁷ See Regulation 18360.1, subd. (d)(5)(B)(iv).

¹⁸ See Section 83116, subd. (c).

1 Election. This violation is not charged for settlement purposes and used as aggravation, as the
2 contribution was not spent in connection with the relevant election, was reported timely by the
3 contributor, and is eligible for a warning letter under the streamline program.

4 The seriousness of failing to file the amended Statement of Organization is mitigated by the facts
5 that the Committee made no additional contributions in connection with the November 3, 2020 General
6 Election after the date of the triggering payment, all other campaign statements were timely filed, except
7 the 24-Hour Contribution Report noted above, and the campaign statements were all filed with the proper
8 jurisdiction, the Secretary of State's Office. Further, the Committee has no prior enforcement history.

9 The Commission also considers penalties in prior cases with comparable violations. *In the Matter*
10 *of Placer County Impact Republicans PAC and George E. Park Jr*; FPPC Case No. 16/19865, was
11 approved by the Commission in June 2020. The Placer County Impact Republicans PAC ("PAC") was a
12 county general purpose committee in 2016. In relevant part, the Commission approved a penalty of
13 \$2,500 for one count of failing to timely file an amended Statement of Organization to include the
14 sponsor in the name of the PAC. In aggravation, the PAC failed to timely file certain campaign
15 statements in connection with the relevant election and failed to include the proper name on
16 advertisements.

17 These cases are similar in that both were general purpose committees. However, in the *Placer*
18 *County Impact Republicans PAC* case, the sponsor was not included in the name of the PAC prior to the
19 relevant election, depriving the public of this information. In the current case, the public harm was
20 mitigated by timely disclosure of Committee activity in connection with the relevant election, all campaign
21 statements were filed with the proper filing officer, they produced no advertisements, and the Committee
22 made no additional expenditures connected to the relevant election after becoming a state primarily formed
23 committee.

24 Another prior case with comparable violations includes *In the Matter of Inland Farmers Political*
25 *Alliance, Jessica MacKenzie, and Deborah Tharp*; FPPC Case No. 17/1222. This case was approved by
26 the Commission in April 2020. Inland Farmers Political Alliance ("Inland Farmers Committee") was a
27 local primarily formed committee operating in Butte County during the 2016 Primary and General
28 Elections. The Inland Farmers Committee failed to identify the supported ballot measures and to disclose

that the Inland Farmers Committee was primarily formed on its statement of organization. In relevant part, the Commission approved a penalty of \$2,500 for this count. Additionally, the Inland Farmers Committee was charged for failing to timely file a 24-Hour Report. Aggravation included but not charged in this case included that the Inland Farmers Committee filed a pre-election campaign statement 5 days late, filed a semi-annual campaign statement 56 days late, failed to properly report some contributions and expenditures, failed to maintain records with respect to cash, improperly accepted 2 money orders of \$700 each, and made advertisements that failed to comply with disclosure as required, as the name was inaccurate.

These cases are similar in that both failed to timely amend their Statements of Organization to identify as a primarily formed committees and properly include the name of the ballot measures in the name of each committee, as required for a primarily formed ballot measure committee. In the Inland Farmers Committee matter, the public harm was aggravated with the failure to timely file campaign statements and failing to include the proper name on advertisements, depriving the public of critical information prior to an election. In the current case, the public harm was mitigated by timely disclosure of Committee activity in connection with the relevant election, all campaign statements were filed with the proper filing officer, they produced no advertisements, and the Committee made no additional expenditures connected to the relevant election after becoming a state primarily formed committee.

As such, a lower penalty is recommended in the amount of \$2,000.

CONCLUSION

Complainant, the Enforcement Division of the Fair Political Practices Commission, and Respondents, California New Car Dealers Association Issues PAC and Thomas Hiltachk hereby agree as follows:

1. Respondents violated the Act as described in the foregoing pages, which are a true and accurate summary of the facts in this matter.
2. This stipulation will be submitted for consideration by the Fair Political Practices Commission at its next regularly scheduled meeting—or as soon thereafter as the matter may be heard.
3. This stipulation resolves all factual and legal issues raised in this matter—for the purpose of reaching a final disposition without the necessity of holding an administrative hearing to determine the

1 liability of respondents pursuant to Section 83116.

2 4. Respondents have had an opportunity to consult with an attorney. Respondents understand
3 and hereby knowingly and voluntarily waive, any and all procedural rights set forth in Sections 83115.5,
4 11503, 11523, and Regulations 18361.1 through 18361.9. This includes, but is not limited to the right to
5 appear personally at any administrative hearing held in this matter, to be represented by an attorney at
6 respondents' own expense, to confront and cross-examine all witnesses testifying at the hearing, to
7 subpoena witnesses to testify at the hearing, to have an impartial administrative law judge preside over
8 the hearing as a hearing officer, and to have the matter judicially reviewed.

9 5. Respondents agree to the issuance of the decision and order set forth below. Also,
10 respondents agree to the Commission imposing against them an administrative penalty in the amount of
11 \$2,000. One or more payments totaling this amount—to be paid to the General Fund of the State of
12 California—is/are submitted with this stipulation as full payment of the administrative penalty described
13 above, and they will be held by the State of California until the Commission issues its decision and order
14 regarding this matter.

15 6. If the Commission refuses to approve this stipulation—then this stipulation shall become
16 null and void, and within fifteen business days after the Commission meeting at which the stipulation is
17 rejected, all payments tendered by Respondents in connection with this stipulation shall be reimbursed to
18 Respondents. If this stipulation is not approved by the Commission, and if a full evidentiary hearing
19 before the Commission becomes necessary, neither any member of the Commission, nor the Executive
20 Director, shall be disqualified because of prior consideration of this Stipulation.

21 7. The parties to this agreement may execute their respective signature pages separately. A
22 copy of any party's executed signature page—including a hardcopy of a signature page transmitted via
23 fax or as a PDF email attachment—is as effective and binding as the original.

24
25 Dated: _____

26 _____
Kendall L.D. Bonebrake, Chief of Enforcement
27 Fair Political Practices Commission
28

1 Dated: _____
2

Thomas Hiltachk, individually and o/b/o California
New Car Dealers Association Issues PAC,
Respondents

4 The foregoing stipulation of the parties “In the Matter of California New Car Dealers Association
5 Issues PAC and Thomas Hiltachk” FPPC Case No. 2022-00928, is hereby accepted as the final decision
6 and order of the Fair Political Practices Commission, effective upon execution below by the Chair.
7

8 IT IS SO ORDERED.
9

10 Dated: _____
11

Adam E. Silver, Chair
Fair Political Practices Commission