

Local affiliate union which makes contributions from its treasury in its own discretion is subject to financial registration notwithstanding ultimate distribution of funds by a separate regional organization. (Issued to Walter F. Kelly, September 19, 1974)

You state that it is the practice of the AFL-CIO building trades locals to periodically forward various amounts to the district councils, for the purpose of using such funds for "political purposes" as defined in s. 11.01 (16), Stats. You inquire whether registration and reporting is required of the building trades locals.

It is the opinion of the Board that the answer is "yes."

The primary factor in making such determination is the fact that discretion lies with the local union in determining whether a transfer shall be made and what the amount of the transfer shall be. Therefore, a contribution is considered to be made by the local and the ultimate contributors must be disclosed by that organization. s. 11.05 (1), Stats. Another reason for the board's decision is that we believe that the door to undisclosed contributions would be opened were we to rule otherwise. A local committee could effectively shield individual contributors who may have some influence as to the disposition of their contributions. The board deems this contrary to the policy expressed in s. 11.001, Stats.

We are not unmindful that s. 11.001 also expresses a policy of encouraging broad participation in financing, and overburdening with paperwork may have the opposite result. This is especially true in this case where apparently the individual contributions do not exceed \$10 in the aggregate per calendar year, and the application may therefore seem needlessly strict. The board feels, however, that it is without statutory authority to exempt any committees from reporting merely because they do not anticipate accepting contributions over \$10.

It may be pointed out that in the event that the building trades locals were to forward a pre-determined amount on a regular basis, they could come within the fact situation of Op. #74-1, and thereby be exempt from registration and reporting.