



TEXAS ETHICS COMMISSION



ETHICS ADVISORY OPINION NO. 10

April 23, 1992

Whether certain activities of a corporate political action committee are proper. (AOR-13)

The Texas Ethics Commission has been asked to consider four questions about political committees under title 15 of the Election Code. The first question is whether a corporation may "be established just to form a PAC." PAC is an abbreviation for "political action committee," which is a federal term. The Texas Election Code uses the term "political committee." Elec. Code § 251.001(12). There are two types of political committees, a specific-purpose political committee and a general-purpose political committee. Section 253.100(a) of the Election Code states:

A corporation, acting alone or with one or more other corporations, may make one or more political expenditures to finance the establishment or administration of a general-purpose committee.

Neither this provision nor any other provision in the Election Code prohibits a corporation from being established just to form a political committee.

The second question is whether contributions to a "corporate PAC" may be made only by the directors and employees of the corporation. Corporate expenditures to finance the solicitation of political contributions to a corporation's political committee may only be made to solicit political contributions from the stockholders, employees, or families of stockholders or employees of the corporation. *See* Elec. Code § 253.100(b). There are, however, no restrictions in the Election Code on who may make political contributions to a corporate political committee.

The third question is whether a political committee may file its campaign treasurer appointment with the Ethics Commission if its "purpose is limited to a local, city issue." A group of persons that has as a principal purpose "accepting political contributions or making political expenditures" to support or oppose one or more "measures, all of which are identified" is a specific-purpose political committee pursuant to Election Code section 251.001(12) and (13). Such a political committee is required to appoint a campaign treasurer. Elec. Code § 252.001. Section 252.007 of the Election Code states in pertinent part:

A specific-purpose committee for supporting or opposing a measure must file its campaign treasurer appointment with:

...

(3) the secretary of the governing body of the political subdivision or, if the political subdivision has no secretary, with the governing body's presiding officer, if the measure is to be submitted at an election ordered by an authority of a political subdivision other than a county.

A political committee whose principal purpose is limited to supporting or opposing an identified city measure may not file its campaign treasurer appointment with the Ethics Commission. It is required to file its campaign treasurer appointment with the city secretary.

The final question is whether an improper filing of a campaign treasurer appointment can be the basis of a sworn complaint to the Ethics Commission. An individual may file with the commission a sworn complaint alleging that a person subject to title 15 of the Election Code has violated title 15. *See* V.T.C.S. art. 6252-9d.1, § 1.15. A person who is required to appoint a campaign treasurer with the city secretary for a specific-purpose political committee is subject to Texas Election Code, title 15. If such a person fails to appoint a campaign treasurer with the city secretary for the specific-purpose committee and instead improperly files the campaign treasurer appointment with another authority, that person has violated title 15. The improper filing of a campaign treasurer appointment can be the basis of a sworn complaint to the Ethics Commission.

SUMMARY

No provision in the Texas Election Code prohibits a corporation from being established just to form a political committee. There are no restrictions in the Election Code on who may make political contributions to a corporate political committee. A political committee whose principal purpose is limited to supporting or opposing an identified city measure may not file its campaign treasurer appointment with the Ethics Commission. It is required to file its campaign treasurer appointment with the city secretary. The improper filing of a campaign treasurer appointment can be the basis of a sworn complaint to the Ethics Commission.