



# TEXAS ETHICS COMMISSION



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## ETHICS ADVISORY OPINION NO. 108

*December 10, 1992*

*Whether a contribution from a partnership is a prohibited contribution if the partnership uses a corporate agent to collect and disburse its funds. (AOR-120)*

The Texas Ethics Commission has been asked to consider whether the following situation involves an illegal political contribution by a corporation:

Smith Corporation is the managing agent for Jones Partnership. Jones Partnership is the owner of a piece of rental property managed by Smith Corporation. A general purpose PAC receives a contribution from "Smith Corp., managing agent for Jones Partnership." The account is operated by Smith Corporation for the sole purpose of handling Jones Partnership funds. The funds belong to Jones Partnership, even though they are distributed by Smith Corporation.

As a general rule, corporations are prohibited from making political contributions. Elec. Code § 253.094(a). The contribution described, however, is a contribution from a partnership, not a corporation. The corporation is merely disbursing partnership funds.<sup>1</sup> Just as a corporation does not avoid the prohibitions on corporate contributions by passing a contribution through an individual or non-corporate entity, a contribution from a partnership does not become a corporate contribution simply because the partnership uses a corporation to manage and disburse its funds. *See* Elec. Code § 253.001(a) (prohibiting a person from making a political contribution in the name of another unless the person discloses the other's name in order for the proper disclosure to be made); [Ethics Advisory Opinion No. 38](#) (1992). *See generally* 11 C.F.R. § 110.6 (under federal election law, a contribution directed through an intermediary or conduit is a contribution from the person directing the contribution through the conduit or intermediary).

### SUMMARY

A political contribution from a partnership does not become a corporate contribution simply because the partnership uses a corporation to disburse its funds.

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<sup>1</sup> We assume the corporation has no discretion in how the funds are disbursed.