




TEXAS ETHICS COMMISSION



****Overruled, Modified, Clarified, or Superseded****  **Opinion History**

ETHICS ADVISORY OPINION NO. 176

November 18, 1993



Whether a political party may accept contributions from corporations or general-purpose committees established by corporations for the purpose of obtaining a permanent party headquarters. (AOR-196)

The Texas Ethics Commission has been asked to consider whether corporations may make contributions to a political party to be used to purchase a permanent party headquarters. Title 15 of the Election Code generally prohibits corporations from making political contributions and expenditures. Elec. Code § 253.094. However, section 253.104 provides that a corporation (or labor organization) "may make a contribution from its own property to a political party to be used as provided by Chapter 257." *Id.* § 253.104(a). Chapter 257, in turn, provides the following:

(a) A political party that accepts a contribution authorized by Section 253.104 may use the contribution only to:

- (1) defray normal overhead and administrative or operating costs incurred by the party;
- or
- (2) administer a primary election or convention held by the party.¹

Id. § 257.002(a).² The requestor states that it is in the process of raising funds for a permanent party headquarters. Costs associated with obtaining and maintaining a headquarters are clearly administrative operating costs. The political party therefore may accept corporate contributions for the purpose described.

The requestor asks whether any restrictions are attached to receipt of the contributions at issue. Both chapters 253 and 257 impose certain restrictions. The political party accepting a contribution authorized by section 253.104 must place the funds received in a separate account. *Id.* § 257.002(b). The party must file reports of contributions to and expenditures from this separate account as if the party chairman were the campaign treasurer of a political committee and as if the contributions or expenditures were political contributions or expenditures. *Id.* § 257.003.³ The party may not accept contributions under section 253.104 or authorize expenditures from the special account during the period beginning on the 60th day before the date of the general election for state and county officers and continuing through the day of the election. *Id.* § 257.004(a). Finally, a political party may not use a contribution authorized by section 253.104 for any purpose except the purposes set out in section 257.002(a). *Id.*   257.002(a), 253.104(a).

The requestor has also asked whether general-purpose committees established or administered by one or more corporations may contribute to the political party's efforts to raise money for a headquarters. Such general-purpose committees do not operate under the same restrictions on political activity as do corporations, and so are free to contribute to a political party for this or any other lawful purpose.⁴

SUMMARY

A political party may accept contributions from a corporation to be used to purchase a building for a permanent party headquarters, provided that the party complies with Election Code chapter 257 relating to corporate and labor union contributions to a political party.

¹ See Elec. Code § 173.031, 173.032 (creating a county and state primary fund, respectively, consisting of filing fees, state funds, and contributions received by the county executive committee or state executive committee for the purpose of defraying primary election expenses and income earned on the fund).

² Corporate contributions received by a county executive committee of a political party under section 253.104 are not included in calculating the amount of political contributions the county executive committee has received for purposes of section 253.031(d), which requires a county executive committee to file an appointment of campaign treasurer if it accepts political contributions or makes political expenditures that exceed \$5000 in a calendar year.

³ The filing schedule for these reports is set out in the rules of the Texas Ethics Commission.

⁴ We caution that a general-purpose committee assisted by a corporation may use the funds it receives from the corporation only for administrative or authorized solicitation purposes. Elec. Code § 253.100. The general-purpose committee may not contribute any of the funds it receives from the corporation to a political party.