



TEXAS ETHICS COMMISSION



****Overruled, Modified, Clarified, or Superseded****  **Opinion History**

ETHICS ADVISORY OPINION NO. 216

June 10, 1994

Whether an incorporated trade association may pay a late fine assessed against the treasurer of its affiliated general-purpose political committee from corporate funds. (AOR 242)

The Texas Ethics Commission has been asked whether an incorporated trade association may use corporate funds to pay a late fine assessed against the treasurer of its affiliated general-purpose political committee. In [Ethics Advisory Opinion No. 206](#) (1994), we stated that payment of a fine for filing a late report with the Ethics Commission is a political expenditure. In general, corporations are prohibited from making political expenditures. *See* Elec. Code § 253.094; [Ethics Advisory Opinion No. 132](#) (1993). However, section 253.100(a) permits a corporation to "make one or more political expenditures to finance the establishment or administration of a general-purpose committee." The question raised here is whether payment of a late fine is an administrative expense, and therefore payable from corporate funds.

In [Ethics Advisory Opinion No. 132](#) we determined that expenses tied directly to a political committee's support for or opposition to candidates or measures would not be administrative expenses. Although this standard is often difficult to apply in specific circumstances, we conclude that payment of a late fine is an administrative expense because it is not directly related to a committee's support of or opposition to candidates or measures. Therefore, a corporation may use treasury funds to pay an administrative fine assessed under title 15 against the treasurer of a general-purpose committee that the corporation sponsors.

SUMMARY

A corporation may pay an administrative fine assessed under title 15 of the Election Code against the treasurer of a general-purpose committee that the corporation sponsors.