



TEXAS ETHICS COMMISSION



ETHICS ADVISORY OPINION NO. 409

December 11, 1998

Whether a political party club may accept contributions from corporations for the purpose of funding a scholarship. (AOR-451)

The Texas Ethics Commission has been asked to consider whether a political party club may accept contributions from corporations for the purpose of funding a scholarship.

A group that has as a principal purpose accepting political contributions or making political expenditures is a political committee. Elec. Code § 251.001(12). The request letter indicates that a principal purpose of the club requesting this opinion is to support candidates of a particular political party. Therefore the club is a general-purpose political committee. *Id.* § 251.001(12), (14).

The specific question raised here is whether a corporation may contribute to the club for the purpose of funding a scholarship. Except in certain specific circumstances not applicable here, a corporation may not make a political contribution. *Id.* § 253.094. Therefore, as a general rule, a corporation could not contribute to the club because any contribution intended for general support of the club's activities (including a contribution to cover the club's administrative expenses) would be a political contribution. [Ethics Advisory Opinion No. 131](#) (1993); *see* [Ethics Advisory Opinion No. 132](#) (1993) (contributions to defray administrative expenses of general-purpose political committee are political contributions).¹

The prohibition on contributions from a corporation would not, however, apply to contributions for a purpose not regulated by title 15 of the Election Code, the campaign finance law. [Ethics Advisory Opinion Nos. 168, 131](#) (1993). For example, the Ethics Commission has stated that a political committee could accept corporate contributions earmarked for the lobby activities of a general-purpose political committee. [Ethics Advisory Opinion No. 131](#) (1993). Similarly, a general-purpose political committee may accept corporate contributions earmarked for a scholarship fund as long as the committee's expenditures in connection with the scholarship fund are not made in connection with a campaign for elective office or on a measure or for officeholder purposes. *See* Elec. Code § 251.001(3) (defining "campaign contribution"), (4) (defining "officeholder contribution"), (5) (defining "political contribution" to include campaign contributions and officeholder contributions). The information provided by the club indicates that the scholarship fund has no connection to any specific campaign or officeholder. In that case, corporations may contribute to the fund.

SUMMARY

A general-purpose political committee may accept corporate contributions earmarked for a scholarship fund as long as the committee's expenditures in connection with the scholarship fund are not made in connection with a campaign for elective office or on a measure or for officeholder purposes.

¹ A corporation may make a contribution for administrative expenses to a political party. Elec. Code §§ 253.104, 257.002. Those provisions apply to state and county executive committees of a political party, not to a club affiliated with the party.