

SUBJECT: CORPORATE ADMINISTRATIVE SUPPORT OF PAC PROVISION OF THINGS OF VALUE TO PUBLIC AGENCIES

SUMMARY:

A corporation may provide administrative support of an affiliated PAC to comply with the provisions of the Ethics Reform Act. Private industry is not prohibited from contributing things of value to public agencies to assist in carrying out the agencies' mandated responsibilities.

QUESTION:

Attorneys for Duke Power Company and Southern Bell question:

(1) Does Section 8-13-1322's three thousand five hundred dollar limitation on contributions to committees apply to the administrative support functions many corporations offer to their affiliated PACs?

(2) Does Section 8-13-705's prohibition against providing things of value to "public employees" prohibit provision of things of value to a public agency or entity?

DISCUSSION:

This opinion is rendered in response to a letter dated February 3, 1992 requesting an opinion from the State Ethics Commission. The Commission's jurisdiction is limited to the applicability of the Ethics, Government Accountability, and Campaign Reform Act of 1991 (Act No. 248 of 1991; Section 8-13-100 et. seq., as amended, 1976 Code of Laws). This opinion does not supersede any other statutory or regulatory restrictions or procedures which may apply to this situation.

Section 8-13-1322 provides in part as follows:

A person may not contribute to a committee and a committee may not accept from a person contributions aggregating more than three thousand five hundred dollars in a calendar year.

While corporate support of a political action committee is not specifically addressed, the State Ethics Commission advises that administrative support of a PAC in complying with the Ethics Reform Act is not considered a contribution by the corporation. Such support would include clerical support for filing reports and obtaining information about the Ethics Reform Act, bookkeeping and administration of the payroll deduction plan, and legal support and administrative support of those PAC activities involved in complying with the Ethics Reform Act.

As to the second question, corporate support of public agency activities has been reviewed in Advisory Opinions SEC AO92-002, SEC AO92-041, and SEC AO92-052. In those opinions, the Commission advised that private business could support agency activities through provision of equipment and services without charges. The Commission does not believe that private industry is prohibited from providing financial or equipment support to assist public agencies in carrying out their mandated responsibilities. Reference to the above opinions should be utilized when appropriate regarding these activities.