

DE 78-13 - February 24, 1978

**Campaign Contributors; Limitations
ss. 106.011, 106.03 & 106.08, F.S.**

To: Mr. Andrew Needle, Esq., Spence, Payne & Masington, 801 City National Bank Building, 25 West Flagler Street, Miami, Florida 33130

Prepared by: Division of Elections

This is in response to your letter of February 13, 1978 requesting an opinion of this office respecting the campaign contribution limitations of ch. 106, F.S. As you have presented three hypothetical factual situations, each will be answered separately and consecutively.

1. "Please assume the following: Two political committees exist in support of an issue to be voted on in a county-wide election. May a corporation or other person, contribute the maximum amount of \$1,000 to each political committee?"

The two political committees are separate entities under the election code. The dollar limitation of s. 106.08(1), F.S., are imposed on contributions from one person as defined in the law (which includes corporations; see s. 106.011(8), F.S.) to one candidate or political committee. Multiple contributions of the maximum allowable amount are permissible provided the amount contributed to any one candidate or committee does not exceed the statutory limit.

2. "Please assume the following: Corporation A owns all of the stock in corporation B, and corporation B is a wholly owned subsidiary of corporation A. Corporation B has its own contribution budget composed of funds earned by corporation B. Within corporation B, decisions on how to make political contributions are made by the executive committee of the Board of Directors of corporation B.

Based on the foregoing hypothetical factual circumstances you have raised these questions:

"(a) May corporation B contribute the maximum \$1,000 to a political committee in support of an issue to be voted on in a countywide election?"

For the purpose of the election law, corporation B is a separate entity from corporation A. The fact that its stock is wholly owned by A is initially irrelevant.

Corporation B may contribute monies up to the maximum allowable statutory limit. Should such funds come directly from B's corporate accounts without any solicitation or receipt thereof for political contribution purposes B need not register as a political committee. However, should B solicit or receive funds for this purpose it must register as a political committee with the supervisor of elections. See ss. 106.011(1) & 106.03, F.S.

It should be noted that Florida law prohibits the giving of a contribution in the name of another, s. 106.08(3). F.S. In the case of a wholly-owned subsidiary, care should be exercised that funds of corporation A are not contributed by or in the name of corporation B. This would prohibit any transfer of funds from corporation A to corporation B for the purpose of making political contributions, even if contributed in B's name. The reverse is likewise true.

"(b) May corporation A also contribute the maximum amount of \$1,000 to that same political committee in support of an issue to be voted on in a countywide election?"

The maximum allowable contribution may be made by corporation A to the same political committee to which corporation B has contributed. The discussion in (a) above is applicable to this situation as well.

"(c) If the answer to question "b" is "no", please assume further, that two political committees exist in support of an issue to be voted on in a countywide election. May corporation A contribute the maximum amount of \$1,000 to one of those political committees in support of an issue to be voted on in a countywide election, and corporation B contribute the maximum amount of \$1,000 to the second political committee in support of an issue to be voted on in a countywide election?"

In light of the affirmative answer to question (b), this question need not be answered.

3. "Assume that a joint venture exists, composed of five independent corporations. If the entity consisting of the "joint venture" contributes no funds to a political committee in support of an issue to be voted on in a countywide election, may each member corporation within the joint venture, contribute the maximum amount of \$1,000 to any political committee in support of an issue to be voted on in a countywide election?"

Each corporate member of a joint venture is a separate entity for the purposes of chapter 106. Again taking into account the discussion in (a) above, each corporation may contribute up to the maximum allowable amount to any political committee. It would be permissible for all members to contribute up to the maximum amount to the same political committee.

No opinion is rendered here with regard to a situation in which the joint venture has contributed as you have expressly stated in your hypothetical situation that it has not.

SUMMARY

A corporation may contribute the maximum allowable amount to more than one political committee which may be supporting the same issue. A wholly owned subsidiary corporation may contribute the maximum allowable amount to a political committee, even if its parent corporation has done so, provided either corporation has not contributed in the name of another. The corporate members of a joint venture which has not contributed may make individual corporate contributions to political

committees up to the maximum allowable amount per committee.