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STATE OF ALABAMA

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91-00043

Honorable Steve Windom  
Member, State Senate  
District No. 35  
P.O. Drawer 2025  
Mobile, Alabama 36652

Political Action Committees -  
Funds - Tickets

A for-profit business corporation is subject to the \$500 contribution limitation under Code of Alabama 1975, §§ 10-2A-70.1 and 70.2. Pursuant to Code of Alabama 1975, § 10-1-2, a for-profit corporation, as well as a nonprofit corporation, may establish a separate, segregated fund from which contributions may be made without limitation. An unincorporated organization and a nonprofit corporation are not subject to any limitations or restrictions with respect to political contributions under state law but a labor organization may be subject to internal rules and regulations.

Dear Senator Windom:

This opinion is issued in response to your request for an opinion from the Attorney General.

QUESTIONS

1. Can a labor organization purchase tickets to a candidate's fundraising

reception from its general fund account and, if so, is the organization subject to the monetary limit on giving it to a single candidate?

2. Can a labor organization take money from its general fund and put it into its PAC fund and the PAC then purchase tickets or make a campaign contribution to a candidate?

#### FACTS AND ANALYSIS

The answers to your questions depend upon whether the labor organization is incorporated as a for-profit business corporation. A distinction has been made, with respect to political contributions, between nonprofit and for-profit corporations. Opinion to Honorable Ronald G. Johnson, Representative, under date of May 16, 1983. If the labor organization is a for-profit business corporation, it is subject to the corporate contribution limitations set forth in Code of Alabama 1975, §§ 10-2A-70.1 and 70.2. Under these provisions, a for-profit business corporation may contribute up to \$500 to any candidate or political committee for each separate election occurring in a given calendar year. It should also be noted that a for-profit business corporation, as well as a nonprofit corporation, may establish a separate, segregated fund (referred to as a political committee) pursuant to Code of Alabama 1975, § 10-1-2, from which political contributions may be made without regard to the \$500 limitation.

If the labor organization is either unincorporated or is a nonprofit corporation, it is not subject to the limitations of Code of Alabama 1975, §§ 10-2A-70.1; 10-2A-70.2. Furthermore, we can find no other prohibitions or restrictions under state law with respect to political contributions by unincorporated organizations or nonprofit corporations. We note, however, that a labor organization may have internal rules and regulations that prohibit contributions from its general fund.

#### CONCLUSION

A for-profit business corporation is subject to the \$500 contribution limitation under Code of Alabama 1975, §§ 10-2A-70.1

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and 70.2. Pursuant to Code of Alabama 1975, § 10-1-2, a for-profit corporation, as well as a nonprofit corporation, may establish a separate, segregated fund from which contributions may be made without limitation. An unincorporated organization and a nonprofit corporation are not subject to any limitations or restrictions with respect to political contributions under state law but a labor organization may be subject to internal rules and regulations.

I hope this sufficiently answers your questions. If our office can be of further assistance, please do not hesitate to contact us.

Sincerely,

DON SIEGELMAN  
Attorney General

By:



BRENDA FLOWERS SMITH  
Assistant Attorney General

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