



STATE OF CONNECTICUT
STATE ELECTIONS ENFORCEMENT COMMISSION

Fed. PAC

862

January 24, 1986

REPLY TO :
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SUITE 436
HARTFORD, CONNECTICUT 06103
(203) 566-7106

James C. Ervin, Jr., Esq.
Reid and Riege, P.C.
One State Street
Hartford, CT. 06103

RE: Contributions by a Corporate PAC Registered with the
Federal Election Commission to a Connecticut Committee

Dear Mr. Ervin:

This letter is written in response to yours dated December 27 which requests an Opinion of Counsel concerning the propriety of contributions made by a corporate 'PAC' registered with the Federal Election Commission to committees registered pursuant to Chapter 150 of the Connecticut General Statutes. The following is an Opinion of Counsel and not a formal Advisory Opinion of the Commission issued pursuant to the provisions of Section 9-7b, (12), General Statutes. An Opinion of Counsel differs in effect from a Commission Advisory Opinion in that the former is not binding on the Commission. However, the person to whom an Opinion of Counsel is rendered may rely thereon in any matter brought before the Commission based upon the same facts and circumstances.

This Opinion is predicated on the following facts contained in your inquiry: Your client is a stock corporation (the "Corporation") which maintains its principal office outside of the State of Connecticut. The Corporation has established a separate segregated fund (the "Corporate PAC") to support or oppose candidates for election to federal offices which is registered with the Federal Election Commission. As permitted under federal law, the Corporation pays the administrative expenses of the Corporate PAC but makes no other contributions to the Corporate PAC.

The Corporate PAC now desires to make contributions to committees registered in Connecticut pursuant to the provisions of Chapter 150 of the General Statutes. You indicate that the Corporate PAC would prefer to do this directly but would establish a Connecticut political committee if required to by state law.

For the reasons hereinafter stated, it is the Opinion of Counsel that the Corporation is required to establish a Connecticut political committee prior to its solicitation of funds for use in those Connecticut elections which are covered by the provisions of Chapter 150 of the General Statutes.

The scope of Chapter 150 extends "to the election, and all primaries preliminary thereto, of all elective public officials, except presidential electors, United States senators, members in Congress, nominees as delegates to conventions and candidates for members of town committees..." Section 9-333, General Statutes.

Simply stated, the Chapter applies to the election of all non federal public officials in Connecticut and to all such committees established for any such purpose. As a result, the Corporation would not be required to comply with Chapter 150 if its activity was confined to the election of U.S. senators or congressmen from Connecticut.

A political committee, as defined by Section 9-335(2), General Statutes, which desires to solicit or receive contributions, or make expenditures in connection with the election of non federal public officials must initially comply with the registration and designation requirements of Sections 9-348c and 9-336k, General Statutes. In pertinent part, subsection (a) of Section 9-348c proscribes that

"...no contributions may be made, solicited or received and no expenditures may be made, directly or indirectly, in aid of or in opposition to the candidacy for nomination or election of any individual to an office designated in Section 9-333, or any party ...unless (1) the designation of a campaign treasurer has been filed as provided in Sections 9-348b and 9-348p and (2) the... chairman of a committee has also filed with the proper authority in accordance with the provisions of Section 9-336a, a designation of a depository institution situated in this state as the depository for its funds. In the case of a political committee, the filing of the statement of organization by the chairman of such committee, in accordance with Section 9-336k, shall constitute compliance with the provisions of this subsection." (emphasis added)

Any person who violates any provision of Chapter 150 may be subject to both the criminal sanctions provided in Section 9-348l, and/or the civil penalty provided in Section 9-7b(2). It is well settled that penal statutes must be construed strictly (citations omitted). The application of this rule to Section 9-348c results in the obligation of the committee chairman to comply with the designation and registration requirements before the committee solicits any contribution for use in those Connecticut elections covered by Section 9-333, General Statutes.

The Corporate PAC could not simply transfer any of its existing funds to the newly established Connecticut political committee (Connecticut PAC). New funds must be solicited by the Connecticut PAC subject to the disclosure requirements of Sections 9-348h or 9-348p, as the case may be, and to the limitations imposed by Section 9-348s, General Statutes. Persons solicited by the Connecticut PAC must be notified at the time of solicitation. If the solicitation is conducted jointly with the Corporate PAC, the persons solicited must be given the opportunity to designate the portion of their contribution to be allocated to the Connecticut PAC to ensure both the voluntary nature of the contribution and compliance with state disclosure requirements. As is the case under federal law, a corporation may finance the administrative expenses of its political committee with corporate treasury funds. See Section 9-336b, General Statutes.

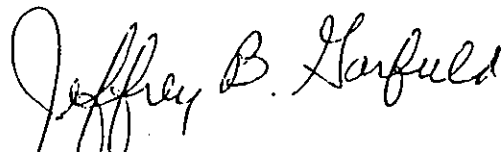
Contributions to the Connecticut PAC must be deposited within seven (7) days of receipt by the campaign treasurer in the designated depository institution as required by Section 9-348d, General Statutes. The campaign treasurer must be a registered voter in Connecticut and his name must be designated on the statement of organization filed by the chairman of the Connecticut PAC in accordance with Section 9-336k, General Statutes. The name of the depository institution, which must be located in Connecticut, must also appear on the statement of organization. Contributions made by the Connecticut PAC are subject to

the limitations found in Sections 9-336g(d) (candidates) and 9-336i(b), (other political committees) which are applicable specifically to a political committee established by a corporation. Unlimited contributions may be made by the Connecticut PAC to any party committee, whether the PAC is organized for ongoing political activities (Section 9-336g(a)), or for a single primary or election (Section 9-336i(a)).

In conclusion, it is the Opinion of Counsel that a corporate PAC which is registered with the Federal Election Commission may make contributions or expenditures to, or for the benefit of, candidates and committees registered under Chapter 150 of the Connecticut General Statutes only if it (1) initially complies with the registration and designation requirements of Sections 9-348c and 9-336k, General Statutes, and (2) solicits new funds to be deposited in a newly established Connecticut political committee. All of the reporting requirements and contribution limitations imposed by Chapter 150 on a political committee established by a stock corporation or other business organization shall apply to the Connecticut political committee.

I trust this information will be useful to you.

Sincerely,



Jeffrey B. Garfield
Executive Director & General Counsel

JBG/jk