



STATE OF KANSAS

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July 21, 1978

ATTORNEY GENERAL OPINION NO. 78- 242

The Honorable Michael G. Johnson  
State Representative  
Rural Route 4  
Abilene, Kansas 67410

Re: Elections--Political Action Committees--Contributions

Synopsis: The use of corporate funds of a telephone company to defray the administrative costs of a political action committee comprised of individual employees of the company, which committee intends to solicit funds for the purpose of making contributions to candidates for state elective office, does not violate K.S.A. 25-1709.

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Dear Representative Johnson:

In Opinion No. 77-230, we considered a proposal by the Kansas Bankers Association to establish a separate fund for the purpose of soliciting funds and making contributions therefrom to persons seeking election to state and national offices. Under the proposal, no monies would be solicited from banking corporations for this purpose, and no corporate funds of any bank would be used in making such contributions. However, it was proposed that Association personnel be utilized in the organization and administration of the fund, and would be utilized in seeking contributions to it. The Association is an unincorporated body whose members are state and national banks located in Kansas, and its operating funds are derived from those members. Some portion of those operating funds would necessarily be utilized to pay the expense of organizing and administering the political fund, and of soliciting contributions for it. The sole question which

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was raised was whether use of the operating funds of the Association, which are derived from dues paid from the corporate funds of its membership, for the administration of the separate fund would violate K.S.A. 25-1709. We concluded that the payment of membership dues or assessments by member banks to the Association, and use of those funds for the operating costs of the Association, including the costs of administering the fund in question, did not constitute a payment of the corporate funds of banking corporations "in order to aid, promote, or prevent the nomination or election of any person to public office," on the ground that no corporate funds of any bank would be available for the support of any candidacy for public office.

You inquire concerning another proposal, concerning the operation of a political action committee composed of employees of a telephone company, one of those companies enumerated in K.S.A. 25-1709 which are forbidden to make contributions toward the election of candidates for public office. The PAC is organized by employees of the company to solicit funds from individual employees and their families to make contributions to selected candidates for state elective office. The committee is a voluntary, nonprofit, unincorporated association consisting of individuals, apparently all employees of the company. It is independent of any candidate, political party or organization. The question is posed whether the company may defray the costs and expenses incurred in the establishment and administration of the political action committee.

In Opinion No. 77-230 the controlling consideration supporting the use of Association funds to pay its personnel, whose work would in part entail solicitation of monies for the separate fund proposed to be created, and their expenses associated therewith, from funds of the Association derived from dues and assessments paid by members of the Association, was that no funds of the individual banking corporations comprising the membership of the Association would reach the campaign treasuries of any candidate for public office. In my judgment, that same consideration is controlling here. No corporate monies of the company involved here would be applied to contributions to candidates, or to the support of any candidates' campaigns. The corporate funds would be devoted only to the support of administrative costs of a political action committee composed of its employees. The only funds which would be contributed to candidates would be the funds of those individual employees and members of the political action committee themselves, and not funds of the company.

As one additional consideration, I should note that the earlier opinion, No. 77-320, was issued July 15, 1977. The 1978 legislature

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had ample opportunity to amend K.S.A. 25-1709 to prohibit the use of corporate banking funds for the purposes described above. No compelling inference may be drawn, of course, from such legislative action. However, it is at least suggestive that the use of banking funds as described in that opinion did not conflict with any apparent legislative intention. In my judgment, the proposal described above concerning a political action committee composed of telephone company employees, and the use of corporate funds to defray administrative costs and expenses of the committee, is permitted under K.S.A. 25-1709, for the same reasons given in the earlier opinion.

Yours truly,

  
CURT T. SCHNEIDER  
Attorney General

CTS:JRM:kj