ADVISORY OPINION 1975-17

Campaign Contributions From A Partnership

This advisory opinion is rendered under 2 U.S.C. 437(f) in response to a request for an advisory opinion submitted by Congressman Neal and published in the July 17, 1975 Federal Register (40 FR 30259). Interested parties were given an opportunity to submit written comments relating to the request.

The question raised in Congressman Neal's request is "[h]ow much money in campaign contributions may a candidate for Federal office accept from a partnership" under the Federal Election Campaign Act of 1971, as amended in 1974.

Section 608(b) (1) of Title 18, United States Code, states that:

> 1. Except as otherwise provided by paragraphs (2) and (3) no person shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed $1,000 (underlining added for emphasis).[1]

Section 591(g) of Title 18, United States Code, defines "person" as an individual, partnership, committee, association, corporation, or any other organization or group of persons, * * *" (underlining added for emphasis).

It is the opinion of the Commission that the cited statutory provisions impose a $1,000 limit on the amount a partnership may contribute to a candidate for Federal office with respect to each separate election wherein that candidate seeks nomination or election. The Commission further concludes that when a partnership makes a contribution to a candidate for Federal office it counts against each individual partner's limitation under 18 U.S.C. 608(b)(1) in direct proportion to each partner's share of partnership profits. For example, in the case of a four member partnership (each partner having an equal share) which makes a $1,000 contribution to a Federal candidate, one-fourth of the $1,000, or $250, is counted toward each individual partner's limit. Therefore, each partner may contribute no more than an additional $750 to the same Federal candidate with respect to the same election.

Under the general theory of partnership law a partner is an agent for the

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[1] The exceptions to 18 U.S.C. 608(b)(1) are not relevant to the question of the amount a candidate may receive from a partnership, and contributions to a candidate for nomination to the office of President are subject to an overall $1,000 limit during the entire pre-nomination period, See 18 U.S.C. 608(b) (5).

partnership, and the partnership has no legal capacity to act as a person in its own right.

Therefore, even though a partnership is a "person" for purposes of 18 U.S.C. 608(b), as partners in relation to each partner's interest in the partnership profile. Furthermore, when a contribution is made in the partnership name without accompanying information as to each partner's proportionate share thereof, the candidate or committee recipient must obtain a written statement providing the requisite information within 30 days after receiving the contribution.

If this information is not timely obtained the contribution must be returned. Otherwise, the candidate or committee will be regarded as in violation of 18 U.S.C. 614 which prohibits an individual from making a contribution in the name of another "person," i.e. partnership, and also prohibits the knowing acceptance of such a contribution.

(signed)_____
Neil Staebler
Vice Chair for the
Federal Election Commission

Date: August 22, 1975