

ARKANSAS ETHICS COMMISSION

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ADVISORY OPINION NO. 99-EC-017 Issued October 22, 1999

The Ethics Commission has received an advisory opinion request from the Northwest Arkansas Home Builders Association (the "NWAHBA"). In its request, the NWAHBA asks two (2) questions relating to the making of a contribution to a political action committee.

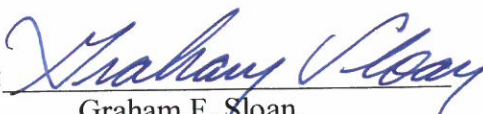
According to the opinion request, the NWAHBA is considering forming an approved political action committee, tentatively named the "NWAHBA PAC", to make contributions to local candidates. The NWAHBA recently held a golf tournament and wants to know whether it would be permissible to contribute some of the net proceeds from that tournament to the NWAHBA PAC. If so, the NWAHBA wants to know whether it should be reported as the source of the contribution as opposed to the individuals who participated in the golf tournament.

The Commission concludes that it would be permissible for the NWAHBA to use net proceeds from the golf tournament to make a contribution to the NWAHBA PAC. Pursuant to Ark. Code Ann. § 7-6-201(9)(B), however, the NWAHBA PAC could not accept more than five thousand dollars (\$5,000.00) from the NWAHBA in any calendar year.

The Commission concludes further that the NWAHBA PAC should report the contribution as having been made by the NWAHBA instead of the individuals who participated in the tournament. This conclusion is based upon the fact that the golf tournament was not specifically a fund-raising event for the NWAHBA PAC and the participants did not know where their money was going at the time they made their contributions.

This advisory opinion is issued by the Commission pursuant to Ark. Code Ann. § 7-6-217(g)(2).

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By: 
Graham F. Sloan
Chief Counsel