

# ARKANSAS ETHICS COMMISSION

910 West Second Street, Suite 100  
Post Office Box 1917  
Little Rock, Arkansas 72203-1917  
(501) 324-9600 Fax (501) 324-9606  
Toll Free (800) 422-7773

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## **ADVISORY OPINION NO. 2003-EC-002** **Issued February 21, 2003**

The Ethics Commission has received a written request for an advisory opinion from Senators Percy Malone and Gilbert Baker in their respective capacities as majority leader and minority leader of the Arkansas Senate. In their advisory opinion request, Senators Malone and Baker ask three (3) questions concerning political action committees ("PACs").

The first question asked is whether it is permissible for a PAC to make a contribution to another PAC. This question was the subject of Advisory Opinion No. 99-EC-019. In that opinion, the Commission noted that there are two types of PACs, approved PACs and small donor PACs, and that the purpose of each type of PAC is to receive contributions in order to make contributions to candidates. Because neither type of PAC is statutorily authorized to use contributions it has received for any purpose other than making contributions to candidates, the Commission concluded that it was not permissible for a PAC to make a contribution to another PAC.

The payment of administrative expenses by PACs was addressed by the Commission in Advisory Opinion No. 98-EC-019. Therein, the Commission concluded that it was permissible for a PAC to pay reasonable administrative expenses out of the contributions it has received. The Commission went on to state, however, that it would be a different matter to conclude that a PAC may use contributions it had received for purposes beyond making contributions to candidates and paying administrative expenses. Based upon the absence of any statutory authority, it remains the Commission's opinion that it is not permissible for a PAC to use the contributions it had received to make a contribution to another PAC.

The second question asked by Senators Malone and Baker is whether it is permissible for a PAC to buy a ticket to a fundraiser for a candidate. The buying of a ticket to a candidate's fundraiser constitutes the making of a contribution to the candidate. Accordingly, the Commission concludes that it is permissible for a PAC to buy a ticket to a candidate's fundraiser.

The third question is whether it is permissible for a PAC to buy a ticket to a fundraiser for a political party, one of its auxiliaries, or the House or Senate Caucus. Again, neither an approved PAC nor a small donor PAC is statutorily authorized to use contributions it has received for any

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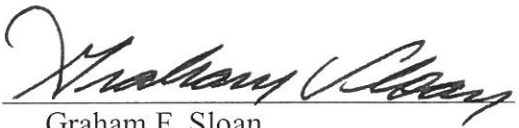
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purpose other than making contributions to candidates. In the absence of statutory authority, it is the Commission's opinion that it is not permissible for a PAC to use the contributions it has received to make a contribution to a political party, an auxiliary committee of a political party, or a political party caucus of the House or Senate.

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

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By:   
Graham F. Sloan  
Director