



FEDERAL ELECTION COMMISSION
Washington, DC 20463

July 11, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1980-59

William J. Rumsey
Vice President and General Counsel
Lawyers Title Insurance Company
P.O. Box 27567
Richmond, Virginia 23261

Dear Mr. Rumsey:

This responds to your letter dated May 9, 1980, requesting an advisory opinion on behalf of the Lawyers Title Insurance Company (hereinafter LTIC) concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to certain proposed activity by your organization.

You explain in your letter that LTIC is a title insurance company doing business in Virginia. It is a member of the American Land Title Association (ALTA), a trade association organized as a non-profit corporation. The Title Industry Political Action Committee (TIPAC) is, you say, a "voluntary, non-profit, unincorporated committee comprised of persons engaged in the land title industry and others." TIPAC is governed by a Board of Trustees. Commission records indicate that ALTA is the connected organization of TIPAC.

You explain further that "the operational, administration, and solicitation activities of TIPAC are carried out in part by employees of ALTA and in part by employees of ALTA's member entities." The operational, administrative and solicitation expenses of TIPAC are paid out of an ALTA account designated "TIPAC Administrative Fund." You state that this fund consists of monies specifically designated for that account which are contributed by ALTA members over and above their regular ALTA dues.

In these circumstances you ask specifically whether, under the Act, LTIC as a corporate member of ALTA may, over and above its regular membership dues, contribute money to ALTA designated to go into the TIPAC administrative account.

The Commission concludes that LTIC may contribute funds to ALTA, over and above its membership dues, specifically designated for an ALTA account used to defray the operational, administrative and solicitation expenses of TIPAC. As you know, the Act provides that while corporations and labor organizations are prohibited from making contributions or expenditures in connection with any Federal election, they are permitted to establish separate segregated funds to be used for political contributions and expenditures. The Act specifically exempts from the definition of "contribution or expenditure" contained in 2 U.S.C. 441b, those costs incurred by a corporation, labor organization, membership organization, cooperative or corporation without capital stock, to establish, administer and solicit contributions to such separate segregated funds. 2 U.S.C. 441b(b)(2)(C), 11 CFR 114.1(a)(2)(iii); also see 2 U.S.C. 431(8)(B)(vi) and (9)(B)(v). Therefore, in the situation presented, LTIC as a corporate member of ALTA, may donate funds to ALTA designated to defray administrative costs of TIPAC without violating the prohibition against corporate contributions embodied in 2 U.S.C. 441b. Once ALTA accepts the designated funds into its general treasury, ALTA is permitted under Commission regulations to use the funds for the establishment and administration of, and for solicitation of contributions to, its separate segregated fund, TIPAC. See 11 CFR 114.5(b).

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Max L. Friedersdorf
Chairman for the
Federal Election Commission