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STATE OF TENNESSEE  
OFFICE OF THE  
ATTORNEY GENERAL  
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MEMORANDUM

TO: JONATHAN LEVIN  
Federal Election Commission  
Office of the General Counsel  
999 E Street N.W.  
Washington, D.C. 20463

FROM: MICHAEL W. CATALANO *MWC*  
Deputy Attorney General

RE: Campaign Contributions from Non-Profit Corporation to  
State and Local Candidates

DATE: July 12, 1993

*Comment On  
AOR 1993-08*

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This memorandum is in response to your request regarding a not-for-profit corporation making campaign contributions to state and local candidates in Tennessee. It should be emphasized that this informal response is not an official opinion of this Office. It is my understanding that the question posed is as follows:

QUESTION

Whether a congressman, who incorporates his re-election campaign for liability purposes only as a not-for-profit corporation, may under Tennessee law contribute campaign funds from this not-for-profit corporation to state and local candidates or state and local political parties?

ANSWER

Such campaign contributions would be prohibited by T.C.A. § 2-19-132.

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ANALYSIS

T.C.A. § 2-19-132 provides the following:

(a) It shall be unlawful for the executive officers or other representatives of any corporation doing business within this state, to use any of the funds, moneys, or credits of the corporation for the purpose of aiding either in the election or defeat in any primary or final election, of any candidate for office, national, state, county, or municipal, or in any way contributing to the campaign fund of any political party, for any purpose whatever.

(b) The prohibition of subsection (a) shall not apply to a contribution made by a national committee of a political party as defined in 2 U.S.C. § 431(14) and (16), which has incorporated in accordance with 11 C.F.R. § 114.12(a) when such committee contributes to a state political party executive committee, established by chapter 13, part 1 of this title, if the funds contributed do not contain any corporate contributions to the national committee of the political party.

This statutory provision has been construed broadly by this Office in the past to "prohibit all corporate contributions to campaign funds of political parties, whether direct or indirect." See Tenn. Atty. Gen. Op. dated March 26, 1979. This Office has also previously opined that a trade association of insurance companies which receives its contribution from those corporations cannot make campaign contributions to state and local candidates from corporate funds received from insurance companies. Tenn. Atty. Gen. Op. 88-63 (March 21, 1988).

The fact that the corporation in this instance is a not-for-profit corporation does not alternate the outcome. It is a basic rule of statutory construction in Tennessee that words of a statute are to be taken in their natural and ordinary sense without forced construction to limit or extend their meaning. State v. Thomas, 635 S.W.2d 114 (Tenn. 1982); Nichols v. Tullahoma Open Door, Inc., 640 S.W.2d 13 (Tenn. App. 1982).

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T.C.A. § 2-19-132 prohibits "any corporation doing business within this state, to use any funds, monies or credits of the corporation for the purpose of aiding either in the election or defeat in the primary or final election of any candidate for office" at the state, county or municipal level or "in any way contributing to the campaign fund of any political party . . ." Of course, Tennessee law is preempted by federal law to the extent that T.C.A. § 2-19-132 attempts to impose such a ban upon national offices; however, with respect to state and local offices along with state and local political parties, T.C.A. § 2-19-132 would ban such contributions.

nwc:tdm