

MEH



January 29, 1991

C O N F I D E N T I A L

City of Chicago
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Suite 530
205 West Randolph Street
Chicago, Illinois 60606
(312) 744-9660

Re: Case No. 91031.Q

Finally, your letter of January 16, 1991, raised a new issue regarding the *your* Association's political action committee (PAC). *Your assoc.* does business with the City and is therefore limited by § 2-164-040 of the Campaign Financing Ordinance to \$1,500.00 in contributions to a candidate or elected official per reporting year. You asked whether *your assoc.'s* PAC is covered by the same campaign contribution restrictions as *assoc.* itself.

The facts you presented with regard to the PAC is that it is a self-standing corporation with its own board of directors and by-laws. It is not funded by *your assoc.* as such but rather by its individual members on a voluntary basis. You further indicated that this PAC does not contribute more than 50% of its receipts to any one particular candidate. Therefore, assuming that this PAC is not itself doing or seeking to do



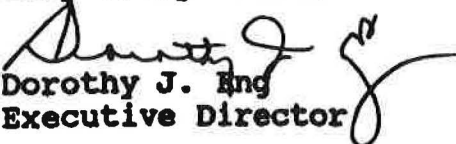
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business with the City, it is not subject to the contribution limitations of the Campaign Financing Ordinance.

Although it may not be relevant at this time, please be advised that under § 2-164-040(c) of the Campaign Financing Ordinance, if a PAC provides more than 50% of its receipts to a particular candidate, a person's contribution to that PAC is deemed a direct contribution to the candidate.

Our determination and recommendations are based upon the facts you provided. If these facts are incorrect or incomplete, please notify us immediately, as any change in the facts may alter our decision. We appreciate your effort to comply with the ethical standards imposed by the Governmental Ethics Ordinance. If you have any questions, please feel free to contact us.

Very Truly Yours,


Dorothy J. Eng
Executive Director

Enclosure

91031.L2