

## **State Contribution Limits:**

### *LLCs, LLPs and Individuals:*

Title 3 of the Indiana Code regulates certain political activities by corporations and labor unions. The code is silent on political activities of limited liability corporations (LLCs), limited liability partnerships (LLPs) and individuals. The Indiana Election Division's statutory interpretation of this statute finds that LLCs and corporations have different definitions and that therefore, "Indiana election laws do not limit contributions such an unincorporated association can make." The same opinion holds true for LLPs and individuals. Since the code is silent on these entities, the Indiana Election Division interprets the Indiana Code to place no limits on political contributions by individuals or LLPs.

### *Corporations:*

If an entity is organized as a corporation, the Indiana Code places specific limits on the corporation's contributions. The Indiana Election Commission views Professional Corporations as Corporations for the purposes of Indiana Election Law. The Indiana Election Division has issued an advisory opinion that the term "corporation", as used in Title 3, refers to any entity required to file articles of incorporation with the Secretary of State's Office according to Title 23. So, a "C" Corporation would be limited to the contributions limited listed in IC 3-9-2-3. Indiana Code 3-9-2-4 places the following limitations on corporate giving to legislative and statewide candidates:

#### (IC) 3-9-2-4

- (1) an aggregate of five thousand dollars (\$5,000) apportioned in any manner among all candidates for state offices (including a judge of the court of appeals whose retention in office is voted on by a district that does not include all of Indiana) (i.e. all contributions to Governor, Lt. Governor, Secretary of State or any other combination totaling a maximum of \$5,000);
- (2) an aggregate of five thousand dollars (\$5,000) apportioned in any manner among all state committees of political parties (i.e. Indiana State Democratic or Republican parties);
- (3) an aggregate of two thousand dollars (\$2,000) apportioned in any manner among all candidates for the Senate of the General Assembly (i.e. \$500 contribution to 4 different senators or any other combinations totaling a maximum of \$2,000);
- (4) an aggregate of two thousand dollars (\$2,000) apportioned in any manner among all candidates for the House of Representatives of the General Assembly (i.e. \$500 contribution to 4 different representatives or any other combinations totaling a maximum of \$2,000);
- (5) an aggregate of two thousand dollars (\$2,000) apportioned in any manner among regular party committees organized by a legislative caucus of the Senate of the General Assembly (i.e. \$1,000 contribution to the Senate Majority Campaign Committee and \$1,000 contribution to the Senate Democrat Campaign Committee or any other combinations totaling a maximum of \$2,000);
- (6) an aggregate of two thousand dollars (\$2,000) apportioned in any manner among regular party committees organized by a legislative caucus of the House of Representatives of the General Assembly (i.e. \$1,000 contribution to the House Democrat Campaign Committee and \$1,000 contribution to the House Republican Campaign Committee or any other combinations totaling a maximum of \$2,000);

### *Political Action Committees:*

A corporation may choose to set up a Political Action Committee (PAC) to accept donations from members and make contributions. If the corporation makes a contribution to the Political Action Committee, it is still bound by the limitations noted above. The creation of a Political Action Committee requires a Chairman and Treasurer to be named. There are three reports throughout the year that must be filed with the Indiana Election Division.

PACs are mainly used by corporations that solicit voluntary, small donations from employees that can be pooled and used for larger contributions. For instance, some corporations allow voluntary PAC contributions by employees for \$10 a paycheck which are then pooled to make larger donations through the "Corporation X PAC fund".