

**ETHICS INTERPRETATION EI-1998-002
ISSUED JANUARY 22, 1999**

In the executive session portion of its regular meeting held January 22, 1999, the Ethics Commission [“the Commission”] considered your request for an ethics interpretation. You have asked:

Does the Political Subdivisions Ethics Act [“PSEA”], 51 O.S. Supp. 1998, §§ 301-325, permit a Limited Liability Company to contribute to a campaign for elective office on the political subdivision level of government?

FACTS

You have advised that you are a candidate for county office. Your campaign committee would like to accept a contribution from a Limited Liability Company [“LLC”]. Since the PSEA is silent on the issue, you have asked the Commission to interpret the Act so as to advise you of whether the LLC may make this contribution to your campaign.

ANALYSIS

The Legislature has assigned the Commission the duty to interpret the PSEA.

Powers and responsibilities of Commission

A. The Ethics Commission shall:

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6. Issue ethics interpretations pertaining to the provisions of the Political Subdivisions Ethics Act when requested by any person or committee under the jurisdiction of the Commission . . .

51 O.S. Supp. 1998, § 304 (A)(6)

Political subdivisions are designated by the Act to include counties, municipalities and school boards. 51 O.S. 1998, § 304(1),(2),(3) This interpretation thus applies to these levels of government.

Your question hinges on the status of LLCs. These entities are relatively new to our State. They were introduced by legislation enacted in 1992. Oklahoma law defines them as a type of association or proprietorship.

Definitions

“Limited liability company” or “domestic limited liability company” means an entity that is an **unincorporated association** or proprietorship having one or more members that is organized and existing under the laws of this state;

Since they are unincorporated entities, LLCs stand in sharp contrast to corporations, whose “incorporated” status distinguishes them from other business structures. LLCs are not corporations; hence, Oklahoma’s prohibition against participation by corporations in candidate campaigns does not apply here.¹

As the definition establishes, LLCs are a special type of business association. While they are not named, they fall within a larger category – that of “association” – which the PSEA does recognize and include among “persons” who may make campaign contributions.

Definitions

As used in the Political Subdivisions Ethics Act:

* * *

21. "Person" means an individual **association**, firm, partnership

The PSEA thus contemplates that, as a member of the larger class of “associations”, LLCs fit within the definition of “persons” permitted to make contributions to campaigns for elective political subdivision office.

CONCLUSION

It is therefore the ethics interpretation of the Ethics Commission, as voted upon in the open session of its regular meeting held January 22, 1999, that the PSEA contemplates LLCs fall within the definition of “persons” permitted to make contributions in campaigns for elective office on the political subdivision levels of government.

Please be advised that ethics interpretations are fact specific. They answer only the question or questions put forth in the underlying request. While they may shed light on other situations, this opinion does not necessarily control them. To be binding on the future action of this agency, the interpretation must be directed to the individual situation.

Ethics Interpretations are published with sufficient deletions to prevent identification of the person or persons involved in the situations herein described.

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By constitution, statute and constitutional rule, corporations are prohibited from influencing candidate campaigns in Oklahoma. OKLA. CONST. Art IX, Sec.40; 21 O.S. Supp. 1998, §187.2; Section 257:10-1-2(c)(2)(A),(B) of the Rules of the Ethics Commission, 74 O.S. Supp. 1998, Ch. 62, App.

To the extent that Ethics Interpretations EI-1998-002 is inconsistent with Ethics Interpretation EI-2002-005, it has been withdrawn.