

The Campaign Finance Law & Businesses

Massachusetts Office of Campaign and Political Finance

The state's campaign finance law (MGL Chapter 55, Section 8) prohibits direct contributions, both monetary and in-kind, from **corporations, LLCs, LLPs and partnerships** to all candidates and political committees, except ballot question committees and independent expenditure PACs.

Monetary Contributions

Candidates and political committees should not solicit or deposit checks from corporations, LLCs, LLPs and partnerships. If a check from one of these entities is erroneously deposited, the committee should immediately refund the total amount.

Collecting contributions via an internet vendor requires donors to affirm, usually through a check-off box, that they are contributing their own personal funds. OCPF strongly recommends that contributors also acknowledge that they are not using corporate, LLC, LLP and partnership funds.

Individuals employed by corporations, LLCs, LLPs and partnerships may contribute to candidates and committees. Businesses, including sole proprietorships, may not reimburse employees for contributions they make, or give them the funds to make the contribution.

Ballot question committees and independent expenditure PACs, also known as Super PACs, may accept unlimited monetary contributions from corporations, LLCs, LLPs or partnerships.

Candidate "Meet and Greet" at a Business

Corporations, LLCs, LLPs and partnerships may invite a candidate to their place of business to speak with owners, partners and employees. The candidate may accept contributions from individuals at the event, and businesses may provide a reasonable amount of food or refreshments.

For example, a small technology company organized as a corporation invites a candidate to its offices. The candidate speaks with a group of employees in the company conference room, where coffee and pastries are served. The employees in the room contribute personal checks to the candidate before she leaves. The campaign finance law does not prohibit this sort of meeting, and the candidate has not received a prohibited in-kind contribution from the company for space, food and drinks.

Prohibited In-Kind Contributions

Candidates and committees are required to pay the market rate for the goods and services provided by corporations, LLCs, LLPs and partnerships.

For example, a restaurant organized as an LLC cannot provide food and a function room to a campaign without charge or with a discount that is not available to the general public. That would result in a prohibited in-kind contribution. In another example, an LLP with an open storefront may rent space to a candidate, but only if the candidate pays market value.

If goods and services are provided to ballot question committees or independent expenditure PACs, a business can offer a discount or charge nothing. In those cases, committees would report in-kind contributions from the businesses.

Businesses that are not corporations, LLCs, LLPs or partnerships

A business that is not a corporation, LLC, LLP or partnership, such as a sole proprietorship, may make a contribution to a candidate or committee.

A sole proprietorship contribution is attributed to the single owner of the business, for example: "Nick Squires, doing business as Squires Consulting." To determine whether a business is incorporated, please contact the Secretary of the Commonwealth's [Corporations Division](http://www.sec.state.ma.us/cor/) (www.sec.state.ma.us/cor/).

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(This is a general summary of the impact of the campaign finance law on businesses. For more information contact OCPF.)