

# Advisory Opinion

IECDB AO 2002-05

April 11, 2002

TO ALL INTERESTED PERSONS:

Pursuant to Iowa Code section 68B.32A(11), the Iowa Ethics and Campaign Disclosure Board takes the opportunity to issue its opinion on the issue of incorporated sole proprietorships being subject to the ban on corporate contributions. We note at the outset that the Board's jurisdiction is limited to the application of Iowa Code chapters 56 and 68B and rules in Iowa Administrative Code chapter 351.

OPINION:

Iowa Code section 56.15 prohibits insurance companies, savings and loan associations, banks, credit unions, and corporations from making contributions to candidates and committees that advocate for or against candidates. This prohibition extends to the use of corporate property and equipment for campaign purposes except when reimbursement is made. The issue has been raised concerning whether or not incorporated sole proprietorships are subject to the prohibition.

We believe a sole proprietorship that has filed articles of incorporation is subject to the prohibition in Iowa Code section 56.15. Candidates or committees that advocate for or against candidates may only use the property and equipment of incorporated sole proprietorships for campaign purposes when reimbursement is made pursuant to Board rule 351 IAC 4.83.

BY DIRECTION AND VOTE OF THE BOARD

James Albert, Board Chair  
1st Vice-Chair Geraldine Leinen  
2nd Vice-Chair Gwen Boeke  
Mark McCormick  
Bernie McKinley  
Phyllis Peters

Submitted by: W. Charles Smithson, Board Legal Counsel