

Corporations may make disbursements for political purposes for the purpose of communication only with members, shareholders, patrons and subscribers thereof. Section 11.38 (2), Stats., permits the establishment of a segregated fund for the purpose of making corporate contributions or disbursements for a political purpose. (Issued to Harry F. Franke, November 27, 1974)

You requested the board's opinion on a number of questions: First, is it permissible for the AAA to print materials and literature for distribution setting forth reasons for its position on particular referenda issues? Section 11.29 (1), Stats., states: "Nothing in this chapter restricts any corporation, cooperative or voluntary association...from making disbursements for the purpose of communicating only with its members, shareholders, patrons or subscribers to the exclusion of all other persons...." [Emphasis added.] Hence, the answer to your first question is "yes" provided distribution is limited to "members" of the AAA.

Secondly, you ask if the AAA may purchase banners for display in its offices in the state? Since such banners would constitute a communication with persons other than those listed in sec. 11.29 (1), Stats., the answer is "no."

Thirdly, you ask if the AAA may expend its funds for travel, meals, lodging and related expenses so that its employees could participate in forums, debates and programs designed to educate the public on referenda issues? Section 11.38 (1), Stats., prohibits any corporation or association from making any contribution for any political purpose. Therefore, the answer is "no."

Fourthly, you ask if the AAA may either independently or in concert with others purchase television time or newspaper space to inform the public on referenda questions? Section 11.38 (1)(a) 1., Stats., prohibits any corporation or association from making any contribution or disbursement, directly or indirectly, for any political purpose. "Political purpose" is defined in sec. 11.01 (16), Stats., to include any act which tends to influence voting at an election. Since the purchase of television time or newspaper space to inform the public on referenda questions is clearly encompassed by this definition the answer is "no."

It should be noted, in contradistinction to Schwartz v. Romnes (1974) 495 Fed. 2d 844, that section 11.38 (2), Stats., provides for the establishment of a separate segregated fund to be utilized for political purposes by a corporation or association. This section allows for corporate freedom of speech to the extent that it can expend up to \$500 annually for solicitation of contributions to such fund.