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Suite 1320
205 West Randolph Street
Chicago, Illinois 60606
(312) 744-9660

June 20, 1988

Dear [REDACTED]

Case Number 88064.A

This letter is to inform you that the Board of Ethics has rendered an opinion concerning the question posed by [REDACTED] on your behalf.

[REDACTED] requested an advisory opinion concerning the propriety of accepting a political contribution totalling more than \$1,500 from a person who has had two contracts with the City, one of which is an option to buy City land. The Board has considered the information as supplied by [REDACTED] and holds that if an option to buy City land was in effect within the past four years, the Campaign Financing Ordinance requires that such an individual, the City contractor, will be subject to the \$1,500 contribution cap.

Section 4 of the Campaign Financing Ordinance (Municipal Code of Chicago Section 26.3) restricts those who have "a financial interest in or [who have] been awarded any City contract within the preceding four years" to a \$1,500 contribution cap per candidate per election or per reporting year for an elected official (July 1 to June 30). A corporation may not circumvent the restriction by reimbursing an employee who makes a contribution.

An option to buy is the right, but not obligation, to buy property that is granted in exchange for a negotiated sum. This is a binding agreement between two parties and thus constitutes a contract. As such, the holder of such an option with the City is subject to the contribution cap. Therefore, if the option was in effect within four years prior to the time the holder wishes to make a contribution, he is subject to the contribution cap.

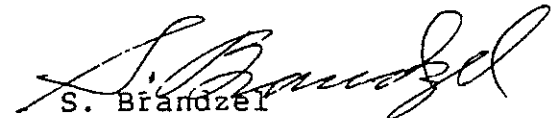


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Since the individual in this hypothetical is subject to the contribution cap because of the option to buy, it is unnecessary for the Board to render an opinion concerning the "on-going specifications" of the previous land purchase.

Should you have any further, please do not hesitate to contact the Board of Ethics 744-9660.

Sincerely,


S. Brandzel
Chairman

EGC/88064X