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FEDERAL ELECTION COMMISSION JUN 18 5 57 PM '02
Washington, DC 20463

AGENDA ITEM
For Meeting of: 6-19-02

MEMORANDUM

TO: The Commission
FROM: Vice Chairman Karl J. Sandstrom *KJS*
DATE: 06/18/2002

SUBMITTED LATE

SUBJECT: Proposed Amendments to Agenda Document 02-44 (Soft Money Final Rule)

Attached are amendments I may offer at the June 19, 2002 open session.

1 § 100.24

Federal election activity (2 U.S.C. 431(20)).

2 (a) (1)

[intentionally omitted from this amendment]

3 (2)

4 Voter registration activity means contacting individuals by telephone, in
5 person, or by other individualized means to assist them in registering to
6 vote. Voter registration activity includes, but is not limited to, printing
7 and distributing registration and voting information, providing individuals
8 with voter registration forms, and assisting individuals in the completion
9 and filing of such forms.

10 (3)

11 Get-out-the-vote activity means contacting registered voters by telephone,
12 in person, or by other individualized means, to assist them in engaging in
13 the act of voting. Get-out-the-vote activity shall not include any
14 communication by an association or similar group of candidates for state
15 or local office or of individuals holding state or local office if such
16 communication refers only to one or more state or local candidates. Get-
17 out-the-vote activity includes, but is not limited to:

- 18 (i) providing to individual voters, within 72 hours of an election,
19 information such as the date of the election, the times when polling
20 places are open, and the location of particular polling places; and
21 (ii) offering to transport or actually transporting voters to polls.

22 (4)

23 Voter identification means creating or enhancing voter lists by verifying or
24 adding information about the voters' likelihood of voting in an upcoming
25 election or their likelihood of voting for specific candidates. Voter
26 identification shall not include any communication by an association or
27 similar group of candidates for state or local office or of individuals
28 holding state or local office if such communication refers only to one or
29 more state or local candidates.

30 (b) As used in part 300 of this chapter, Federal election activity means any of the
31 activities described in paragraphs (b)(1) through (b)(4) of this section.

32 (1)

33 Voter registration activity during the period that begins on the date that is
34 120 calendar days before the date that a regularly scheduled Federal
35 election is held and ends on the date of the election. For purposes of voter
36 registration activity, the term "election" does not include any special
37 election.

38 (2)

39 The following activities conducted in connection with an election in which
40 one or more candidates for Federal office appears on the ballot (regardless
41 of whether one or more candidates for State or local office also appears on
42 the ballot):

43 (i) Voter identification

44 (ii) Generic campaign activity, which means a public communication
that promotes or opposes a political party and does not promote or oppose a
clearly identified federal or non-federal candidate, as defined in 11 CFR 100.25;

(iii) Get-out-the-vote activity.

(3)

A public communication that refers to a clearly identified candidate for
Federal office, regardless of whether a candidate for State or local election

1 is also mentioned or identified, and that promotes or supports, or attacks or
2 opposes any candidate for Federal office. This paragraph applies whether
3 or not the communication expressly advocates a vote for or against a
4 Federal candidate

- 5 (4) Services provided during any month by an employee of a State, district, or
6 local committee of a political party who spends more than 25 percent of
7 that individual's compensated time during that month on activities in
8 connection with a Federal election.

9 (c) Exceptions. Federal election activity does not include any amount expended or
10 disbursed by a State, district, or local committee of a political party for any of the
11 following activities:

- 12 (1) A public communication that refers solely to one or more clearly identified
13 candidates for State or local office and that does not promote or support, or
14 attack or oppose a clearly identified candidate for Federal office; provided,
15 however, that such a public communication shall be considered a Federal
16 election activity if it constitutes voter registration activity, generic
17 campaign activity, get-out-the-vote activity, or voter identification.
18 (2) A contribution to a candidate for State or local office, provided the
19 contribution is not designated to pay for voter registration activity, voter
20 identification, generic campaign activity, get-out-the-vote activity, a public
21 communication, or employee services as set forth in paragraphs (a)(1)
22 through (4) of this section.
23 (3) The costs of a State, district, or local political convention, meeting or
24 conference.
25 (4) The costs of grassroots campaign materials, including buttons, bumper
26 stickers, handbills, brochures, posters and yard signs, that name or depict
27 only candidates for State or local office.
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§ 100.24 Federal election activity

(b)(3) (i) References in a public communication by a candidate for State or local office, individual holding State or local office, or an association or similar group of candidates for State or local office or of individuals holding State or local office, to a State or local candidate's agreement or disagreement with the record, position, or view of a clearly identified Federal candidate do not satisfy this section if such mention of a Federal candidate is merely incidental to the candidacy of one or more individuals for State or local office.

1 **§ 100.24 Federal election activity**

2 (b)(3) (ii) A public communication that urges support of or opposition to any
3 legislation, resolution, institutional action, or any policy proposal and only
4 refers to contacting a clearly identified candidate who is an incumbent
5 legislator to urge such legislator to support or oppose the matter, without
6 referring to any of the legislator's past or present positions, does not
7 *promote, support, attack or oppose* such clearly identified candidate.
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§ 100.26 Public Communication (2 U.S.C. 431(22))

Public communication means a communication by means of any broadcast, cable or satellite communication, newspaper, magazine, outdoor advertising facility, mass mailing or telephone bank to the general public, or any other form of general public political advertising. The term public communication shall not include communications over the Internet.

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§106.7(d)(1)(iii)

- (iii) Senate election year. In any even year in which a Senate candidate, but no Presidential candidate, appears on the ballot, and in the preceding year, State, district, and local party committees must allocate at least 21% of these expenses to their Federal account.
- (iv) Non-Presidential and non-Senate year. In any even year in which neither a Presidential nor a Senate candidate appears on the ballot, and in the preceding year, State, district, and local party committee must allocate at least 15% of these expenses to their Federal account.

1 11 CFR 300.2(i) Levin funds mean funds that are raised pursuant to 11 CFR 300.31 and
2 are or will be disbursed pursuant to 11 CFR 300.32.
3

1 § 300.2(m): *To solicit* means to ask another person to make a contribution or donation,
2 including through a conduit or intermediary, to a candidate, a political committee, or a
3 political organization described in 26 U.S.C. 527 or a tax-exempt organization described
4 in 26 U.S.C. 501(c). A solicitation does not include merely providing information or
5 guidance as to the requirement of particular law.
6

1 **§ 300.2 (n):** *To direct* means to ask a person who has expressed an intent to make a
2 contribution or donation to make that contribution or donation, including through a
3 conduit or intermediary, to a particular candidate, a political committee, or a political
4 organization described in 26 U.S.C. 527 or a tax-exempt organization described in 26
5 U.S.C. 501(c).
6

1 § 300.10(a) Prohibitions. (1) Except as provided in paragraph (a)(2) of this section, a
2 national committee of a political party, including a national congressional campaign
3 committee, must not:

- 4 (i) Solicit, receive, or direct to another person a contribution, donation, or
5 transfer of funds, or any other thing of value that is not subject to the
6 prohibitions, limitations and reporting requirements of the Act; or
- 7 (ii) Spend any funds that are not subject to the prohibitions, limitations, and
8 reporting requirements of the Act; or

9 (iii) Solicit, receive, direct or transfer to another person, or spend, Levin funds.

10 (2) Nothing in this section shall prohibit a national committee of a political party,
11 including a national congressional campaign committee, from soliciting, receiving, or
12 spending non-Federal funds exclusively for the purpose of defending or prosecuting any
13 civil or criminal matter, responding to any governmental investigation or inquiry or
14 preparing or providing any document in any legal, legislative, or regulatory matter.

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1 **§ 300.11 Prohibitions on fundraising for and donating to certain tax-exempt**
2 **organizations**

3 (d) Certification. A national committee of a political party or any person described in
4 paragraph (b) of this section may rely upon a certification that meets all of the following
5 criteria:

6 (1) The certification is a signed and sworn written statement by an officer or
7 other authorized representative of the organization or by the treasurer of the
8 political committee; and

9 (2) The certification states that within the current election cycle, the organization
10 or political committee has not made, and does not intend to make,
11 expenditures or disbursements in connection with an election for Federal
12 office (including for Federal Election activity);

13 (e) If a national committee of a political party or any person described in paragraph (b) of
14 this section has actual knowledge that the certification is false, the certification may not
15 be relied upon.

16 (f) It is not prohibited for a national party or its agents to respond to a request for
17 information about a tax-exempt group that shares the party's political or philosophical
18 goals.
19

1 **§ 300.30 Accounts**

2 **(a) Political Committees.**

3 **(1) Federal Accounts**

4 **(i)** Each State, district, and local party organization that qualifies as a
5 political committee under 11 CFR 100.5 and that finances political
6 activity in connection with both Federal and non-Federal elections
7 shall, in accordance with 11 CFR 102.5(a), either:

- 8 **(A)** Establish a Federal account in a depository, in accordance
9 with 11 CFR part 103, which shall be treated as a separate
10 political committee and be required to comply with the
11 requirements of the Act including the registration and
12 reporting requirements of 11 CFR part 102 and part 104; or
13 **(B)** Establish a separate Federal political committee that shall
14 register as a political committee and comply with the
15 requirements of the Act.

16 **(ii)** Only contributions that are permissible pursuant to the limitations
17 and prohibitions of the Act shall be deposited into any Federal
18 account established pursuant to paragraph (a)(1)(i) of this section,
19 regardless of whether such contributions are for use in connection
20 with Federal or non-Federal elections.

21 **(iii)** Only contributions solicited and received pursuant to the following
22 conditions may be deposited in a Federal account established under
23 paragraph (a)(1)(i) of this section:

- 24 **(A)** Contributions must be designated by the contributors for
25 the Federal account;
26 **(B)** The solicitation must expressly state that contributions may
27 be used wholly or in part in connection with a Federal
28 election; or
29 **(C)** The contributor must be informed that all contributions are
30 subject to the limitations and prohibitions of the Act.

31 **(iv)** All disbursements, contributions, and expenditures made wholly or
32 in part by any State, district, or local party organization in
33 connection with a Federal election must be made from either:

- 34 **(A)** A Federal account, except as permitted by 11 CFR 300.32;
35 or
36 **(B)** A separate allocation account.

37 **(v)** If all payments in connection with a Federal election, including
38 payments for Federal election activities, are to be made from a
39 Federal account, not an allocation account, expenditures and
40 disbursements for costs that are allocable pursuant to 11 CFR 106.7
41 or 11 CFR 300.33 must be made from the Federal account in their
42 entirety, with the shares of a non-Federal account or of a Levin
43 account being transferred to the Federal account pursuant to 11
44 CFR 300.33 and 11 CFR 300.34.

- 1 (vi) No transfers may be made to a Federal account from any other
2 account(s) maintained by a State, district, or local party committee
3 or from any other party committee at any level for the purpose of
4 financing activity in connection with Federal elections, except as
5 provided by paragraphs (a)(1)(v) of this section or 11 CFR 300.33
6 and 300.34.
- 7 (vii) State, district, and local party committees may choose to make
8 non-Federal disbursements from a Federal account, subject to State
9 law, provided that such disbursements are reported pursuant to 11
10 CFR 104.17 and provided that contributors of the Federal funds so
11 used were notified that their contributions were subject to the
12 limitations and prohibitions of the Act.
- 13 (2) Levin accounts.
- 14 (i) Any State, district, or local party organization that is a political
15 committee, including any organization that is directly or indirectly
16 established, financed, maintained, or controlled by a State, district,
17 or local committee of a political party and any officer or agent of
18 such a committee or organization, that intends to engage in voter
19 registration, voter identification, get-out-the-vote activity, and/or
20 generic campaign activity pursuant to 11 CFR 300.32(b), must
21 either:
22 either:
- 23 (A) Establish and maintain one or more separate accounts in a
24 depository for this purpose. These accounts shall be known
25 as Levin accounts;
- 26 (B) Demonstrate through a reasonable accounting method
27 approved by the Commission (including any method
28 embedded in software provided or approved by the
29 Commission) that whenever such organization makes a
30 payment for voter registration, voter identification, get-out-
31 the-vote activity, and/or generic campaign activity pursuant
32 to 11 CFR 300.32(b) that the organization has received
33 sufficient contributions and Levin funds to make such
34 payment. Such organization shall keep records of amounts
35 received or expended under this subsection and, upon
36 request, shall make such records available for examination
37 by the Commission; or
- 38 (C) Establish one or more separate allocation accounts to be
39 used for activities allocable pursuant to 11 CFR 106.5(c)
40 and 11 CFR 300.33.
- 41
- 42 (ii) A State, district, or local party committee may use its Levin
43 account(s) only for the categories of activities described at 11 CFR
44 300.32(b)(1) or for other, non-Federal activities permissible under
45 State law.

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- (iii) A State, district, or local party committee may use its Levin account(s) to make expenditures or disbursements only if all of the following conditions are met:
 - (A) The expenditure or disbursement does not pay for an activity that refers to a clearly identified candidate for Federal office;
 - (B) The expenditure or disbursement does not pay for any part of the costs of any broadcasting, cable, or satellite communication, other than a communication that refers solely to a clearly identified candidate for State or local office; and
 - (C) The funds used for the expenditure or disbursement have been received in accordance with 11 CFR 300.31.
 - (3) Non-Federal account.
 - (i) Any State, district, or local party committee that makes disbursements solely in connection with State or local elections must establish a separate non-Federal account in a depository. The funds deposited into this account ~~may be~~ are governed by State law.
 - (ii) Disbursements, contributions, and expenditures made wholly or in part in connection with Federal elections must not be made from any non-Federal account, except as permitted by 11 CFR 102.5(a)(4), 11 CFR 300.33 and 11 CFR 300.34.
 - (4) Allocation accounts. At the discretion of the party committee or organization, separate allocation accounts may be established for purposes of making allocable expenditures and disbursements.
 - (i) Only funds from the party committee or organization's Federal and non-Federal accounts may be deposited into an allocation account used to make allocable expenditures and disbursements for activities in connection with Federal and non-Federal elections.
 - (ii) Only funds from the party committee or organization's Federal account and Levin funds from its non-Federal or Levin account(s) may be deposited into an allocation account used to make allocable expenditures and disbursements for activities undertaken pursuant to 11 CFR 300.32(b).
 - (iii) Once a party committee or organization has established a separate allocation account for activities in connection with Federal and non-Federal elections and a separate account for activities undertaken pursuant to 11 CFR 300.32(b), all allocable expenses shall be paid from the appropriate allocation account for as long as that account is maintained.
 - (iv) The party committee or organization shall transfer to the appropriate allocation account funds from its Federal and non-Federal or Levin accounts in amounts proportionate to the Federal,

1 non-Federal and Levin shares of each allocable expense pursuant to
2 11 CFR 300.33. The transfers shall be made pursuant to 11 CFR
3 300.34.

- 4 (v) No funds contained in an allocation account may be transferred to
5 any other account maintained by the party committee or
6 organization.

7 (b) State, district, and local party organizations that are not political committees. Any
8 State, district, or local party organization that makes payments for certain Federal election
9 activities pursuant to 11 CFR 300.32(b), but that does not qualify as a political committee
10 under 11 CFR 100.5, must either:

11 (1) Establish at least three separate accounts in depositories as follows -

12 (i) An account into which only funds subject to the prohibitions and
13 limitations of the Act may be deposited and from which
14 contributions, expenditures, disbursements for exempt activities
15 and payments for certain Federal activities must be made;

16 (ii) One or more Levin accounts pursuant to 11 CFR 300.30(b) into
17 which only Levin funds may be deposited and from which
18 payments must be made pursuant to 11 CFR 300.32 and 300.33;
19 and

20 (iii) One or more additional accounts pursuant to State law from which
21 payments for activities other than those permitted by paragraphs
22 (b)(1)(i) and (ii) of this section; or

23 (2) Establish two separate accounts in depositories as follows:

24 (i) A Federal account into which may be deposited both contributions
25 and Levin funds. Payments may be made from this account for
26 contributions, expenditures and disbursements for exempt
27 activities in connection with Federal elections and for activities
28 undertaken pursuant to 11 CFR 300.32(b). If the organization
29 uses this Federal account as a depository for Levin funds, it must
30 demonstrate through a reasonable accounting method approved by
31 the Commission (including any method embedded in software
32 provided or approved by the Commission) that whenever such
33 organization makes a payment for activities undertaken pursuant to
34 11 CFR 300.32(b), that organization had received sufficient
35 contributions or Levin funds to make such payment; and

36 (ii) One or more additional accounts pursuant to State law from which
37 payments for activities other than those permitted by paragraphs
38 (b)(1)(i) and (ii) must be made.
39

40 (c) All party organizations must keep records of deposits into and disbursements from
41 such accounts, and, upon request, must make such records available for examination by
42 the Commission.
43

1 **§ 300.31 Receipt of Levin funds.**

2 (a) General rule. Levin funds expended or disbursed by any State, district, or local
3 committee must be raised solely by the committee that expends or disburses them.

4 (b) Compliance with State law. Each donation of Levin funds solicited or accepted
5 by a State, district, or local committee of a political party must be lawful under the laws
6 of the State in which the committee is organized.

7 (c) Donations from sources permitted by State law but prohibited by the Act. If the
8 laws of the State in which a State, district, or local committee of a political party is
9 organized permit donations to the committee from a source prohibited by the Act and this
10 chapter, other than 2 U.S.C. 441e, the committee may solicit and accept donations of
11 Levin funds from that source, subject to paragraph (d) of this section.

12 (d) Donation amount limitation.

13 (1) General rule. A State, district, or local committee of a political party must
14 not solicit or accept from any person (including any entity established,
15 financed, maintained, or controlled by such person) one or more donations
16 of Levin funds aggregating more than \$10,000 in a calendar year.

17 (2) Effect of different State limitations. If the laws of the State in which a
18 State, district, or local committee of a political party is organized limit
19 donations to that committee to less than the amount specified in paragraph
20 (d)(1) of this section, then the State law amount limitations shall control.
21 If the laws of the State in which a State, district, or local committee of a
22 political party is organized permit donations to that committee in amounts
23 greater than the amount specified in paragraph (d)(1) of this section, then
24 the amount limitations in paragraph (d)(1) of this section shall control.

25 (3) No affiliation of committees for purposes of this paragraph. For purposes
26 of determining compliance with paragraph (d) of this section only, State,
27 district, and local committees of the same political party shall not be
28 considered affiliated. Subject to the amount limitations specified in
29 paragraphs (d)(1) and (d)(2) of this section, a person (individually or
30 together with any entity established, financed, maintained, or controlled by
31 such person) may donate without limitation to each and every State,
32 district, and local committee of a political party.

33 (e) No Levin funds from a national party committee or a Federal candidate or
34 officeholder. A State, district, or local committee of a political party disbursing Levin
35 funds pursuant to 11 CFR 300.32 must not accept or use for such purposes any donations
36 or other funds that are solicited, received, directed, transferred, or spent by or in the name
37 of any of the following persons:

38 (1) A national committee of a political party (including a national
39 congressional campaign committee of a political party), any officer or
40 agent acting on behalf of such a national party committee, or any entity
41 that is directly or indirectly established, financed, maintained, or
42 controlled by such a national party committee. Notwithstanding 11 CFR
43 102.17, a State, district, or local committee of a political party must not
44 raise Levin funds by means of joint fundraising with a national committee
45 of a political party, any officer or agent acting on behalf of such a national

1 party committee, or any entity that is directly or indirectly established,
2 financed, maintained, or controlled by such a national party committee.
3 Nothing in this section shall otherwise limit the ability of a state, district,
4 or local committee of a political party from engaging in joint fundraising
5 pursuant to 11 CFR 102.17 with a national committee of a political party,
6 any officer or agent acting on behalf of such a national party committee, or
7 any entity that is directly or indirectly established, financed, maintained, or
8 controlled by such a national party committee.

9 (2) A Federal candidate, or an individual holding Federal office, or an agent of
10 a Federal candidate or officeholder, or an entity directly or indirectly
11 established, financed, maintained, or controlled by, or acting on behalf of,
12 one or more Federal candidates or individuals holding Federal office.
13 Notwithstanding 11 CFR 102.17, a State, district, or local committee of a
14 political party must not raise Levin funds by means of joint fundraising
15 with a Federal candidate, an individual holding Federal office, or an entity
16 directly or indirectly established, financed, maintained, or controlled by, or
17 acting on behalf of, one or more candidates or individuals holding Federal
18 office. A Federal candidate or individual holding Federal office may
19 attend, speak, or be a featured guest at a fundraising event for a State,
20 district, or local committee of a political party at which Levin funds are
21 raised. See 11 CFR 300.64.

22 (f) Certain joint fundraising prohibited. Notwithstanding 11 CFR 102.17, a State,
23 district, or local committee of a political party must not raise Levin funds by
24 means of any joint fundraising activity with any other State, district, or local
25 committee of any political party, the agent of such a committee, or an entity
26 directly or indirectly established, financed, maintained, or controlled by such a
27 committee. This prohibition includes State, district, and local committees of a
28 political party organized in another State. Nothing in this section shall
29 otherwise limit the ability of a state, district, or local committee of a political
30 party from engaging in joint fundraising pursuant to 11 CFR 102.17 with any
31 other State, district, or local committee of any political party, the agent of such
32 a committee, or an entity directly or indirectly established, financed,
33 maintained, or controlled by such a committee.

34 (g) Safe Harbor. The use of a common vendor for fundraising by more than one
35 State, district, or local committee of a political party, or the agent of such a
36 committee does not constitute joint fundraising within the meaning of this
37 section.
38

1 **§ 300.32 Expenditures and disbursements.**

2 (a) Federal funds.

- 3 (1) An association or similar group of candidates for State or local office, or
4 an association or similar group of individuals holding State or local office,
5 must make any expenditures or disbursements for Federal election activity
6 solely with Federal funds.
- 7 (2) Except as provided in this part, a State, district, or local committee of a
8 political party that makes expenditures or disbursements for Federal
9 election activity must use Federal funds for that purpose, subject to the
10 provisions of this chapter.
- 11 (3) State, district, and local party committees that raise Federal funds to be
12 used, in whole or in part, for Federal election activities must pay the direct
13 costs of such fundraising only with Federal funds. The direct costs of a
14 fundraising program or event include expenses for the solicitation of funds
15 and for the planning and administration of actual fundraising programs and
16 events.
- 17 (4) State, district, and local party committees that raise Levin funds to be used,
18 in whole or in part, for Federal election activity must pay the direct costs
19 of such fundraising with either Federal or Levin funds. The direct costs of
20 a fundraising program or event include expenses for the solicitation of
21 funds and for the planning and administration of actual fundraising
22 programs and events.

23 (b) Levin funds. A State, district, or local committee of a political party may spend
24 Levin funds in accordance with this part on the following types of activity:

- 25 (1) Subject to the conditions set out in paragraph (c) of this section, only the
26 following types of Federal election activity:
27 (i) Voter registration activity during the period that begins on the date
28 that is 120 days before the date a regularly scheduled Federal
29 election is held and ends on the date of the election; and
30 (ii) Voter identification, get-out-the-vote activity, or generic campaign
31 activity conducted in connection with an election in which a
32 candidate for Federal office appears on the ballot (regardless of
33 whether a candidate for State or local office also appears on the
34 ballot).
- 35 (2) Any use that is lawful under the laws of the State in which the committee
36 is organized, other than the Federal election activities defined in 11 CFR
37 100.24(b)(3) and (4). A disbursement of Levin funds under this paragraph
38 need not comply with paragraphs (c)(1) and (c)(2) of this section, except
39 as required by State law.

40 (c) Conditions and restrictions on spending Levin funds

- 41 (1) The Federal election activity for which the disbursement is made must not
42 refer to a clearly identified candidate for Federal office.
- 43 (2) The disbursement must not pay for any part of the costs of any
44 broadcasting, cable, or satellite communication, other than a

1 communication that refers solely to a clearly identified candidate for State
2 or local office.

3 (3) The disbursement must be made from funds raised in accordance with 11
4 CFR 300.31.

5 (4) The disbursement for Federal election activity in excess of \$5,000 per
6 calendar year must be allocated between Federal funds and Levin funds
7 according to 11 CFR 300.33.

8 (d) Non-Federal activities. A State, district, or local committee of a political party
9 that makes disbursements for non-Federal activity may make those disbursements from
10 its Federal, Levin, or non-Federal funds, subject to the laws of the State in which it is
11 organized. A State, district, or local party committee that engages in fundraising for
12 solely non-Federal funds may pay the costs related to such fundraising from any account,
13 subject to State law, including a Federal account. A disbursement of non-Federal funds
14 made under State law by a State, district, or local committee of a political party that is not
15 directed by the disbursing committee for the purpose of influencing a Federal election or
16 for Federal election activity shall not be an expenditure under 11 CFR 100.8 or an
17 expenditure or disbursement for Federal election activity.
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2 **§ 300.34 Transfers.**

3 (a) Federal funds.

4 (1) Notwithstanding 11 CFR 102.6(a)(1)(ii), a State, district, or local
5 committee of a political party must not use any Federal funds transferred
6 to it from, or otherwise accepted by it from, any of the persons enumerated
7 in paragraphs (b)(1) and (b)(2) of this section as the Federal component of
8 an expenditure for Federal election activity under 11 CFR 300.32. A
9 State, district, or local committee of a political party must itself raise the
10 Federal component of an expenditure allocated between Federal funds and
11 Levin funds under 11 CFR 300.32 and 300.33.

12 (2) A State, district, or local committee of a political party that makes an
13 expenditure of Federal funds for Federal election activities must
14 demonstrate through a reasonable accounting method approved by the
15 Commission (including any method embedded in software provided or
16 approved by the Commission) that the Federal funds used to make the
17 expenditure do not include Federal funds transferred to the committee in
18 violation of this section. Alternatively, a State, district, or local committee
19 of a political party committee may establish a separate Federal account
20 into which the committee deposits only Federal funds raised by the
21 committee itself, and from which all expenditures of Federal funds for
22 Federal election activities are made.

23 (b) Levin funds. A State, district, or local committee of a political party must not
24 use as Levin funds any funds transferred or otherwise provided to the committee by:

25 (1) Any other State, district, or local committee of any political party, any
26 officer or agent acting on behalf of such a committee, or any entity directly
27 or indirectly established, financed, maintained or controlled by such a
28 committee; or,

29 (2) The national committee of any political party (including a national
30 congressional campaign committee of a political party), any officer or
31 agent acting on behalf of such a committee, or any entity directly or
32 indirectly established, financed, maintained or controlled by such a
33 committee.

34 (c) Allocation transfers. Transfers of Levin funds between the accounts of a State,
35 district, or local committee of a political party for allocation purposes must comply with
36 11 CFR 300.33.

37

1 **§ 300.36 Reporting Federal election activity; recordkeeping.**

2 (a) Requirements for a State, district, or local committee of a political party, or an
3 association or similar group of candidates for State or local office or of individuals
4 holding State or local office, that is not a political committee.

5 (1) A State, district, or local committee of a political party, or an association
6 or similar group of candidates for State or local office or of individuals
7 holding State or local office, that is not a political committee (see 11 CFR
8 100.5) must demonstrate through a reasonable accounting method that
9 whenever it makes a payment of Federal funds or Levin funds (if it is
10 permitted to spend Levin funds) for Federal election activity (see 11 CFR
11 300.32 and 300.33) it has received sufficient funds subject to the
12 limitations and prohibitions of the Act to make the payment. Such an
13 organization must keep records of amounts received or expended under
14 this paragraph and, upon request, shall make such records available for
15 examination by the Commission.

16 (2) Notwithstanding the foregoing, a payment of Federal funds or Levin funds
17 for Federal election activity shall not constitute an expenditure for
18 purposes of determining whether a State, district, or local committee of a
19 political party, or an association or similar group of candidates for State or
20 local office or of individuals holding State or local office, qualifies as a
21 political committee under 11 CFR 100.5, unless the payment otherwise
22 qualifies as an expenditure under 2 U.S.C. § 431(9). A payment of Federal
23 funds for Federal election activity that refers to a clearly identified federal
24 candidate and that meets the criteria of 100.8(b)(10), (16), or (18) (exempt
25 activities) shall be treated as a payment for exempt activity for the purpose
26 of determining political committee status under the Act pursuant to 11
27 CFR 100.5(c).

28 (b) Requirements for a State, district, or local committee, or an association or similar
29 group of candidates for State or local office or of individuals holding State or local office,
30 of a political party that is a political committee.

31 (1) Reporting receipts and disbursements of Federal funds for Federal election
32 activity. A State, district, or local committee of a political party, or an
33 association or similar group of candidates for State or local office or of
34 individuals holding State or local office, that is a political committee (see
35 11 CFR 100.5) must report all receipts and disbursements of Federal funds
36 for Federal election activity, including the Federally allocated portion of a
37 payment for Federal election activity. This requirement applies whether or
38 not the committee's aggregate total receipts and disbursements for Federal
39 election activity is \$5,000 or more during the calendar year. A
40 disbursement of Federal funds for Federal election activity (see 11 CFR
41 300.32 and 300.33) by a State, district, or local committee of a political
42 party that is a political committee shall be deemed an expenditure and
43 reported as such, unless the disbursement is excluded from the definition
44 of expenditure under 11 CFR 100.8.

- 1 (2) Reporting all receipts and disbursements for Federal election activity;
2 threshold. In addition to the requirements of paragraph (b)(1) of this
3 section, a State, district, or local committee of a political party that is a
4 political committee must report all receipts and disbursements made for
5 Federal election activity if the aggregate amount of such receipts and
6 disbursements is \$5,000 or more during the calendar year. The disclosure
7 required by this paragraph must include receipts and disbursements of
8 Federal funds and of Levin funds used for Federal election activity.
- 9 (i) Reporting of payments for Federal election activity allocated
10 between Federal funds and Levin funds. A State, district, or local
11 committee of a political party that is a political committee that
12 makes a payment for Federal election activity that is allocated
13 between Federal funds and Levin funds (see 11 CFR 300.33) must
14 report for each such payment the full name and address of each
15 person to whom the payment was made, the date of the payment,
16 amount and purpose of the payment, and the amount of and
17 explanation for the allocation percentage used for the payment, as
18 provided in 11 CFR 104.17(b). If the payment is for the allocable
19 costs of more than one Federal election activity, the committee
20 must itemize the payment, showing the amounts designated for
21 each Federal election activity. The committee must also report the
22 total amount paid for Federal election activity that calendar year, to
23 date, for each Federal election activity.
- 24 (ii) Itemization. The disclosure required by paragraph (b)(2) of this
25 section must include, in addition to any other applicable reporting
26 requirement of this chapter, the itemized disclosure of receipts and
27 disbursements of \$200 or more to or from any person for Federal
28 election activities, as provided in part 104.
- 29 (3) Reporting of other payments allocated between Federal funds and non-
30 Federal funds. A State, district, or local committee of a political party that
31 is a political committee that makes a payment for costs allocable between
32 Federal and non-Federal funds, other than the costs of Federal election
33 activity that is allocated between Federal funds and Levin funds under 11
34 CFR 300.33, must comply with 11 CFR 104.17.
- 35 (c) Filing.
- 36 (1) Schedule. A State, district, or local committee of a political party, or an
37 association or similar group of candidates for State or local office or of
38 individuals holding State or local office, that must file reports under
39 paragraph (b) of this section must comply with the monthly filing schedule
40 in 11 CFR 104.5(c)(3).
- 41 (2) Electronic filing. Receipts of Federal funds for Federal election activity
42 that constitute contributions under 11 CFR 100.7, and disbursements of
43 Federal funds for Federal election activity that constitute expenditures
44 under 11 CFR 100.8, apply when determining whether a political
45 committee must file reports in an electronic format under 11 CFR 104.18.

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(d) Recordkeeping. A State, district, or local committee of a political party, or an association or similar group of candidates for State or local office or of individuals holding State or local office, that must file reports under paragraph (b) of this section must comply with the requirements of 11 CFR 104.14.

1 § 300.37 Prohibitions on fundraising for and donating to certain tax-exempt
2 organizations (2 U.S.C. 441i(d)).

3 (d) Certification. A state, district, or local committee of a political party or any person
4 described in paragraph (b) of this section may rely upon a certification that meets all of
5 the following criteria:

6 (1) The certification is a signed and sworn written statement by an officer or
7 other authorized representative of the organization or by the treasurer of the
8 political committee; and

9 (2) The certification states that within the current election cycle, the organization
10 or political committee has not made, and does not intend to make,
11 expenditures or disbursements in connection with an election for Federal
12 office (including for Federal Election activity);

13 (e) If a state, district, or local committee of a political party or any person described in
14 paragraph (b) of this section has actual knowledge that the certification is false, the
15 certification may not be relied upon.

16 (f) It is not prohibited for a State, district, or local committee of a political party or its
17 agents to respond to a request for information about a tax-exempt group that shares the
18 party's political or philosophical goals.
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1 **§ 300.50 Prohibited fundraising by national, State, district, or local party**
2 **committees (2 U.S.C. 441i(d)).**
3

4 (d) Certification. A national, state, district or local committee of a political party or any
5 person described in paragraph (b) of this section may rely upon a certification that meets
6 all of the following criteria:

7 (1) The certification is a signed and sworn written statement by an officer or other
8 authorized representative of the organization or by the treasurer of the political
9 committee; and

10 (2) The certification states that within the current election cycle, the organization
11 or political committee has not made, and does not intend to make,
12 expenditures or disbursements in connection with an election for Federal
13 office (including for Federal Election activity);

14 (e) If a national committee of a political party or any person described in paragraph (b) of
15 this section has actual knowledge that the certification is false, the certification may not
16 be relied upon.

17 (f) It is not prohibited for a national, State, district or local committee of a political party
18 or its agents to respond to a request for information about a tax-exempt group that shares
19 the party's political or philosophical goals.
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