



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
SECRETARIAT

2004 MAR 29 P 2:53

March 29, 2004

MEMORANDUM

TO: The Commission

THROUGH: James A. Pehrkon, Staff Director  
Lawrence H. Norton, General Counsel

FROM: Rosemary C. Smith, Associate General Counsel *RC*  
Kevin R. Salley, Deputy Assistant Staff Director, Information *KRS*

SUBJECT: Legislative Recommendations 2004 – Changes to the Draft

**AGENDA ITEM**  
For Meeting of: 4-01-04

**SUBMITTED LATE**

Listed below are modifications to the draft legislative recommendations for 2004 set forth in Agenda Document No. 04-29.

1. page 2, line 3: Change “recommends” to “suggests”.
2. page 2, line 16: Insert after “law.”, “This statutory change would allow a Federal candidate or officeholder to donate his or her campaign funds to State and local candidates, even if he or she is no longer a candidate for Federal office. It would also permit Federal candidates and officeholders who decide to run for non-Federal offices to donate their Federal campaign funds to their own campaigns for State and local offices, if State law permits.”
3. page 2, line 21: Delete “312a”
4. page 2, line 23: Delete “312a”
5. page 3, line 1: Delete “312a”
6. page 3, line 3: Delete “312a”
7. page 3, line 4: Change “paragraph” to “subsection”
8. page 4, line 18: Delete “weekly”
9. page 5, line 6: Delete “weekly”

10. page 5, line 22: Delete “weekly”
11. page 6, line 1: Delete “For Non-Federal”
12. page 6, line 2: Delete “Candidates”
13. page 6, line 3: Change “Sections” to “Section”; Delete the second “§”
14. page 6, line 13: Change the second “that” to “this”
15. page 9, line 3: Delete the second “§”
16. page 13, lines 8-9: Insert “shortfalls” after “experienced”.
17. page 13, line 10: Change “election” to “elections”.
18. page 13, line 10: Change “The shortfalls result from” to “The shortfalls are a result of”.
19. page 13, line 12: Change “The shortfalls to date” to “To date, the shortfalls”.
20. page 18, end: Insert updated recommendation on Increasing and Indexing all Registration and Reporting Thresholds for Inflation (attached, next page)

1 **Disclosure**

2 ***Increasing and Indexing all pre-BCRA Registration and Reporting***  
3 ***Thresholds for Inflation (~~2003~~ revised 2004)***

4 *Section:* 2 U.S.C. §§431 and 434

5

6 *Recommendation:* The Commission recommends that Congress increase and index for  
7 inflation all pre-BCRA registration and reporting thresholds.

8

9 *Explanation:* Most of the Act's registration and reporting thresholds were set in 1974 and  
10 1979. Because over twenty years of inflation had effectively reduced the Act's  
11 contribution limits in real dollars, the BCRA increased some contribution limits to  
12 partially adjust for inflation, and then indexed those limits: contributions to candidates  
13 and national party committees by individuals and non-multicandidate committees, the  
14 biennial aggregate contribution limit for individuals and the limit on contributions to  
15 Senate candidates by certain national party committees. The Commission proposes  
16 extending this approach to all pre-BCRA registration and reporting thresholds, which  
17 have similarly been effectively reduced as a result of inflation.

18

19       Increasing and then indexing these thresholds would ease the registration and  
20 reporting burdens on smaller political committees who, in some cases, are unaware of the  
21 Act's registration and reporting provisions. Moreover, by increasing and then indexing  
22 the thresholds for inflation, Congress would help to ensure that some committees and  
23 persons who lack the resources and technical expertise to comply with the Act's

1 registration and reporting requirements would not have to do so. Finally, because of the  
2 effect of inflation, increasing and then indexing the registration and reporting thresholds  
3 would continue to capture the significant financial activity envisioned when Congress  
4 enacted the FECA.

5  
6  
7