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FEDERAL ELECTION COMMISSION

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RELEASE: ON RECEIPT

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(202) 382-4733"HOST COMMITTEES"MAY OFFER FREE SERVICES TO CONVENTIONS

WASHINGTON - OCTOBER 14: The Federal Election Commission ruled today that the "host committee" of a national political party convention city can provide free services and facilities to the convention, even though that committee's funds include funds received from local retail corporations barred by law from making federal campaign contributions.

The ruling, Advisory Opinion 1975-47, said that such services and facilities provided to the convention would not be subject to the political party's \$2 million convention spending limit.

The Advisory Opinion supplements an earlier opinion, Advisory Opinion # 1, issued by the Commission on July 15, 1975. The new ruling was requested by the Democratic National Committee.

In the July opinion, AO #1, the Commission ruled that corporations are barred from making contributions to national conventions, because of the provision of the campaign law prohibiting any corporate contribution "in connection with" any federal election. The Commission said, however, in AO # 1, that local retail corporations that would increase business during any large convention in their city, such as hotels, restaurants, or tour services, can contribute to a non-profit civic organization to help encourage the selection of their city as the convention site. Such contributions must be in "reasonable expectation of a commensurate return."

In today's supplemental Advisory Opinion, the DNC had asked the Commission to rule on what activities such a non-profit group (in their case, a "host committee") could engage in. The Opinion cited the following items, which had been discussed in AO # 1 as permissible items by such a "host committee;" (1) construction services and equipment for a convention center, (2) transportation services, (3) law enforcement services, (4) convention bureau personnel assisting in providing housing and reservation services, (5) hotel rooms, in proportion to rooms actually paid for, (6) convention site-committee travel and accommodation expenses, and (7) "other similar convention related facilities and services."