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## FEDERAL ELECTION COMMISSION

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FEC RULES ON SUBSIDIARY  
POLITICAL COMMITTEE  
CONTRIBUTIONS LIMITS

WASHINGTON - NOVEMBER 13. - Individual state multicandidate committees that are established and funded by a parent national committee would be considered part of the national committee for purposes of campaign contribution limits.

Such a multicandidate committee arrangement would "be regarded as one entity and thus limited to one \$5,000 contribution per election for any one Federal candidate", the FEC said in issuing Advisory Opinion 1975-45, requested by the Agricultural and Dairy Educational Political Trust (ADEPT).

The Commission said it would regard "committees which are controlled by the same person or group of persons as one entity. Under the facts presented, the committees would be considered under common control since they would be funded mainly by transfers from ADEPT."

The FEC Opinion stated further that, "Another indication of common control is the fact that the committees might have the same treasurer and members as ADEPT. Because these committees would be under common control, they could not be regarded as exercising independent judgment in the selection of those Federal candidates to whom contributions will be made."

The FEC added that, "The Commission has the entire area of common control of multicandidate committees under active consideration. Such factors as overlapping officers or patterns of contributions and transfers of funds from national committees to associated state committees will be taken into account by the Commission. The Commission will, in determining the existence of common control, look beyond form to the substance of relationships between committees."

In other action today, the FEC issued the following Advisory Opinions:

AO # 59: Acceptance of Contributions for Non-Federal Purposes: A party state central committee may accept corporate contributions, in states which permit them, and deposit them in a separate account used for state candidates only. "If these corporate funds are not used by the (committee) in a manner which might benefit Federal candidates, and would only be contributed to or expended on behalf of the State and local candidates, there would be no violation of (the law). (AO #59, requested by the Rhode Island Republican State Central Committee).

AO # 66: Transfer of Funds: Surplus funds from a candidate's state campaign committee may be transferred to his Federal campaign committee, provided they do not contain monies from corporations, banks, labor unions, government contractors or foreign nationals, and are reported as contributions to the FEC. (AO # 66, requested by the Bowman for Congress Committee, St. Clemens, Mich).

AO # 78: Fundraising Costs Exempt from Expenditure Limitations: The law exempts a limited amount of fundraising costs from the campaign spending limits. "It is the Commission's opinion that the exemption in (the law) was intended to extend to fundraising costs generally; not merely to 'solicitation of contributions'"; therefore, costs in connection with a fundraising dinner, such as mailing of ticket solicitations, costs of ticket preparation, food, beverages, and favors at the dinner, hall rental, entertainment, etc. are within this exempt category. (AO # 78, requested by Rep. Spark Matsunaga (D. Hawaii-1).