



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 12, 1976

Re: AOR 1976-83

Dennis H. McKee, Esquire  
Procopio, Cory, Hargreaves & Savitch  
Nineteenth Floor  
Southern California First National  
Bank Building  
530 B Street  
San Diego, California 92101

Dear Mr. McKee:

This responds to your letter of August 13, 1976, which contained two questions submitted on behalf of the San Diego County Republican Central Committee and regarding application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the facts described therein.

Your first inquiry is whether corporate funds contributed to the County Central Committee need to be placed in a separate bank account or whether it is sufficient to merely account for them separately.

The Commission has approved proposed regulations which address this point. Specifically, §102.6 states that:

- (a)(1) Each State committee, and each subordinate committee of the State committee (see §100.19), which intends to solicit, receive, or make contributions or expenditures, in excess of \$1,000, to, for, or on behalf of, any candidate for Federal office, or
- (2) Any political committee which has solicited or received contributions for or on behalf of, or made expenditures or transfers to or on behalf of, any candidate for Federal office, shall either--
  - (i) Establish a separate Federal campaign committee which shall register as a political committee. The Federal campaign committee shall establish a segregated Federal account in either a national or State bank; or

(ii) Establish a single committee with a single account to make contributions to Federal and non-Federal candidates, but only if all contributions received are permissible under the Act, and all contributors are informed that all contributions are subject to the limitations of §§110.1, 110.2, and 110.5.

(b) The accounts and committees in (a)(2)(i) and (ii) above--(1) may not receive contributions other than contributions designated for the Federal committee or account, contributions received as a result of a solicitation which expressly states that the contribution will be used for Federal elections, or contributions from contributors who are informed that all contributions are subject to the limitations of §§110.1, 110.2, and 110.5; or (2) may not receive transfers from an account or committee established by a State committee, subordinate committee of a State committee, or another political committee, except from a committee or account set out in (i) and (ii).

(c) The Federal campaign committee or account may make transfers for any lawful purpose. The committee shall file a Statement of Organization and shall file reports and statements pursuant to Part 104.

Under the foregoing section no corporate funds could be accepted by a committee formed pursuant to either (a)(2)(i) or (ii). Any corporate funds accepted legally under State law would have to be placed in a separate bank account maintained by a non-Federal committee not receiving or making contributions, or making expenditures as defined in the Act. See 2 U.S.C. §§431, 441b.

Your second inquiry is whether legally accepted corporate funds might be used to support a "get-out-the vote" effort by the Central Committee which effort promotes the entire slate, including Federal candidates.

In response to Advisory Opinion 1976-72, the Commission concluded that costs for registration or get-out-the-vote drives of party committees may not be paid from corporate or labor organization general treasury funds, although they could of course be paid from contributions by a separate segregated fund of a corporation or labor organization. 2 U.S.C. §441b. A copy of the cited response to AOR 1976-72 should be regarded as overruling, in part, Advisory Opinion 1975-21, which was issued to the same committee you represent.

This response relates to your opinion request but may be regarded as informational only and not as an advisory opinion since it is based in part on proposed regulations of the Commission. These proposed regulations were formally adopted

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by the Commission and serve as interpretative rules of the Commission as to the meaning of the pertinent statutory language. The proposed rules were transmitted to the Congress on August 3, 1976. See 2 U.S.C. §438(c). For your information I enclose a copy of a recent Commission policy statement regarding those rules.

Sincerely yours,

(signed)

Vernon W. Thomson

Chairman for the

Federal Election Commission

Enclosures [8/25/76 FR reprint, Re AOR 1976-72, & 10/5/76 policy statement]