

AGENDA DOCUMENT NO. 15-36-A



FEDERAL ELECTION COMMISSION
Washington, DC 20463

July 9, 2015

AGENDA ITEM

For Meeting of 7-16-15

MEMORANDUM

TO: The Commission

FROM: Lisa J. Stevenson *LJS by AN*
Deputy General Counsel

Adav Noti *AN*
Acting Associate General Counsel

Robert M. Knop *RMK*
Assistant General Counsel

Sean J. Wright *SW*
Attorney

SUBJECT: Notice of Availability and Petition for Rulemaking on Contributions from Corporations and other Organizations to Political Committees filed by Make Your Laws PAC, Inc. and Make Your Laws Advocacy, Inc.

2015 JUL -9 PM 5:30

FEDERAL ELECTION COMMISSION

On May 14, 2015, the Federal Election Commission received a Petition for Rulemaking from Make Your Laws PAC, Inc. and Make Your Laws Advocacy, Inc. The Petition asks the Commission to modify its regulations requiring disclosure of contributions from corporations and other organizations to political committees. In particular, the petition asks the Commission to establish a new rule requiring that "any person, other than a natural person, contributing an aggregate of more than \$1,000 in any calendar year to any political committee, whether directly or indirectly" (emphasis omitted), must do so from an account subject to certain reporting requirements. Moreover, the petition asks the Commission to require that these accounts disclose "the original source of all election-related contributions and expenditures, traceable through all intermediary entities to a natural person, regardless of the amounts or entities involved."

The Office of General Counsel has examined the Petition and determined that it meets the requirements of 11 C.F.R. § 200.2(b). Therefore, we have drafted the attached Notice of Availability ("Notice") seeking comment on whether the Commission should initiate a rulemaking on the proposal in the Petition. The Notice will be published in the *Federal Register* pursuant to 11 C.F.R. § 200.3(a)(1).

In keeping with the Commission's regulations, the Notice does not address the merits of the Petition. Instead, it states that consideration of the merits will be deferred until the close of the comment period.

We request that this draft Notice be placed on the agenda for the July 16, 2015 Open Meeting.

Attachment

DRAFT

FEDERAL ELECTION COMMISSION

11 CFR Parts 102, 104, 110

[NOTICE 2015-XX]

**Rulemaking Petition: Contributions from Corporations and Other Organizations to
Political Committees**

AGENCY: Federal Election Commission.

ACTION: Rulemaking Petition: Notice of Availability.

SUMMARY: On May 14, 2015, the Federal Election Commission received a Petition for Rulemaking that asks the Commission to revise existing rules concerning the reporting of contributions to political committees from corporations and other organizations. The Commission seeks comments on this petition.

DATES: Comments must be submitted on or before [insert date 60 days after the date of publication in the Federal Register].

ADDRESSES: All comments must be in writing. Commenters are encouraged to submit comments electronically via the Commission's website at <http://www.fec.gov/fosers>, reference REG 2015-03, or by email to [address]@fec.gov. Alternatively, commenters may submit comments in paper form, addressed to the Federal Election Commission, Attn.: Robert M. Knop, Assistant General Counsel, 999 E Street, NW., Washington, DC 20463.

Each commenter must provide, at a minimum, his or her first name, last name, city, state, and zip code. All properly submitted comments, including attachments, will become part of the public record, and the Commission will make comments available for public viewing on the Commission's website and in the Commission's Public Records room. Accordingly,

1 commenters should not provide in their comments any information that they do not wish to make
2 public, such as a home street address, personal email address, date of birth, phone number, social
3 security number, or driver's license number, or any information that is restricted from disclosure,
4 such as trade secrets or commercial or financial information that is privileged or confidential.

5 **FOR FURTHER INFORMATION CONTACT:** Mr. Robert M. Knop, Assistant General
6 Counsel, or Mr. Sean J. Wright, Attorney, Office of General Counsel, 999 E Street, NW.,
7 Washington, DC 20463, (202) 694-1650 or (800) 424-9530.

8 **SUPPLEMENTARY INFORMATION:** On May 14, 2015, the Federal Election Commission
9 received a Petition for Rulemaking from Make Your Laws PAC, Inc. and Make Your Laws
10 Advocacy, Inc. The petition asks the Commission to modify its regulations requiring disclosure
11 of contributions from corporations and other organizations to political committees.

12 The Federal Election Campaign Act, 52 U.S.C. 30101-46 (the "Act"), and Commission
13 regulations require all political committees to abide by certain organizational, record-keeping,
14 and reporting requirements. See 52 U.S.C. 30102, 30103, 30104; 11 CFR 102.1, 102.2, 102.7,
15 104.3. This includes maintaining records of contribution receipts and disbursements, reporting
16 independent expenditures, and filing periodic disclosure reports that identify the source of each
17 contribution exceeding \$200. See 11 CFR 104.3(a)(4)(i), 104.4, 104.5(c). Commission
18 regulations also require every person who makes electioneering communications aggregating in
19 excess of \$10,000 in a calendar year and every person (other than a political committee) that
20 makes independent expenditures in excess of \$250 with respect to a given election in a calendar
21 year to report certain information to the Commission. 11 CFR 104.20(b)-(c), 109.10(b), (e); 52
22 U.S.C. 30104(c)(1)-(2), (f).

1 The petition asks the Commission to establish a new rule requiring that “any person,
2 other than a natural person, contributing an aggregate of more than \$1,000 in any calendar year
3 to any political committee, whether directly or indirectly” (emphasis omitted), must do so from
4 an account subject to certain reporting requirements. Specifically, the petition asks the
5 Commission to require that these accounts disclose “the original source of all election-related
6 contributions and expenditures, traceable through all intermediary entities to a natural person,
7 regardless of the amounts or entities involved” (emphasis omitted). The petition also asks the
8 Commission to apply to these accounts the identification requirements of 11 CFR 100.12; the
9 Act’s prohibition on foreign national contributions, 52 U.S.C. 30121; allocation rules for
10 administrative expenses; and, in some circumstances, the Act’s limitations on contributions to
11 political committees.

12 The Commission seeks comments on the petition. The public may inspect the petition on
13 the Commission’s website at <http://www.fec.gov/fosers>, or in the Commission’s Public Records
14 Office, 999 E Street, NW., Washington, DC 20463, Monday through Friday, from 9 a.m. to 5
15 p.m. Interested persons may also obtain a copy of the petition by dialing the Commission’s
16 Faxline service at (202) 501-3413 and following its instructions. Request document #279.

17 The Commission will not consider the petition’s merits until after the comment period
18 closes. If the Commission decides that the petition has merit, it may begin a rulemaking
19 proceeding. The Commission will announce any action that it takes in the Federal Register.

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On behalf of the Commission,

Ann M. Ravel,
Chair,
Federal Election Commission.

DATED: _____
BILLING CODE: 6715-01-P