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NEWS RELEASE

FEDERAL ELECTION COMMISSION
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RELEASE: ON RECEIPT

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INCUMBENT OFFICE ACCOUNTS RULED
SUBJECT TO CAMPAIGN LIMITS

WASHINGTON - JULY 29 - Separate office funds and accounts maintained by federal officeholders, apart from their federally appropriated allowances, are subject to contribution and expenditure limits of the federal campaign law, the Federal Election Commission ruled today.

The Commission adopted a proposed regulation on such "constituent service funds" by a 6-0 vote. Congress has the power to disapprove the proposed regulation within thirty legislative days.

An exception to today's regulation covers items mailable under the frank, because of a specific exemption from campaign contribution and expenditure limits for these items contained in the franking section of the postal law (39 USC 3210 (f)). However, the Commission ruled that any funds falling under this exemption must be specially earmarked, kept in a separate "franking account", and fully disclosed to the Commission twice yearly, on April 10 and October 10. In addition, any group (such as a corporation or a union) which is barred from making campaign contributions will also be barred from contributing to the "franking account."

In an explanatory note with the proposed regulation, the Commission said,

"The Commission is of the opinion that Congressional appropriations for staff salaries, newsletters, stationery and travel are for presumptively non-political, legislative activities and, therefore, not subject to the limitations and prohibitions of the Act. One may assume that Congress has provided or will provide sufficient funds for the non-political functions of the Membership. Accordingly, additional monies not appropriated by Congress but rather raised independently by the Members themselves or their supporters should be viewed as political and not legislative funds. Congress is, of course, always free to appropriate any additional funds deemed necessary to enable Members to carry out their legislative functions."

Any "office account" made up of either separate outside contributions or excess campaign contributions must be reported along with the quarterly campaign financing reports. Contributions to, or expenditures from such office accounts will be treated as campaign contributions or expenditures in connection with the next election of the incumbent maintaining the account. Personal expenditures by an incumbent "for the purpose of supporting his or her activities as an officeholder" will be treated as part of the candidate personal expenditure limit under 2 USC 608(a).