

FEDERAL ELECTION COMMISSION

1325 K Street, N.W.
Washington, D.C. 20463

6
RELEASE: ON RECEIPT
TUESDAY, DECEMBER 2, 1975

CONTACT: DAVID FISKE
SUSAN TIFFT
(202) 382-4733

FEC MODIFIES
CAMPAIGN DEBT RULING

WASHINGTON - DECEMBER 2 - Contributions made in 1976 solely to retire pre-1975 campaign debts of federal candidates will not be subject to contribution limits, the Federal Election Commission ruled today.

In issuing Advisory Opinions (AO) 1975-82 and 1975-88, the Commission modified previous rulings that had allowed a one-year grace period during 1975 for candidates to pay off past campaign debts without being subject to the contribution limits that went into effect January 1, 1975. AO's 5 and 6 had said that after December 31, 1975, the legal limits would apply to all contributions, regardless of whether they were for past or current campaigns.

The Commission noted that although it "had anticipated that candidates or former candidates would act quickly to extinguish past campaign debts...there are still numerous outstanding debts from pre-1975 campaigns. The Commission recognizes the responsibility and obligation of candidates and committees to repay past campaign debts."

The conditions set forth in AO's 5 and 6 are continued, requiring (1) that candidates and committees inform the contributor that his or her contribution will be used to retire a debt, (2) that the contribution be earmarked in writing, "as by notation on a check", for retirement of a debt, and (3) that contributions and expenditures made in relation to the debt be reported separately from 1976 campaign efforts.

AO 82 and 88 today also stated that any excess funds remaining after retirement of the debt may be returned to the donor, or turned over to the candidate's 1976 principal campaign committee upon written authorization from the contributor. Contributions so designated must be reported by the 1976 committee as contributions from the original donor, however, not as inter-committee transfers, and would be subject to contribution limitations.

AO #82 was requested by Rep. Fred Richmond (D, N.Y.-14); AO #88 was requested by the Dodd for Congress Committee (Groton, Conn.)

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

-----Loans as Contributions: A loan to a political committee is "a contribution which counts against the individual's \$1,000 and \$25,000 contribution limits. Once it is retired, however, the loan...is extinguished and no longer counts against these limitations". (AO #69, requested by Rep. Alvin Baldus (D. Wis.-3).

-----TV Appearance Fee: Money received by a Congresswoman for a monthly televised "editorial comment" on a major television network is not an honorarium subject to the \$1,000 per appearance, \$15,000 annual, limitation. The Commission said the honorarium limits do not apply to a "stipend" which it defined as money "accepted in the form of fixed or regular compensation intended as consideration for the rendering of services, e.g. a salary". The Commission said an "honorarium" is considered to be money "accepted as consideration for an appearance, speech, or article...as a payment for a single event or transaction". In today's opinion, the Commission said, "The payment received fails to qualify as an honorarium because commentators appearing on the mass media customarily have received fixed and regular compensation....(the fee) represents a stipend as it is in the form of fixed or regular compensation". (AO #46, requested by Rep. Barbara Jordon (D. Tex.-18).