

FEDERAL ELECTION COMMISSION

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FEC RULES ON

HONORARIUMS AS CAMPAIGN CONTRIBUTIONS

WASHINGTON - DECEMBER 9 - An honorarium paid by a political committee to a Federal candidate for an appearance or speech is a political contribution where the audience is made up "in substantial part" of members of the candidate's electorate, the Federal Election Commission ruled today.

In issuing Advisory Opinion (AO) 1975-63, requested by "Women For": Beverly Hills, California, the Commission stated that an honorarium for appearance by a New York Congresswoman, Bella Abzug before "Women For": was not a campaign contribution because the speaker's audience was not a part of (her) electorate."

The Commission noted that at a future date, it "intends to establish additional criteria as to when an honorarium paid by a political committee will be treated as a 'contribution' or 'expenditure'".

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

-----AO #60: Fundraising Raffle: The Commission said that a fundraising raffle, to retire a 1974 campaign debt, conducted under State law would not violate the Federal Election Campaign Act. However, the FEC said it would not comment on the effect of the Federal lottery laws on the raffle, because sections of these laws fall under the jurisdiction of the Postal Service, the Justice Department, and the Federal Communications Commission.

The FEC said that such raffle ticket purchases would be "contributions" under the Federal Election Campaign Act; however, if the raffle proceeds are restricted (as by notation on a check) "for initial use to retire pre-1975 debts", they will not be subject to the new contribution limits, in accordance with earlier FEC rulings on prior year debt retirement. The Commission suggested that raffle ticket purchasers paying by check should make out the check to the benefitting committee rather than to the sponsor of the raffle.

The Commission noted that if the proceeds of the raffle exceed the amount of the debt, the surplus monies may be used for "any...lawful purpose"; upon specific authorization from the contributors, such funds may be turned over to the 1976 campaign fund of the candidate. (AO #60, requested by Citizens for Moffet, Bristol, Conn.).

-----AO #75: Non-Profit Corporations: A non-profit political action committee, "incorporated for liability purposes only" is not prohibited from making contributions and expenditures on behalf of Federal candidates "by the mere fact of its incorporation". Such an organization may make contributions to Federal candidates or to political committees which support Federal candidates in two ways: 1) it may register as a political committee and contribute to Federal candidates and non-Federal candidates out of one general fund, provided that the account does not contain monies from corporations, government contractors or foreign nationals, or, 2) it may establish a "separate committee" solely for expenditure and contributions in connection with Federal elections, provided contributions to the committee are designated by the donors for Federal elections or the committee's solicitations "expressly state that the contributions will be used for Federal elections". Contributions to such a committee are subject to limitation. (AO #75, requested by the American Dental Political Action Committee.).