

FEDERAL ELECTION COMMISSION



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FOR IMMEDIATE RELEASE:
JUNE 21, 1990

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NEW 'SOFT MONEY' ALLOCATION RULES APPROVED BY FEC

-Greater Disclosure Required-

WASHINGTON -- New regulations calling for more rigid allocation and disclosure of political party "soft money" accounts have been approved by the Federal Election Commission following a lengthy rulemaking process.

The new rules seek to further ensure that all money spent in support of federal candidates is legally permissible by giving greater guidance in the allocation of expenses by political party and non-party committees which engage in both federal and non-federal election activities.

As required by law, the new rules have been sent to the Senate and the House of Representatives for a period of 30 legislative days before they can be promulgated by the FEC. The Commission currently anticipates formal implementation of the rules will be January 1, 1991.

In addition to the rules, the Commission also approved disclosure forms and instructions for reporting of shared federal and non-federal activities by party and non-party committees.

Specific payment and reimbursement procedures are included in the new rules to allow the FEC and the public to track the flow of non-federal funds transferred into federal accounts, and to ensure

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that such funds are used solely to pay the non-federal portion of a committee's allocable expenses. Also, they provide additional safeguards against the use of impermissible funds in federal election activity by expanding the disclosure of receipts and disbursements by national party committees, and by creating a presumption that money solicited by party committees with reference to federal candidates or elections is solicited for the purpose of influencing federal elections.

In conducting this rulemaking, since 1985 the FEC has provided four periods for written public comments resulting in 41 comments; conducted two public hearings during which nine witnesses testified; sought information from 110 state party committees; and questioned the chief fundraisers for the Democratic and Republican national committees.

The Federal Election Campaign Act places limits and restrictions on permissible contributions (hard money) and strictly prohibits money raised outside its jurisdiction (soft money) from influencing federal elections.

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