



FEDERAL ELECTION COMMISSION
Washington, DC 20463

August 6, 1976

Re: AOR 1976-43

Vigo G. Nielsen, Jr., Esquire
Dobbs, Doyle & Nielsen
Suite 2500, The Alcoa Building
One Maritime Plaza
San Francisco, California 94111

Dear Mr. Nielsen:

This letter responds further to your request of June 4, 1976, for an opinion concerning the reporting requirements for payments by Gun Owners of California, a non-Federal committee, to Gun Owners of America, a Federal committee, for use of the Federal committee's facilities and staff.

Under 2 U.S.C. §437f of the 1976 Amendments to the Federal Election Campaign Act of 1971, the Commission is required to initially propose rules of general applicability by regulation rather than by advisory opinion. The Commission has recently given final approval to proposed regulations which have been transmitted to Congress pursuant to 2 U.S.C. §438(c). Copies of pertinent sections of those regulations are enclosed.

Sections 104.2(b)(10) and (b)(11) of the proposed regulations appear to be directly relevant to your question. Gun Owners of America, the Federal committee, should report in a timely fashion its disbursements for administrative purposes (including personnel and overhead) as "expenditures" pursuant to subsection (b)(10) whether or not those disbursements are for support services provided on a reimburseable basis to Gun Owners of California.

In addition, Gun Owners of America should report as an obligation owed to it by Gun Owners of California any amount determined to be the non-Federal committee's allocated administrative expenses if that amount exceeds \$500 or if \$500 or less has been outstanding for over sixty days from the date incurred. See §104.8 of the proposed regulations. Upon reimbursement, Gun Owners of America should report the receipt as a payment for administrative support services rendered to Gun Owners of California. If any payment of this type relates to retirement of a reportable outstanding debt owed by

Gun Owners of California to Gun Owners of America, then the reduction or retirement of that debt is also required to be reported.

The Commission notes its general audit and investigative authority with respect to payments made by Gun Owners of California in consideration of services and facilities provided by Gun Owners of America, and emphasizes that such payments not be in excess of any amounts that Gun Owners of California would be required to pay if it obtained similar services from another source. The obvious concern of the Commission in this respect is that the payments made by Gun Owners of California are not a device to provide additional funds to Gun Owners of America circumventing the contribution limits of 2 U.S.C. §441a.

In order to assure that corporate, labor organization, or other funds prohibited by Federal law are not being indirectly routed to the Federal committee by the described arrangement, Gun Owners of California must continue its stated procedure of making payment from funds held in a separate account that does not contain corporate or other donations that could not be lawfully made under Federal law.

This response relates to your opinion request but may be regarded as informational only and not as an advisory opinion since it is based in part on proposed regulations of the Commission which must be submitted to Congress. The proposed regulations may be prescribed in final form by the Commission only if not disapproved either by the House or the Senate within thirty legislative days from the date received by them. 2 U.S.C. §438(c). The proposed regulations were submitted to Congress on August 3, 1976. It is the Commission's view that no enforcement or compliance action should be initiated in this matter if the actions of the political committee conform to the conclusions and views stated in this letter.

Sincerely yours,

(signed)
Vernon W. Thomson
Chairman for the
Federal Election Commission

Enclosure