

2 SEP 1976

AO 1976-64

Peter G. Pellegrini
Treasurer, Friends of
Hamilton Fish, Jr.
Executive Park, One Overocker Road
Poughkeepsie, New York 12603

Dear Mr. Pellegrini:

This is in response to your letter of August 2, 1976, requesting an opinion concerning the purchase of an automobile by the Friends of Hamilton Fish, Jr., Committee ("the Committee") for the use of Congressman Fish. The Committee has been duly designated as Mr. Fish's principal campaign committee. You stated that the Congressman's automobile was demolished in an accident and that the Committee wishes to purchase in its own name and pay for all expenses of an automobile for the Congressman's "use in the district or elsewhere as the need may arise." A subsequent communication with you indicated that the automobile is to be used strictly for campaign purposes during the "campaign year" and in the "off year" is to be rented to the Congressman. Specifically, you inquired about the propriety of such a committee expenditure.

The Federal Election Campaign Act of 1971, as amended ("the Act"), places no specific restrictions upon the use to which campaign funds may be put. In general, if the purpose of the Committee's expenditure of funds is to influence Congressman Fish's election, and if such expenditure is not otherwise exempted from the definition of "expenditure" at 2 U.S.C. §431(f), the Act requires that the expenditure be reported under 2 U.S.C. §434 and Part 104 of the Commission's proposed regulations. The Commission recently approved proposed regulations to implement the Act which, among other things, would require the Committee to disclose all disbursements during a reporting period. Thus, even if the expenditure is other than for the purpose of influencing a Federal election, such as for providing the Congressman with office-related or personal transportation, the Committee would be required to report the transaction.

The Commission notes that varying tax treatments might result with respect to the Committee, as well as Congressman Fish, depending upon whether the amount expended by the Committee is for campaign purposes rather than for the Congressman's office-related duties or personal benefit. The Internal Revenue Service, of course, should be consulted with respect to the tax ramifications of the transaction.

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This response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act to the specific factual situation set forth in your request. 2 U.S.C. §437f.

Sincerely yours,

(signed)

Vernon W. Thomson

Chairman for the

Federal Election Commission

Enclosure [Part 104]