



FEDERAL ELECTION COMMISSION
Washington, DC 20463

November 16, 1977

AO 1977-47

Honorable Clifford P. Hansen
United States Senate
Washington, D.C. 20510

Dear Senator Hansen:

This refers to your letter of September 13, 1977, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to the disposition of surplus funds from your 1972 election campaign which are held by the "Friends of Cliff Hansen Committee."

Your letter states that on June 11, 1977, you publicly announced that you would not be a candidate for re-election to the Senate in 1978. Surplus funds from your 1972 election campaign will not be fully expended by your committee "at this time." Since you are not a candidate for 1978, you ask whether your committee should continue to file reports, or whether the committee should now terminate and file a termination report covering the period January 1 through June 11, 1977. You also state your understanding that surplus funds of the committee may be used "for all legal purposes such as the entertainment of constituents, and motel and travel costs while my wife and I are travelling to Wyoming or in Wyoming."

The Act and the Commission's regulations permit continuation of your committee and the use of committee funds for purposes such as the entertainment of constituents and motel and travel costs for you and your wife while travelling to or within Wyoming. Contributions in excess of amounts necessary to defray expenditures may be used by an individual or candidate to defray ordinary and necessary expenses incurred in connection with duties of a holder of Federal office, may be contributed to qualified charitable organizations, or may be used for "any other lawful purpose." 2 U.S.C. 439a. See also 11 CFR 113.2. In this case, your committee would continue to have reporting obligations under the Act.

Under the Act and the Commission's regulations, a political committee is a continuing organization until specific action is taken to terminate the registration of, or disband, the committee. See 2 U.S.C. 433(d) and 11 CFR 102.4. As an alternative to continuing the committee, and since it has no reported outstanding debts or obligations, its registration and reporting obligations may be terminated at any time by filing notice of termination on the appropriate reporting forms; the notice shall contain a final report of receipts and disbursements,

including a statement as to the disposition of surplus funds. Upon filing a valid notice of termination, the committee's reporting obligations end. See 11 CFR 104.1(a). The period covered by the termination report, whenever filed, is the period which has transpired between the closing date of the last report filed (other than an FEC Form 3a, postcard report) and the date selected by your committee as the date of termination. This date obviously may not precede the date of the committee's last reported transaction.

However, if the committee having a surplus of funds chooses to terminate, and this surplus is transferred to an account established for the purpose of supporting your activities as a holder of Federal office, a reporting obligation for such an account would arise under 2 U.S.C. 439a and 11 CFR 113.

The Commission expresses no opinion regarding applicability of the Rules of the Senate in the situation you have described, nor may it express any opinion regarding possible Federal income tax consequences since those issues are not within its jurisdiction.

The response constitutes an advisory opinion concerning the application of a general rule of law stated in the Act, or prescribed as a Commission regulation, to the specific factual situation set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)
Thomas E. Harris
Chairman for the
Federal Election Commission