FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 19, 1978

AO 1978-67

Honorable Glenn M. Anderson
House of Representatives
Washington, D.C. 20515

Dear Mr. Anderson:

This is in response to your letter of August 15, 1978, requesting an advisory opinion concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to a proposal to share the costs of a combined campaign headquarters.

Your letter states that a candidate for the California State Assembly, who resides in your Congressional District, has proposed sharing the costs of a combined campaign headquarters. You note that California law permits corporate contributions for use in political campaigns for State office. In light of the Act's prohibition on corporate contributions to candidates for Federal office, you ask whether you may accept this proposal and share the costs of a combined campaign headquarters.

The Act defines "contribution" to mean "a gift, subscription, loan, advance, deposit of money or anything of value" made for the purpose of influencing the nomination or election of any person to Federal office. 2 U.S.C. 431(e). The Act and Commission regulations do not prohibit the shared use of campaign facilities by you and a State candidate as long as the costs of the shared facilities (i.e. rent for office space and equipment, electricity, phone, etc.) are allocated between your respective campaigns in a manner that equitably reflects the actual use and benefit to each campaign. See Commission regulations at 11 CFR 106.1 and 110.8(d)(3). Only if the State candidate pays all the expenses of the shared facilities or pays in excess of an equitable allocation, would that candidate be deemed to be making a contribution to your campaign.

Your share of the cost of these facilities would be regarded as an "expenditure" under the Act and may be paid to the commercial vendor directly or through the State candidate's account. It may also be paid through an escrow account which you and the State candidate may jointly establish solely for the purpose of making payments in one check to the commercial vendor of the shared facilities. A transfer of funds from the State candidate to your campaign committee, albeit for the express purpose of defraying the State candidate's share of the campaign

headquarters expenses, would be unlawful if the State candidate has accepted funds that would be prohibited as contributions under the Act.[1] The Commission points out that your expenditures for the campaign headquarters must be reported in accordance with 2 U.S.C. 434.

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

Sincerely yours,

(signed)
Joan D. Aikens
Chairman for the
Federal Election Commission

Enclosure

---

[1] Since California law permits corporate contributions to candidates for State office, the Act would prohibit contributions to a Federal Candidate from a State campaign committee that had accepted corporate treasury funds. 2 U.S.C. 441b. See Advisory Opinion 1976-110, copy enclosed.