



FEDERAL ELECTION COMMISSION
Washington, DC 20463

October 17, 1978

AO 1978-78

John T. Dolan, Chairman
National Conservative Political Action Committee
1500 Wilson Blvd., Suite 513
Arlington, Virginia 22209

Dear Mr. Dolan:

This is in response to your letter of September 22, 1978, requesting an advisory opinion on behalf of the National Conservative Political Action Committee ("NCPAC") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to your proposed solicitation of funds to defray office expenses.

Your letter states that NCPAC supports a wide variety of Federal and State candidates and engages in political education on specific issues of public interest. You add "[i]n that respect, NCPAC functions in a similar manner as do traditional 'political parties.'" You note that NCPAC proposes to solicit funds from persons who would otherwise be prohibited from making contributions under 2 U.S.C. 441a--441c in order to defray its office rental expenses. Your letter poses two questions:

- 1) Would the provisions of 2 U.S.C. 431(e)(5)(H)¹ apply to funds received by NCPAC in a solicitation conducted for the purpose of defraying office rental expenses; and
- 2) In the alternative, whether such funds would be considered "contributions" under 2 U.S.C. 431(e).

In answer to your first question, the Commission concludes that the provisions of 431(e)(5)(H) do not apply to funds received by NCPAC which are given for the purpose of defraying NCPAC's office rental expenses. The provisions of 431(e)(5)(H) apply only to "a national committee of a political party of a State committee of a political party." NCPAC is not a

¹ 2 U.S.C. 431(e)(5)(H) excludes from the definition of a contribution any gift of money or anything of value given "to a national committee [or State committee] of a political party . . . which is specifically designated for the purpose of defraying any cost incurred with respect to the construction or purchase of any office facility which is not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office . . ."

national or State committee of a political party as those terms are defined by 2 U.S.C. 431(k) through 431(m). See also Advisory Opinion 1975-129, copy enclosed.

In answer to your second question, funds given to NCPAC for the purpose of defraying office rental expenses are "contributions" to NCPAC within the meaning of 2 U.S.C. 431(e). Contributions received and used to defray NCPAC's expenses for renting office space are just as surely for the purpose of influencing an election as are contributions used to make transfers (contributions) to candidates for Federal office, since the expenses of administering a "political committee" are ordinary and necessary to the performance of its function of supporting candidates for Federal office. This is recognized implicitly in the Act which makes an express exception from the definition of "contribution" for the administrative expenses of corporations and labor organizations having separate segregated funds pursuant to 2 U.S.C. 441b. 2 U.S.C. 431(e)(5)(F).

This 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)

Joan D. Aikens

Chairman for the

Federal Election Commission

Enclosure