



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 13, 1980

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1980-8

Mr. Donald A. Detmer
Treasurer
Beloit Corporation PAC
1 St. Lawrence Avenue
Beloit, Wisconsin 53511

Dear Mr. Detmer:

This responds to your letter of January 4, 1980, requesting an advisory opinion on behalf of the Beloit Corporation Political Action Committee ("the Committee") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), to a transfer of funds to the Committee.

Your letter states that the Committee supports candidates for both state and Federal office. You note, however, that the Beloit Corporation ("Beloit") formerly maintained two separate¹ committees: The Beloit Iron Works PAC (State Pac) which supported only candidates for state and local office; and the Beloit Corporation PAC (Federal PAC) which supported only candidates for Federal office. Eventually the State PAC was terminated, and the Corporation determined to use the Federal PAC for both state and Federal political action programs. The State PAC and the Federal PAC were thus consolidated to form the Committee.

You state that on January 16, 1979 the State PAC had only \$16.45 as its bank balance, and since Beloit was being charged a service charge by the bank for not having at least a \$200 balance in that account, Beloit decided to transfer \$200 from the Federal PAC to the State PAC. Later, when the State PAC was terminated on December 12, 1979, the balance of its funds

¹ The Commission notes that the letter from the Wisconsin Election Board attached as part of your request indicates that under Wisconsin law a corporation may not sponsor more than one political action committee. Under the Act, however, a corporation or labor organization is not restricted in the number of separate segregated funds it may establish, administer, and maintain. All of the committees so established would have individual registration and reporting requirements under 2 U.S.C. 434, and all of the committees would share a single contribution limit under 2 U.S.C. 441a. See Advisory Opinions 1979-68, and 1979-44, copies enclosed.

(\$216.45) was transferred to the Committee. You ask whether this transfer is permissible under the Act.

The Commission concludes that since \$200 of the \$216.45 paid to the Committee represents, in effect, a return of monies previously transferred to the State PAC from the former Federal PAC, that amount (\$200) may be retained by the Committee. The balance of \$16.45 may also be retained if the State PAC functioned under Wisconsin law as a separate segregated fund comprised of contributions from individuals, or if it can be demonstrated that such amount does not represent funds from prohibited sources. 2 U.S.C. 441b, 441e; see H.R. Rep. No. 96-422, 96th Cong., 1st Sess. 6 (1979). Receipt of the funds by the Committee should be reported as a receipt from the State PAC in accordance with 2 U.S.C. 434(b) (3) (D).²

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. 437f.

Sincerely yours,

(signed)

Robert O. Tiernan
Chairman for the
Federal Election Commission

Enclosures

² Because the State PAC was the State affiliate of the Federal PAC, and because the amount transferred to the Committee was less than \$1,000 in a calendar year, the State PAC would not be a "political committee" under the Act subject to a separate registration and reporting requirement. 2 U.S.C. 431(4). See also 96 Cong. Rec. H12365, daily ed., December 20, 1979 (Remarks of Congressman Thompson).