



Democratic Party of Wisconsin

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August 2, 2001

Ms. Lois Lerner
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

AOR 2001-12

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
AUG 6 3 30 PM '01

Re: Request of Advisory Opinion

Dear Ms. Lerner:

I am the Chairperson for the Democratic Party of Wisconsin. Pursuant to 2 U.S.C. 437(f), the Democratic Party of Wisconsin (the "DPW") seeks an Advisory Opinion concerning application of the Federal Election Campaign Act of 1971, as amended (the "Act"), and the Federal Election Commission (the "Commission") regulations to the DPW's plans to establish a Building Fund to purchase, renovate, and or construct a building to serve as its headquarters. The DPW seeks an opinion regarding the federal law's preemption of Wisconsin state law relating to donations for the establishment of the Building Fund.

Current Wisconsin Law limits and in some cases prohibits contributions, disbursements and obligations to candidates and political parties. See § 11.00, *et seq*, Wis. Stats.

The DPW is engaged in both federal and non-federal election activity. The DPW plans to undertake one or all of the following activities:

- (1) Establish a Building Fund to purchase, renovate and/or construct a building to serve as new headquarters for its federal and non-federal activities.
- (2) Establish a Building Fund to pay off the balance of its current lease on the building which presently serves as headquarters for its federal and non-federal activities.

(3) Establish a Building Fund to pay the salary or fees and other expenses of an employee or consultant whose sole and exclusive responsibility is to raise funds for the Building Fund.

(4) Establish a Building Fund to pay for the principal and interest for a mortgage for the purchase, renovation and/or construction of the building.

(5) Establish a Building Fund to pay for any Capital Improvements to the office facility as defined by the Internal Revenue Code.

The DPW will use the new or renovated facility to influence federal and non-federal elections, but creating the Building Fund is not done for the purpose of influencing any elections.

Furthermore, the DPW, in its capacity as a registered entity with the Commission, intends to take the following actions and observe the following conditions:

(1) it will solicit and accept corporate contributions designated for the Building Fund(s);

(2) it will advise all potential corporate contributors that all corporate contributions will be used for the Building Fund(s);

(3) it will establish a "separate segregated" bank account in which only corporate contributions designated for the Building Fund(s) will be deposited;

(4) it will disburse the corporate funds deposited in such separate account(s) to purchase, renovate and/or construct a new headquarters, and pay off the remaining amount owed on its current lease at its existing headquarters;

(5) it will not use any corporate funds received for the purpose of influencing particular federal, state, or local elections, or transfer such corporate funds to a bank account used to influence particular federal, state, or local elections;

(6) it will not limit, other than on a voluntary basis, the amount of the corporate contributions, individually or collectively, to the Building Fund(s); and

(7) it will not report the corporate contributions to the Building Fund(s), other than on a voluntary basis, to the Commission.

Furthermore, the DPW plans to apply the funds only for the purchase, renovation and/or construction of a new headquarters, and pay off the remaining amount owed on its current lease at its existing headquarters, and not to pay such ongoing costs as property taxes and assessments.

It is my understanding that previous Commission advisory opinions regarding the above-stated issue have determined that federal law permits the establishment and use of such a Building Fund and preempts the application of state law to such a fund. (See AOR 2001-01, AOR 1998-8, AOR 1998-7, AOR 1996-8, AOR 1993-32, AOR 1993-9, AOR 1991-5, AOR 1986-40).

Very Truly Yours,

A handwritten signature in black ink that reads "Linda Honold". The signature is written in a cursive, flowing style.

**Linda Honold, Chairperson
Democratic Party of Wisconsin**