



FEDERAL ELECTION COMMISSION
Washington, DC 20463

March 1, 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 2010-01

Marc E. Elias, Esq.
Graham M. Wilson, Esq.
Perkins Coie
607 Fourteenth Street, N.W.
Washington, DC 20005

Dear Messrs. Elias and Wilson:

We are responding to your advisory opinion request on behalf of the Nevada State Democratic Party (the "State Party") concerning the application of the Federal Election Campaign Act of 1971, as amended (the "Act"), and Commission regulations to disbursements by the State Party for campaign materials to be used in connection with volunteer activities on behalf of candidates for Federal office before the 2010 Nevada primary election. The Commission concludes that such payments by the State Party would be exempt from the definitions of "contribution" and "expenditure" if the Federal candidates on whose behalf the volunteers distribute the campaign materials are the State Party's presumptive nominees, as described further below.

Background

The facts presented in this advisory opinion are based on your letter received on January 4, 2010, and on publicly available information regarding Nevada election law and the State Party's registration with the Commission.

The State Party is registered with the Commission as a political committee and as a State committee of the Democratic Party. Beginning "immediately," the State Party plans to purchase campaign materials, such as pins, bumper stickers, handbills, brochures, posters, party newsletters, and yard signs, to be used in connection with volunteer activities on behalf of Federal candidates seeking to become the State Party's

nominee for the general election. Specifically, the State Party plans to have volunteers distribute campaign materials on behalf of Federal candidates whom the State Party believes will either run unopposed in the June 8, 2010 State primary election, or whom the State Party believes are “assured of winning the nomination.”

The State Party will coordinate with its preferred candidates regarding the proposed campaign materials, which may expressly advocate for the election of the preferred candidates. The State Party plans to pay for all of the proposed campaign materials with funds subject to the limitations and prohibitions of the Act.

In Nevada, candidates for partisan office of a major political party must be nominated at the primary election.¹ The primary election must be held on the second Tuesday of June in each even-numbered year; in 2010, the primary will be held on June 8.² Persons wishing to run in the primary election must file a declaration of candidacy or acceptance of candidacy.³ For Nevada’s 2010 primary election, this filing period begins on March 1, 2010 and ends on March 12, 2010.⁴

Question Presented

Will the cost of the State Party’s proposed campaign materials be exempt from the Act’s definitions of “contribution” and “expenditure,” if the materials are used in connection with volunteer activities on behalf of the State Party’s preferred candidates before the State primary election?

Legal Analysis and Conclusions

Yes, the costs of the State Party’s proposed campaign materials will be exempt from the definitions of “contribution” and “expenditure” if the Federal candidates on whose behalf the volunteers distribute the materials are the State Party’s presumptive nominees, as described below.

The Act limits to \$5,000 per election the amount that a multicandidate committee, including a State party committee, may contribute to a Federal candidate. 2 U.S.C. 441a(a)(2)(A). In addition to this \$5,000 per election limit, State party committees may make coordinated expenditures that are in connection with the general election campaign of candidates for Federal office. 2 U.S.C. 441a(d).

¹ NEV. REV. STAT. ANN. §§ 293.167 and 293.175 (2010).

² See NEV. REV. STAT. ANN. § 293.175 (2010); Ross Miller, 2010 Nevada Election Calendar, *available at* <http://nvsos.gov/Modules/ShowDocument.aspx?documentid=1242> (“2010 Nevada Election Calendar”).

³ NEV. REV. STAT. ANN. § 293.177 (2010). Write-in candidates are not permitted. Request at 1; see NEV. REV. STAT. ANN. § 293.270 (2010).

⁴ NEV. REV. STAT. ANN. § 293.177 (2010); 2010 Nevada Election Calendar.

Under the Act and Commission regulations, a “contribution” includes “any gift, subscription, loan, advance . . . or anything of value made by a person for the purpose of influencing any election for Federal office.” *Id.* at 431(8)(A)(i); 11 CFR 100.52. An “expenditure” is similarly defined as “any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing an election for Federal office.” 2 U.S.C. 431(9)(A)(i); 11 CFR 100.111

Both the definitions of “contribution” and “expenditure” exempt certain payments by a State or local committee of a political party in connection with volunteer activities. 2 U.S.C. 431(8)(B)(ix) and (9)(B)(viii); *see also* 11 CFR 100.87 and 100.147. This “volunteer materials exemption” is limited in several respects. For example, the campaign materials must be distributed by volunteers and not by commercial or for-profit operations. *See* 11 CFR 100.87(d) and 100.147(d). For purposes of the instant inquiry, the most important limitation is that the campaign materials purchased by the State or local party committee must be used in connection with volunteer activities “on behalf of nominees of such party.” 2 U.S.C. 431(8)(B)(ix) and (9)(B)(viii); 11 CFR 100.87 and 100.147.

Although neither the Act nor Commission regulations define the term “nominee,” the Commission has previously determined that the volunteer materials exemption may, in certain limited circumstances, apply even before a State party’s nominee is formally elected through the State primary process. In Matter Under Review (“MUR”) 4471, the Commission found that the volunteer materials exemption applied to the cost of materials purchased by the Montana State Democratic Committee and mailed by volunteers on behalf of Senator Max Baucus approximately five days before Montana’s primary election. Statement of Reasons, MUR 4471 (Montana State Democratic Committee) (Nov. 19, 1998) at 5. When the mailing occurred, Senator Baucus was the only Democratic candidate for the U.S. Senate, and there could not be any other Democratic candidate for that office under State law. *Id.* Accordingly, the Commission concluded that, “as both a matter of fact and as a matter of state law,” Senator Baucus was his party’s “presumptive nominee.” *Id.* Given that Senator Baucus was “the only candidate under Montana law who could receive the Democratic nomination,” the volunteer materials exemption applied. *Id.*

Accordingly, the relevant question for purposes of the instant inquiry is, at what point will the State Party be able to identify its presumptive nominee “as both a matter of fact and as a matter of State law”? *See* Statement of Reasons, MUR 4471 at 5. As noted above, under Nevada law, a candidate of a major political party must be nominated in the primary election, and persons wishing to run in the June 8, 2010 primary election must file a declaration of candidacy or acceptance of candidacy between March 1 and March 12, 2010. The close of the filing period closes the ballot and establishes the field of candidates seeking major party nominations. Thus, March 12, 2010 is the earliest date on which the State Party will be able to identify its presumptive nominee. Any candidate of the State Party who, as of that date, is on the State ballot and has no primary opponent will be the State Party’s presumptive nominee; any candidate who does have a primary opponent will not be the State Party’s presumptive nominee.

Therefore, payments made by the State Party, for materials that are used in connection with volunteer activities on behalf of candidates not facing primary challengers, will qualify for the volunteer materials exemption if those activities take place after March 12, 2010 and will not count towards either the State Party's contribution or expenditure limits.⁵ By contrast, payments made by the State Party, for materials that are used in connection with volunteer activities on behalf of candidates, will not qualify for the volunteer materials exemption if those activities take place before March 12, 2010. If the State Party pays for campaign materials in the latter situation, then such payments will either count against the State Party's \$5,000 per candidate primary contribution limit under 2 U.S.C. 441a(a), or its coordinated party expenditure limit, if the expenditures are in connection with the general election, under 2 U.S.C. 441a(d).⁶

The Commission's conclusion is limited to the volunteer materials exemption in 2 U.S.C. 431(8)(B)(ix) and (9)(B)(viii), and implementing regulations. This conclusion does not apply to any other use or variation of the term "nominee" appearing in the Act or Commission regulations, such as 2 U.S.C. 432(e)(3)(A) (referring to the presidential candidate "nominated" by a political party).

This response constitutes an advisory opinion concerning the application of the Act and Commission regulations to the specific transaction or activity set forth in your request. *See* 2 U.S.C. 437f. The Commission emphasizes that, if there is a change in any of the facts or assumptions presented, and such facts or assumptions are material to a conclusion presented in this advisory opinion, then the requestor may not rely on that conclusion as support for its proposed activity. Any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which this advisory opinion is rendered may rely on this advisory opinion. *See* 2 U.S.C. 437f(c)(1)(B). Please note that the analysis or conclusions in this advisory opinion may be affected by subsequent developments in the

⁵ Requestor represents that its planned activities will comply with all other aspects of the volunteer activity exemption listed in 2 U.S.C. 431(8)(B)(ix) and (9)(B)(viii) and 11 CFR 100.87 and 100.147

⁶ In Advisory Opinion 1984-15 (RNC), Commission considered whether, under 2 U.S.C. 441a(d), a party committee may make coordinated party expenditures prior to the formal selection of that party's presidential nominee. In that Advisory Opinion, the Commission explicitly noted the differences between the language in 441a(d) and the section at issue here, 431. The Commission found it "[s]ignificant[]" that 2 U.S.C. 441a(d) "does not by its terms refer to candidates for Federal office as the party's nominees; it refers to such candidates only as those who are 'affiliated with' the political party." Advisory Opinion 1984-15 (RNC) n.4. The Commission noted, "[b]y contrast, in other contexts *where Congress was concerned with the status of Federal office candidates as regards political party activity, it has explicitly referred to 'nominees of' the political party*" and cited as an example the volunteer materials exemption provisions in 2 U.S.C. 431(8)(B)(ix) and (9)(B)(viii). *Id.* (emphasis added).

law including, but not limited to, statutes, regulations, advisory opinions, and case law. The cited advisory opinion is available on the Commission's Web site at <http://saos.nictusa.com/saos/searchao>.

On behalf of the Commission,

(signed)
Matthew S. Petersen
Chairman