

RECEIVED

By Office of the Commission Secretary at 3:49 pm, Nov 07, 2024



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C.

AGENDA DOCUMENT NO.24-48-A
AGENDA ITEM
For meeting of November 14, 2024

November 7, 2024

MEMORANDUM

TO: The Commission

FROM: Lisa J. Stevenson *NFS for LJS*
Acting General Counsel

Neven F. Stipanovic *NFS*
Associate General Counsel

Amy Rothstein *NFS for ALR*
Assistant General Counsel

Jennifer Waldman *JW*
Attorney

SUBJECT: REG 2024-04 (Form 3-Z) Draft Final Rule and Explanation &
Justification

Attached is a REG 2024-04 (Form 3-Z) Draft Final Rule and Explanation & Justification. One or more Commissioners have asked for this draft to be made public and placed on the agenda for the Commission's November 14, 2024, Open Meeting.

Attachment

FEDERAL ELECTION COMMISSION

11 CFR Part 104

[Notice 2024--XX]

Requirement to File FEC Form 3-Z

AGENCY: Federal Election Commission.

ACTION: Notice of Final Rule.

SUMMARY: This final rule amends Federal Election Commission regulations by removing the requirement that the principal campaign committee of a candidate with multiple authorized committees must report information on FEC Form 3-Z.

DATES: The effective date is **[INSERT DATE ATLEAST 30 LEGISLATIVE DAYS AFTER PUBLICATION]**.

FOR FURTHER INFORMATION CONTACT: Amy Rothstein, Assistant General Counsel for Policy, or Jennifer Waldman, Attorney, 1050 First Street NE, Washington, DC, (202) 694-1650 or (800) 424-9530.

SUPPLEMENTARY INFORMATION: The Commission is amending its regulations to remove the requirement that the principal campaign committee of a candidate with multiple authorized committees must report information on FEC Form 3-Z.

Transmitting Final Rules to Congress

Before promulgating rules or regulations to carry out the provisions of the Federal Election Campaign Act, the Commission transmits the rules or regulations to the Speaker of the House of Representatives and the President of the Senate for a thirty-legislative-day review

period. 52 U.S.C. 30111(d). These final rules were transmitted to Congress on [INSERT DATE].

Explanation and Justification

I. Background

A. Act and Commission Regulations

The Federal Election Campaign Act (the “Act”)¹ and Commission regulations require each candidate to register a principal campaign committee within 15 days of becoming a candidate.² A candidate may also authorize other political committees to receive contributions or make expenditures on the candidate’s behalf by designating the committees in writing and filing the designations with the candidate’s principal campaign committee.³

The Act requires “each designation, statement, or report of receipts or disbursements made by an authorized committee” to be filed with the candidate’s principal campaign committee.⁴ The Act further requires each principal campaign committee, in turn, to “receive” these designations, statements and reports and to “compile and file” them pursuant to the Act.⁵

In 1980, the Commission promulgated a regulation (11 C.F.R. 104.3(f)) to implement these requirements: Section 104.3(f) requires each candidate’s principal campaign committee to

¹ 52 U.S.C. 30101-45.

² *Id.* 30102(e)(1); 11 CFR 101.1(a); *see also* 52 U.S.C. 30101(5) (“The term ‘principal campaign committee’ means a political committee designated and authorized by a candidate under section 30102(e)(1) of this title.”); 11 CFR 100.5(e)(1).

³ 52 U.S.C. 30102(e)(1); 11 CFR 101.1(b); *see also* 52 U.S.C. 30101(6) (“The term ‘authorized committee’ means the principal campaign committee or any other political committee authorized by a candidate under section 30102(e)(1) of this title to receive contributions or make expenditures on behalf of such candidate.”); 11 CFR 100.5(f)(1).

⁴ 52 U.S.C. 30102(f)(1).

⁵ *Id.* 30102(f)(2).

1 file reports submitted to it by the candidate's other authorized committees, along with its own
 2 report.⁶ In addition, section 104.3(f) requires the principal campaign committee to file FEC
 3 Form 3-Z to report specific consolidated information gleaned from the authorized committees'
 4 reports when it submits those reports to the Commission.⁷ It is this FEC Form 3-Z that the
 5 Commission is now removing.

6 When the Commission first started requiring FEC Form 3-Z, political committees filed
 7 their reports only in paper form and the Commission made the reports publicly available on
 8 paper and microfiche in the Commission's Public Records room. By requiring a candidate's
 9 principal campaign committee to consolidate information about the financial activity of all of the
 10 candidate's authorized committees on FEC Form 3-Z, the Commission made it easier for the
 11 public to obtain a comprehensive picture of the candidate's receipts and disbursements during
 12 the reporting period.

13 **B. Electronic Filing**

14 Public access to political committees' reports has expanded dramatically since 1980,
 15 however, due in large part to statutory revisions and technological developments. In 1999,
 16 Congress amended the Act to provide for electronic filing;⁸ as a result, all political committees
 17 that have or reasonably expect to have contributions or expenditures exceeding \$50,000 in a
 18 calendar year must electronically file their reports directly with the Commission, and other

⁶ 11 CFR 104.3(f).

⁷ *Id.*

⁸ Appropriations, 2000, Pub. L. 106-58 sec. 639(a), 113 Stat. 430, 476 (1999); 52 U.S.C. 30104(a)(11)(A).

persons may do so if they choose.⁹ Further, Congress amended the Act to require the Commission to make all reports filed electronically with the Commission publicly available on the internet within 24 hours of receipt and within 48 hours of receipt for reports not filed electronically.¹⁰

More recently, Congress amended the Act to require the Commission to maintain a central website “to make accessible to the public all publicly available election-related reports and information” required to be filed under the Act.¹¹ The posted reports and related information can be searched, sorted, and downloaded.¹²

C. Notice of Proposed Rulemaking

On August 1, 2024, the Commission published in the Federal Register a Notice of Proposed Rulemaking (“NPRM”) soliciting comments on whether it should remove the requirement that principal campaign committees file Form 3-Z in light of statutory changes and technological advances. The NPRM comment period ended on September 2, 2024. The Commission received two substantive comments in response to the NPRM, both in favor of the Commission’s proposal.

II. Revised Changes to 11 CFR 104.3

⁹ 11 CFR. 104.18(a) (requiring electronic filing for certain political committee); *Id.* 104.18(b) (authorizing other committees to file electronically if they choose to do so); Electronic Filing of Reports by Political Committees, 65 FR 38415 (June 21, 2000), <https://sers.fec.gov/fosers/showpdf.htm?docid=382>.

¹⁰ 52 U.S.C. 30104(a)(11)(B), (d)(2).

¹¹ Bipartisan Campaign Reform Act of 2002, Pub. L. 107–155 sec. 502, 116 Stat. 115 (2002); 52 U.S.C. 30112(a).

¹² *See, e.g.*, 52 U.S.C. 30104(i)(4) (requiring Commission to ensure, “to the greatest extent practicable,” that certain information is publicly available on its website “in a manner that is searchable, sortable, and downloadable”).

1 After reviewing the public comments received in response to the NPRM, the Commission
2 is amending section 104.3(f) by eliminating the requirement that principal campaign committees
3 file FEC Form 3-Z. Although FEC Form 3-Z served a useful purpose when it was introduced
4 more than 40 years ago, the information that it provides essentially duplicates information that is
5 now filed directly with the Commission and readily available to the public in a searchable,
6 sortable, and downloadable format. Accordingly, FEC Form 3-Z has been rendered obsolete.

7 **Certification of No Effect Pursuant to 5 USC 605(b) (Regulatory Flexibility Act)**

8 The Commission certifies that the proposed amendment, if adopted, would not have a
9 significant economic impact on a substantial number of small entities. The amendment would
10 simplify the reporting requirements for a principal campaign committee of a candidate with
11 multiple authorized committees. The proposed change would not impose new recordkeeping,
12 reporting or financial obligations on any political committees. The Commission therefore
13 certifies that the proposed amendment would not have a significant economic impact on a
14 substantial number of small entities.

List of Subjects in 11 CFR Part 104

Campaign funds, Political committees and parties, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, the Federal Election Commission proposes to amend 11 CFR part 104 as follows:

PART 104 – REPORTS BY POLITICAL COMMITTEES AND OTHER PERSONS (52 U.S.C. 30104)

1. The authority citation for part 104 is revised to read as follows:

Authority: 52 U.S.C. 30101(1), 30101(8), 30101(9), 30102(f), (g) and (i), 30104, 30111(a)(8) and (b), 30114, 30116, 36 U.S.C. 510.

2. Amend § 104.3 by revising paragraph (f) to read as follows:

§ 104.3 Contents of reports (52 U.S.C. 30104(b), 30114).

* * * * *

(f) *Consolidated reports.* Each principal campaign committee shall consolidate in each report those reports required to be filed with it. Such consolidated reports shall include:

(1) Reports submitted to it by any authorized committees; and

(2) The principal campaign committee's own reports.

* * * * *

On behalf of the Commission,

1 **Sean J. Cooksey,**
2
3 *Chairman,*
4
5 *Federal Election Commission.*
6