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FEDERAL ELECTION COMMISSION
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EXISTING CONTRIBUTION LIMITS
NOT APPLICABLE TO PAST DEBTS

WASHINGTON - JULY 18 - Candidates with outstanding debts from pre-1975 federal election campaigns have a grace period until the end of 1975 to pay off such campaign debts without being subject to new federal contribution and expenditure limits, the Federal Election Commission has ruled.

The Commission late Thursday approved the principle in discussing two Advisory Opinions requested by 10 pre-1975 federal candidates and committees, one opinion dealing with pre-1973 races and one dealing with 1973 or 1974 elections. Formal issuance of the opinions will come at next Tuesday's Commission meeting.

Under the 1974 federal campaign financing amendments, effective January 1, 1975, individuals and committees may only contribute \$1,000 per election to a candidate, special multi-candidate committees may give \$5,000 per election to a candidate, and individuals are limited to \$25,000 per year in total federal campaign contributions. According to the Commission's policy, these limits will not apply to contributions to retire past campaign debts "received no later than December 31, 1975."

The Commission made an exception with respect to personal contributions by a candidate or a candidate's immediate family. Personal candidate contribution limits (\$50,000 for Presidential candidates, \$35,000 for Senate candidates and \$25,000 for House candidates) will apply to debt cancellations for elections after January 1, 1973, but not for elections prior to that date.

The Commission recommended the following actions to implement Thursday's rulings:

- Filing of reports of outstanding debts by candidates from prior-year elections.
- Separation of reports of prior-campaign debt liquidation contributions from reports of contributions for current or future elections.
- "clear notice" of the purpose of past-campaign debt liquidation in any solicitations by candidates or political committees for such purposes.
- specific notice in writing by donors of more than \$100 that a past-debt contribution is restricted to a pre-1975 election.

The Commission said it "expects" that excess contributions received to retire past debts will be returned to their donors.

The Commission said it imposed the December 31, 1975 cut-off date in today's ruling "to avoid the possibility that such contributions will be counted toward individual contribution limits under the 1974 Act," and also "to assure that no abuses develop."