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FEDERAL ELECTION COMMISSION



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FEC ISSUES POLICY STATEMENT ON 1976 DEBT RETIREMENT

WASHINGTON - JAN. 12 - Individuals and committees may continue to contribute now up to their legal per election limits to retire outstanding debts from Federal candidates' 1976 primary or general election campaigns, the Federal Election Commission said today.

Contributions made after campaign debts are retired may be used for a candidate's future Federal campaign, provided the donor designates his contribution for that election and the amount is charged against the applicable contribution limits for that election.

The FEC issued rules governing 1976 debt retirement in a Policy Statement published today in the Federal Register.

Generally, the Statement said, "Post-election contributions made to the extent of the outstanding debt will be presumed to be made with respect to the general election" and will be charged against the individual or committee's limits for that election.

However, the Commission said, "there may be situations where a candidate or his or her committee, finds it advantageous to raise funds from donors who have not 'used up' their contribution limits from the primary or the general election or both."

Under FEC proposed regulations, a contribution may be made at any time to retire primary or general election debts, provided it is within the donor's contribution limits for each election, is designated in writing by the donor for each election, and, at the time the contribution is made, does not exceed the recipient candidate's net outstanding debt from the designated election.

Under the Federal election law, individuals may contribute \$1,000 per candidate per election, and "multi-candidate" committees may contribute \$5,000 per candidate per election. The Federal Election Campaign Act of 1971, as amended in 1974 and 1976, defines an "election" as a "general, special, primary or run-off election."

The Policy Statement issued today prescribes the following specific rules for application of contribution limits to contributions made after the general election:

General Rules:

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the general election for retirement of debts will generally be regarded as contributions to the general election and will be charged against those limitations;

- if campaign committees want to utilize contribution limits for both the primary and the general election, they must establish debt figures separately for each of these elections;
- contributions made after the general election specifically to retire a separate primary debt must be designated by the donor for that election, and will be charged against the primary contribution limits;
- campaign committees which separate their outstanding debts into primary and general election debts must submit separate reporting schedules itemizing each debt, and indicating which itemized contributions are applied against which debt.

Contributions Made Before Debt Retirement But Received Afterwards:

- contributions designated for the primary debt but received after that debt has been extinguished may automatically be applied against the outstanding general election debt, and vice versa;
- funds designated for either debt, but received after debt retirement, may be used by the campaign committee as excess campaign funds, in accordance with the Federal election law;
- if, however, a candidate wants to "carry-over" excess contributions for use in a future Federal election, a "last-received, first carried-over" rule must identify the donors, who must then designate their contributions in writing for that future campaign. Contributions used in this way will be charged against the applicable contribution limits of the donor for that designated future election.

Contributions Made and Received After All Debts Are Retired:

- funds contributed after all debts are retired may be regarded as donations to an office account, or as contributions for a future election. Both uses require that the donor earmark his contribution for that purpose, and, in the case of a future election, that the contribution be charged against the applicable contribution limit.