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NEWS FROM...

FEDERAL ELECTION COMMISSION



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FEC PERMITS
CORPORATE AND UNION CONTRIBUTIONS
TO CANDIDATE DEBATES

WASHINGTON - December 9 - The Federal Election Commission this week approved proposed regulatory language which would permit corporations and labor organizations to donate funds to certain non-profit groups for use in the sponsorship of candidate debates.

The proposed regulation, approved by the FEC Thursday at its weekly public meeting, states "A corporation or labor organization may donate funds for use in the sponsorship of nonpartisan public debates if the donation is made to a non-profit organization which is exempt from federal taxation under 26 U.S.C. Sect. 501 (c)(3), which has a history of neither supporting nor endorsing candidates or political parties, and which administers the debates."

Non-profit organizations which are tax-exempt under 26 U.S.C. Sect. 501 (c)(3) include those which do not attempt to influence legislation or political campaigns, and to which contributions are tax-deductible.

On August 30, 1976, the Commission adopted a statement concerning the League of Women Voters' sponsorship of the 1976 Presidential general election debates in which the FEC stated that the League could sponsor the debates, but that "disbursements by the League's Education Fund are ... disbursements 'in connection with' a Federal election and accordingly may not be made with funds from corporate or labor organization treasuries..."

The Federal Election Campaign Act of 1971, as amended in 1974 and 1976, states that it is unlawful for a corporation or a labor organization to make a contribution or expenditure "in connection with" a Federal election.

In a notice published July 12, 1977 in the Federal Register, the FEC had asked for written comments, suggested regulatory language, and factual material related to the sponsorship and funding of candidate debates. On September 12, 1977, the Commission held public hearings on problems related to the funding of candidate debates.

All regulations proposed by the Commission must be submitted to Congress before they may be promulgated.