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AGENDA ITEM

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SUBMITTED LATE

Multicandidate Political Committee Contribution Limitations and Non-multicandidate Political Committee Contribution Limitations (2003)

Section: 2 U.S.C. §§ 441a(a)(2) and 441a(c)

Recommendation: The Commission recommends that Congress consider indexing for inflation the contribution limitations applicable to multicandidate political committees and adjusting the amount such committees may contribute to national party committees to harmonize these limits with the limits applicable to non-multicandidate political committees. Alternatively, the Commission recommends that Congress consider making multicandidate status optional rather than mandatory for political committees.

Explanation: A political committee has multicandidate status if it has been registered with the Commission for six months or more, has received contributions from more than 50 persons, and has contributed to five or more Federal candidates. 2 U.S.C. § 441a(a)(4). The statute currently provides that a committee is a multicandidate committee once it satisfies the eligibility criteria.

FECA, prior to BCRA, provided a significantly higher limit on contributions to candidates for political committees with multicandidate status than for those without that status (\$5,000 per election versus \$1,000 per election). BCRA raised and indexed for inflation the contribution limit on non-multicandidate committees (to \$2,000 per election), and such limit eventually will become higher than the limit imposed on multicandidate committees. Thus, this contribution limit itself one day will create a substantial disincentive to achieve multicandidate committee status.

In addition, the limit for contributions to national party committees from multicandidate committees is \$15,000 per year (as it was prior to BCRA), yet BCRA increased the limit on contributions to the same national party committees from non-multicandidate committees to \$25,000 per year. 2 U.S.C. § 441a(a)(2)(B), (1)(B). Moreover, only the contribution limit for non-multicandidate committees is indexed for inflation, which means that over time the current \$10,000 difference will only increase.

Congress should consider revising the statute to either give multicandidate committees allowances at least as generous as those given to non-multicandidate committees or permit political committees to choose non-multicandidate status even if they meet the criteria for multicandidate status.