

FEC Approves Final Rules for National Conventions

January 2004

This summer, the Federal Election Commission (FEC) approved final rules regarding political party convention host committees and corporate donations to host committees, municipal funds and convention committees.

1. Goods and Services to Conventions

The FEC left unchanged its rule in 11 CFR 9008.9, which allows a commercial vendor to sell, lease, rent or provide its goods and services to a national party committee with respect to its presidential nominating convention through (1) the provision of standard reductions or discounts, (2) the provision of items for promotional consideration, and (3) the provision of items of *de minimus* value to convention attendees. The FEC's proposal to move this provision and make it applicable only to host committees and municipal funds was not included in the final rules. Therefore, the rules for commercial vendors remains as they were before. Accordingly, companies will be permitted again to provide goods and services to conventions in exchange for promotional consideration.

2. Corporate Donations to Host Committees

The FEC continued to allow corporate and union donations to convention host committees that are 501(c) organizations. It also removed the requirement that those entities making donations to convention host committees for certain costs be "local businesses." Now, all businesses including banks, may make such donations, as long as they are for, among other things, to defray the expenses in promoting the suitability of the city as a convention site, the expenses incurred for welcoming the convention attendees, the expenses incurred in facilitating commerce and the administrative expenses incurred by the host committee. The donors need not be "local."

Authors

Carol A. Laham
Partner
202.719.7301
claham@wiley.law

These donations may be in monetary form or in-kind.

3. Hospitality Suites and Social Events

The FEC decided that private hospitality events taking place in close temporal and geographic proximity to the convention did not trigger regulation in and of themselves. Of course, depending on the identity of the invitees, such events may be required to comply with House and Senate, federal Executive Branch and/or state lobbying and gift rules.

4. Party and Officeholder/Candidate Fundraising for Host Committees

The FEC stated that political parties could not raise funds for host committees and municipal funds from corporations, but that federal candidates and officeholders could make general solicitations for host committees where the solicitation did not specify how the funds were to be spent.