

committees' post-convention reports. The Commission proposes to revise paragraph (b)(1) to establish this date as of 15 days prior to the date of filing. This timeframe is consistent with the timeframes employed for post-convention reports filed by convention committees, *see* 11 CFR 9008.3(b)(2)(ii), and the Commission believes it should also provide sufficient time for host committees and municipal funds to prepare their reports. The Commission seeks comment on this approach.

Under current paragraph (b)(2) of 11 CFR 9008.51, host committees are required to file quarterly reports if they continue to accept receipts or make disbursements after the completion date of the post convention report. Host committees must continue to file such reports until they cease all activity. 11 CFR 9008.51(b)(2).

By contrast, under current paragraph (c) of 11 CFR 9008.51, municipal funds are required to file a post convention letter only rather than a post convention report on FEC Form 4. The timeframe within which municipal funds have to file this letter is the same as the timeframe applicable to host committees' post convention reports. Unlike host committees, however, municipal funds are not required to continue filing information with the Commission regarding their post convention activities, even if they accept receipts or make disbursements after the completion date of the post convention letter.

Given that the Commission is proposing to permit municipal funds to accept donations and make disbursements on the same terms as host committees, the Commission believes that it is necessary to apply the same reporting requirements to municipal funds that currently apply to host committees. Moreover, the Commission proposes to require continuing reporting in order to ensure that the reported information is "complete" as required by 2 U.S.C. 437(1). Accordingly, the Commission proposes to change paragraph (b) of 11 CFR 9008.51 to make the same reporting requirements apply to municipal funds as apply to host committees. As a conforming amendment, the Commission proposes to delete paragraph (c) of 11 CFR 9008.51, which sets forth the current municipal fund reporting requirements. The Commission seeks public comment on this approach, particularly on the issue of whether continuing reports are required in FECA to ensure completeness or are inconsistent with FECA's reference to a singular financial statement. 2 U.S.C. 437.

The Commission also proposes to revise paragraph (b)(1) of 11 CFR 5008.51 to clarify that reports filed pursuant to the requirements of 2 U.S.C. 437 contain the information specified in part 104, notwithstanding part 104's references to 2 U.S.C. 434. Although host committees and municipal funds are required to report by 2 U.S.C. 437(1), and 11 CFR part 104 refers to 2 U.S.C. 434, the Commission believes that having the information presented in the same format as that of other required reports would greatly aid the public disclosure of this financial activity. The Commission also proposes to revise 11 CFR 107.2 to reflect the revisions made to the registration and reporting requirements for host committees and municipal funds.

Finally, the Commission is proposing that convention committees, host committees, and municipal funds be required to submit a copy of all agreements that any one of those organizations makes with the city, county or State hosting the convention or any of the other convention-related organizations. *See* new 11 CFR 9008.3(b)(ii) (convention committees) and new 11 CFR 9008.51(a)(3) (host committees/municipal funds). Under the Commission's proposal, any such agreements would be required to be submitted along with the first required report due after the execution of the agreement. *Id.* This would include subsequent agreements to a previous agreement. Host committees and municipal funds would not be required to submit agreements made with convention committees if such agreements were already submitted to the Commission by the convention committee. *See* new 11 CFR 9008.51(a)(3).

The Commission is also seeking comment on which form convention committees, host committees, and municipal funds should use to report to the Commission. Current regulations require convention committees and host committees to use FEC Form 4 when reporting to the Commission. *See* 11 CFR 9008.3(b)(2)(i) and 9008.51(b)(1). The proposed rules that follow would maintain this requirement, in addition to requiring that municipal funds also use FEC Form 4 under new 11 CFR 9008.51(b)(1). The Commission is also considering eliminating this form and requiring convention committees, host committees, and municipal funds to file FEC Form 3P instead. FEC Form 3P is for reports of receipts and disbursements by authorized committees of candidates for the Office of President or Vice President. Use of FEC Form 3P would require some

adaptation for the convention scenarios. The Commission seeks comment on whether it should maintain its requirement of FEC Form 4, or if it should adopt FEC Form 3P for convention committees, host committees, and municipal funds.

IX. Convention Legal and Accounting Fund ("CLAF")

The Commission is proposing that convention committees be permitted to establish separate legal and accounting funds ("CLAF") to pay for the legal and accounting services related solely to compliance with the Federal Election Campaign Act and the Presidential Election Campaign Fund Act. *See* proposed 11 CFR 9008.8(b)(4)(ii)(B). Under this proposal, the funds raised by the CLAF would be required to be deposited in a separate account and would have to comply with the limitations and prohibitions of 11 CFR parts 110, 114 and 115. Contributions to the CLAF could not exceed \$25,000 per person, and \$15,000 per multi-candidate political committee in any calendar year.

If proposed section 9008.8(b)(4)(ii)(B) were adopted, the payment by the CLAF of compensation to any individual or entity for legal and accounting services to ensure compliance with the FECA and the Fund Act and rendered to or on behalf of the convention committee in connection with the presidential nominating convention or convention-related activities would not be considered an expenditure and would not count against the expenditure limitations of this section. The convention committee would report contributions received to pay for legal and accounting services on a separate Schedule A, and would report payments for legal and accounting services on a separate Schedule B.

The Commission notes that its current regulations permit convention committees some flexibility in this area. National party committees, under 11 CFR 9008.8(b)(4), may raise contributions for convention related legal and accounting costs subject to national party committee limits for individuals and multi-candidate committees and otherwise in compliance with 11 CFR parts 110, 114 and 115. Furthermore, the regulations do not require that a separate account be established for legal and accounting receipts and expenditures. The current regulations also exempt payments made for legal and accounting expenditures from the expenditure limitations of section 9008.8.

Nevertheless, the establishment of a separate convention legal and