

(6) Expenses for printing convention programs, a journal of proceedings, agendas, and other similar publications;

(7) Administrative and office expenses for conducting the convention, including stationery, office supplies, office machines, and telephone charges; but excluded from these expenses are the cost of any services supplied by the national committee at its headquarters or principal office if such services are incidental to the convention and not utilized primarily for the convention;

(8) Payment of the principal and interest, at a commercially reasonable rate, on loans the proceeds of which were used to defray convention expenses;

(9) Expenses for gifts or monetary bonuses for national committee or convention committee employees, volunteers and convention officials in recognition for convention-related activities or services, provided that the gifts and bonuses do not exceed \$150 total per individual, and the total for all gifts and bonuses does not exceed \$20,000;

(10) Expenses for producing biographical films, or similar materials, for use at the convention, about candidates for nomination or election to the office of President or Vice President, but any other political committee(s) that use part or all of the biographical films or materials shall pay the convention committee for the reasonably allocated cost of the biographical films or materials used; and

(11) To defray any expenses related to creating, producing, or directing convention proceedings, such as directors, producers, and writers.

(b) The following expenses may be paid by the convention committee, host committee, or municipal fund. Convention committees, host committees, and municipal funds may use donated funds and in-kind donations they have received for the following purposes:

(1) To defray those expenses incurred for the purpose of promoting or evaluating the suitability of the city as a convention site, including accommodations and hospitality for officials and employees of the convention and national party committees who are responsible for choosing the sites of the conventions;

(2) To provide the convention committee use of an auditorium or convention center and to provide construction and related services for that location to design, create, or install the physical or technological infrastructure for the conduct of the convention, such as: construction of podiums; press facilities; seating;

lighting equipment; electrical systems; air conditioning systems; loudspeaker and other communication systems; computer networks; office facilities; office equipment; and other expenses for preparing, maintaining, or dismantling the physical site of the convention, including convention hall utilities;

(3) To defray the costs of various local transportation services that are widely available to convention delegates and other individuals attending the convention, including the provision of buses and automobiles;

(4) To defray the costs of law enforcement and other security services, facilities, and personnel, including tickets, badges, and passes;

(5) To defray the cost of using convention bureau personnel to provide central housing and reservation services; and

(6) To provide hotel rooms at no charge or a reduced rate on the basis of the number of rooms actually booked for the convention.

(c) The following expenses may be paid by the host committee or municipal fund, but shall not be paid by the convention committee. Convention committees are also prohibited from using public funds as specified in 11 CFR 9008.7(b). Host committees and municipal funds may use donated funds and in-kind donations they have received for the following purposes:

(1) To defray those expenses incurred in facilitating commerce, such as providing the convention attendees with shopping and entertainment guides and distributing the samples and promotional material specified in 11 CFR 9008.52(a);

(2) To defray those expenses incurred for welcoming the convention attendees to the city, such as expenses for information booths, receptions, and tours; and

(3) To defray the host committee's administrative expenses incurred by the host committee, such as host committee employee compensation and expense reimbursement, host committee office rent, and host committee liability insurance.

(d) *Prohibited uses of donations received by host committees and municipal funds.* Host committees and municipal funds shall not use donated funds or in-kind donations in connection with a national nominating convention for the following purposes:

(1) To provide anything of value to a convention committee, a national political party committee, or any other political committee, except as expressly permitted by paragraphs (b) and (c) of this section; or

(2) To defray any expenses related to creating, producing, or directing convention proceedings, such as directors, producers, and writers.

22. The title of Subpart B of Part 9008 would be revised to read as follows:

Subpart B—Host Committees and Municipal Funds Representing a Convention City

23. Section 9008.50 would be revised to read as follows:

§ 9008.50 Scope and definitions.

(a) *Scope.* This subpart B governs registration and reporting by host committees and municipal funds representing convention cities. Unsuccessful efforts to attract a convention need not be reported by any city, committee or other organization. Subpart B also describes permissible sources of funds and other permissible donations to host committees and municipal funds. In addition, subpart B describes permissible disbursements by host committees and municipal funds to defray convention expenses and to promote the convention city and its commerce.

(b) *Definition of host committee.* A *host committee* includes any local organization, such as a local civil association, business league, chamber of commerce, real estate board, board of trade, or convention bureau that satisfies all of the following conditions:

(1) It is not organized for profit;

(2) Its net earnings do not inure to the benefit of any private shareholder or individual; and

(3) Its principal purpose is the encouragement of commerce in the convention city, as well as the projection of a favorable image of the city to convention attendees.

(c) *Definition of municipal fund.* A *municipal fund* is any separate fund or account of a government agency, municipality, or municipal corporation whose principal purpose is the encouragement of commerce in the municipality and whose receipt and use of funds is subject to control of officials of the State or local government.

24. Section 9008.51 would be amended by:

a. Revising the paragraph heading for paragraph (a);

b. Revising paragraph (a)(1);

c. Adding paragraph (a)(3);

d. Revising paragraph (b); and

e. Deleting paragraph (c).

The revisions, additions, and deletions are to read as follows:

§ 9008.51 Registration and reports.

(a) *Registration by host committees and municipal funds.*