

employee compensation and expense reimbursement, host committee office rent, and host committee liability insurance;

(5) 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;

(6) 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;

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

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

(9) To provide hotel rooms for the rate paid by the host committee, including either at no charge or at a reduced rate on the basis of the number of rooms actually booked for the convention.

(c) *Prohibited uses of donations received by host committees.* Host committees 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)(1) and (b)(5) through (8) of this section; or

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

26. Section 9008.53 would be revised to read as follows:

§ 9008.53 Receipts and disbursements of municipal funds.

(a) *Receipt of goods and services provided by commercial vendors.* Municipal funds may accept goods or services from commercial vendors for convention uses under the same terms and conditions (including reporting

requirements) set forth at 11 CFR 9008.52 for host committees.

(b) *Receipt and use of donations to a municipal fund.* Businesses (including banks), labor organizations, and other organizations or individuals may donate funds or make in-kind donations to a municipal fund to pay for expenses listed in 11 CFR 9008.52(b), provided that such funds or in-kind donations shall not be used for the expenses listed in 11 CFR 9008.52(c).

27. Section 9008.55 would be added to read as follows:

§ 9008.55 Solicitation of non-Federal funds for host committees and municipal funds.

(a) Host committee and municipal fund payments made in compliance with this part shall be deemed *disbursements in connection with a Federal election* for purposes of 11 CFR part 300.

(b) Host committees and municipal funds shall not be eligible to make the certification pursuant to 11 CFR 300.11(d).

(c) Host committees and municipal funds shall not be eligible for the exception in 11 CFR 300.65.

PART 9032—DEFINITIONS

28. The authority for part 9032 would continue to read as follows:

Authority: 26 U.S.C. 9032 and 9039(b).

29. Section 9032.9 would be amended by revising paragraph (c) to read as follows:

§ 9032.9 Qualified campaign expense.

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(c) Except as provided in 11 CFR 9034.4(e), expenditures incurred either prior to the date the individual becomes a candidate or after the last day of a candidate's eligibility will be considered qualified campaign expenses if they meet the provisions of 11 CFR 9034.4(a). Expenditures described under 11 CFR 9034.4(b) will not be considered qualified campaign expenses.

PART 9033—ELIGIBILITY FOR PAYMENTS

30. The authority citation for part 9033 would continue to read as follows:

Authority: 26 U.S.C. 9003(e), 9033 and 9039(b).

31. Section 9033.11 would be amended by adding new paragraph (b)(4), to read as follows:

§ 9033.11 Documentation of disbursements.

* * * * *

(b) * * *

(4) The documentation requirements of 11 CFR 102.9(b) shall also apply to disbursements.

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PART 9034—ENTITLEMENTS

32. The authority citation for Part 9034 would continue to read as follows:

Authority: 26 U.S.C. 9034 and 9039(b).

33. Section 9034.4 would be amended by:

- a. Revising the section heading;
- b. Revising paragraph (a)(3)(i);
- c. Revising paragraph (a)(3)(ii);
- d. Removing paragraph (a)(3)(iii);
- e. Adding paragraph (a)(6); and
- f. Revising paragraph (b)(3).

Revisions and additions are to read as follows:

§ 9034.4 Use of contributions and matching payments; examples of qualified campaign expenses and non-qualified campaign expenses.

(a) * * *

(3) * * *

(i) Winding down costs subject to the restrictions in 11 CFR 9034.11 shall be considered qualified campaign expenses.

(ii) If the candidate continues to campaign after becoming ineligible due to the operation of 11 CFR 9033.5(b), the candidate may only receive matching funds based on net outstanding campaign obligations as of the candidate's date of ineligibility. The statement of net outstanding campaign obligations shall only include costs incurred before the candidate's date of ineligibility for goods and services to be received before the date of ineligibility and for which written arrangement or commitment was made on or before the candidate's date of ineligibility, and shall not include winding down costs until the date on which the candidate qualifies to receive winding down costs under 11 CFR 9034.11. Each contribution made, dated and received after the candidate's date of ineligibility may be used to continue to campaign, and may be submitted for matching fund payments. Payments from the matching payment account that are received after the candidate's date of ineligibility may be used to defray the candidate's net outstanding campaign obligations, but shall not be used to defray any costs associated with continuing to campaign unless the candidate reestablishes eligibility under 11 CFR 9033.8.

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(6) Certain expenses incurred by ineligible candidates attending national nominating conventions.