

seeking to change reporting frequency. One commenter stated that this change fills a gap in the regulations and provides a procedure for switching reporting similar to that for unauthorized committees, which will be beneficial even though Presidential candidates' PCCs will seldom switch reporting schedules. The revised rule at § 104.5(b)(2) allows a PCC to change its filing schedule in a non-election year only after notifying the Commission in writing of its intention at the time it files a required report under its current filing frequency. The Presidential candidate's PCC is then required to file the next required report under its new filing frequency. In addition, a PCC may change its filing frequency no more than once in a calendar year. This rule establishes the same requirements as are found in 11 CFR 104.5(c) for unauthorized committees. The Commission notes that Presidential candidates' PCCs are not permitted to change their filing frequency during election years under 2 U.S.C. 434(a)(3)(A), except that a PCC that files quarterly reports must begin filing monthly reports at the next reporting period after it receives contributions or makes expenditures in excess of \$100,000.

11 CFR Part 107—Presidential Nominating Convention, Registration and Reports

11 CFR 107.2—Registration and Reports by Host Committees and Municipal Funds

The NPRM proposed revising the host committee and municipal fund registration and reporting requirements in 11 CFR 107.2 in two respects to reflect proposed changes to other Commission regulations. 68 FR at 18512. First, the NPRM proposed changing the title of section 107.2 as well as a reference in the text of the section to reflect the new definition of "municipal fund" it had proposed for 11 CFR 9008.50(c). Second, the NPRM proposed adding a sentence to 11 CFR 107.2 to reflect a revision it proposed for 11 CFR 9008.51 to require that host committee and municipal fund reports contain the information specified in 11 CFR part 104.

For the reasons explained in greater detail below, the Commission has decided to modify both 11 CFR 9008.50 and 11 CFR 9008.51 as proposed. *See Explanation and Justification* for new 11 CFR 9008.50(c) and 11 CFR 9008.51(b)(1), below. Accordingly, the Commission has decided to change the title of section 107.2 from "Registration and reports by host committees and

committees, organizations or other groups representing a state, city or other local government agency" to "Registration and reports by host committees and municipal funds." *See* new 11 CFR 107.2. Similarly, the Commission has decided to change the phrase used to describe municipal funds in the text of the section from "each committee or other organization or group of persons which represents a State, municipality, local government agency or other political subdivision in dealing with officials of a national political party with respect to matters involving a Presidential nominating convention" to "municipal fund." In addition, the Commission has decided to add the proposed sentence to § 107.2 requiring that host committee and municipal fund reports "shall contain the information specified in 11 CFR part 104." None of the commenters addressed these changes.

11 CFR Part 110—Contribution and Expenditure Limitations and Prohibitions

11 CFR 110.2—Contributions by Multicandidate Political Committees (2 U.S.C. 441a(a)(2))

For a full discussion of pre-candidacy expenditures by multicandidate political committees that are deemed in-kind contributions, see the Explanation and Justification for 11 CFR 9034.10 below. The language in the final rules at 11 CFR 110.2(l) varies from the language at 11 CFR 9034.10 because the candidate involved would not be publicly funded and, therefore, the consequence of a reimbursement would be simply to convert the payment from an in-kind contribution to an expenditure of the candidate. The qualified campaign expense concept and the attendant spending limit provisions are not implicated for candidates who are not publicly funded.

11 CFR Part 9001—Scope

11 CFR 9001.1—Scope

The Commission is making two technical amendments to this section to update the references to its other regulations.

11 CFR Part 9003—Eligibility for Payments

11 CFR 9003.1—Candidate and Committee Agreement

The Commission is making a technical amendment to the regulations on candidate agreements in § 9003.1 to update the reference to other regulations. Under revised paragraph (b)(8), candidates and their authorized

committees must agree to comply with the Commission's rules through 11 CFR part 400.

11 CFR 9003.3—Allowable Contributions; General Election Legal and Accounting Compliance Fund

The Commission is revising its rule governing General Election Legal and Accounting Compliance Funds ("GELACs") in several respects.

11 CFR 9003.3(a)(1)—Sources

1. Solicitation of GELAC Funds

Regulations issued in 1999 barred the solicitation and deposit of GELAC contributions prior to June 1 of the calendar year of a Presidential general election. *See* former 11 CFR 9003.3(a)(1)(i) and (a)(1)(i)(A). Deposits earlier than June 1 were permitted only for excessive primary contributions that had been redesignated for the GELAC under the previous rules. The NPRM sought comment on whether to change the date to either April 1 or May 1. One commenter supported the greater flexibility that would be provided with an earlier date, but nonetheless described the proposed change as a relatively insignificant step. The only other commenter to address this issue saw no reason to change the June 1 date.

The 1999 explanation and justification stated that the June 1 rule was intended to address two issues. The first was that candidates who do not receive their party's nomination must return all GELAC contributions, which can be difficult if some have been used to defray overhead expenses or to solicit additional GELAC contributions. The second concern was to ensure that GELAC funds are not improperly used to make primary election expenditures. *See Explanation and Justification of the Rules Governing Public Financing of Presidential Primary and General Election Candidates*, 64 FR 49355, 49356 (Sept. 13, 1999). The Commission selected the June 1 date because "barring unforeseen circumstances, this is the point when a party's prospective nominee can be reasonably assured that he or she will need to raise funds for a GELAC" and the date gives prospective nominees "sufficient time to raise the funds that will be needed." *Id.* Because the effective date of these regulatory amendments was June 1, 2000, the pre-June 1 solicitation prohibition was not operative for the 2000 election cycle.

The Commission has decided to change the starting date for GELAC solicitations and most deposits to April 1. The earlier primary dates for some states in the 2004 Presidential election cycle are likely to lead to an earlier