

documentation of disbursements. Adding this reference to 11 CFR 102.9(b) will assist the reader in locating these other pertinent provisions.

11 CFR 9008.12—Repayments

The Commission is revising 11 CFR 9008.12(b)(7) to reflect changes in other portions of the convention regulations. First, two references within paragraph (b)(7) are being changed to reflect the new definition of “municipal fund” in 11 CFR 9008.50(c). *See* Explanation and Justification for 11 CFR 9008.50, below.

Second, the Commission is deleting the final clause in paragraph (b)(7), which had identified donations from a nonlocal businesses as impermissible host committee/municipal fund contributions, to reflect its deletion of the requirement in 11 CFR 9008.52(c) and 11 CFR 9008.53(b) that only local entities and individuals may make donations to host committees and municipal funds to defray convention expenses. *See* Explanation and Justification for 11 CFR 9008.52 and 11 CFR 9008.53, below. The final rules substantially follow the proposed rules, which were not addressed by any of the commenters.

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

11 CFR 9008.50—Scope and Definitions

The NPRM noted that host committees and municipal funds have evolved to the point where their roles in convention financing are increasingly similar but the Commission’s rules had treated them differently. 68 FR at 18507. The NPRM sought public comment on whether host committees and municipal funds should be treated the same.

One discrepancy in the regulations relating to host committees and municipal funds was that the rules defined “host committee,” in 11 CFR 9008.52(a), but did not define “municipal fund.” 68 FR at 18507–08. The NPRM proposed to add a definition of “municipal fund” in new paragraph (c) of 11 CFR 9008.50, and to move the definition of “host committee” from 11 CFR 9008.52(a) to paragraph (b) of 11 CFR 9008.50. The proposal defined a “municipal fund” as “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.”

The NPRM stated that any municipal fund that accepted donations and made disbursements related to convention

activities would be required, under the proposed definition, to use a separate account for such purposes. Comment was sought on whether any other restrictions should be imposed on municipal funds to ensure that funds received or disbursed by municipal funds are used solely for the purpose of promoting the city and its commerce, such as limiting them to accounts subject to audit by State or local public agencies.

No commenters addressed this topic. The Commission believes that it is helpful to add a definition of “municipal fund.” Accordingly, the Commission has decided to adopt the proposed definition of “municipal fund,” which is located in paragraph (c) of 11 CFR 9008.50. This provision defines a municipal fund as a fund or account of a government agency, municipality, or municipal corporation.

The definition distinguishes a municipal fund from a host committee, in part, by limiting municipal funds to those funds or accounts of a government agency, municipality, or municipal corporation, and “whose receipt and use of funds is subject to the control of officials of the State or local government.” When engaged in activities that promote an area and its commerce, State and local governments participate in a wide variety of organizations that often permit the private sector to participate in some role. The Commission intends that municipal funds will be limited to the group of such organizations whose funds are under the control of State or local government officials acting in their official capacities when they receive and disburse funds. Any organizational structure that includes public officials in some capacity but does not keep the funds under governmental control cannot qualify as a municipal fund, but may qualify as a host committee. For example, if a local civic association includes a city’s mayor as an officer, but the association’s funds are not maintained in a city account, the local civic association could not be a municipal fund, but it could be a host committee, if it met the requirements of new 11 CFR 9008.50(b).

The Commission has decided to move the definition of “host committee” to paragraph (b) of 11 CFR 9008.50, so that the definitions are grouped together.

11 CFR 9008.51—Registration and Reports

11 CFR 9008.51(a)(1)—Registration Requirements

The Commission has decided to make a number of changes to the host

committee and municipal fund registration and reporting requirements. With respect to the registration requirements, 11 CFR 9008.51(a) is being revised to require host committees and municipal funds to file FEC Form 1 (Statement of Organization) within ten days of the date on which the national party chooses the convention city or ten days after the host committee or municipal fund is formed, whichever date occurs later.

These new registration requirements differ from the former requirements in two respects. First, the former provision required host committees and municipal funds to file a “Convention Registration Form,” not a Statement of Organization. Second, the former provision required host committees and municipal funds to register within ten days of the date on which the party selected the convention city.

The NPRM sought comment on the change in the registration deadline, as well as an alternative deadline that would have required host committees and municipal funds to register within 10 days of when they first solicit or accept donations or make disbursements for convention activities. No commenters specifically addressed the proposed changes to the host committee and municipal fund registration requirements in 11 CFR 9008.51(a).

With respect to the proposal to require host committees and municipal funds to register using FEC Form 1, the Commission notes that host committees and municipal funds typically use this form already. Therefore, the Commission has decided to adopt the proposed change requiring host committees and municipal funds to register using Form 1.

The Commission is adopting the proposal to require host committees and municipal funds to file within 10 days of their formation or within 10 days of convention city selection, whichever date occurs later. This change represents a more realistic timeframe, in that it accounts for the possibility that not all host committees or municipal funds are established within 10 days of when the convention city is selected. The Commission is not adopting the alternative that would have required host committees and municipal funds to register within 10 days of soliciting, accepting, or disbursing funds for convention activities. The alternative could have made it difficult to determine when particular host committee or municipal fund registration statements would actually be due.