

*11 CFR 9008.51(a)(3)—Submission of Convention Committee, Host Committee, and Municipal Fund Agreements*

As discussed above, the NPRM proposed to require convention committees, host committees, and municipal funds 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 Explanation and Justification for 11 CFR 9008.3(b)(ii), above; see also 68 FR at 18512. For the reasons stated above, the Commission has decided to adopt this proposed rule.

Accordingly, the Commission is revising 11 CFR 9008.51 to require host committees and municipal funds to submit any and all such written contracts and agreements with the report covering the reporting period during which the agreement is executed. See 11 CFR 9008.51(a)(3). As explained below, this will usually be the post-convention report. Host committees and municipal funds must also submit any subsequent modifications to a previous agreement. However, host committees and municipal funds need not submit contracts made with convention committees that have already been filed by the convention committees themselves. No commenters addressed these revisions.

*11 CFR 9008.51(b)—Reporting Requirements*

The NPRM proposed a number of changes to the reporting requirements applicable to host committees and municipal funds in 11 CFR 9008.51(b) and (c). First, the NPRM proposed to apply the same reporting requirements to both host committees and municipal funds. Under previous Commission regulations, different reporting requirements applied to host committees and municipal funds. While host committees were required to file a post convention report on FEC Form 4, municipal funds were only required to file a post convention letter, which did not need to contain all of the information required on FEC Form 4. Compare former 11 CFR 9008.51(b)(1) with former 11 CFR 9008.51(c). In addition, host committees were required to continue filing quarterly reports as long as they continued to accept funds or make disbursements after filing the post convention report, but municipal funds were not subject to such a requirement. Former 11 CFR 9008.51(b)(2). Furthermore, host committees were required to file a final report within 10 days of ceasing

reportable activity, but municipal funds were not. Former 11 CFR 9008.51(b)(3).

One commenter contended that it was in the public interest to require municipal funds to file reports with the same frequency and containing the same level of detail regarding receipts and disbursements as those filed by host committees. The Commission agrees, especially because it is dropping the former restrictions on municipal fund fundraising and permitting municipal funds to accept donations under the same conditions as host committees. See Explanation and Justification for 11 CFR 9008.53. Accordingly, the Commission is revising 11 CFR 9008.51 to state that the reporting provisions in paragraphs (b)(1), (2), and (3) apply to both host committees and municipal funds.

The NPRM also proposed two other changes to the host committee reporting requirements in 11 CFR 9008.51(b)(1). First, noting that paragraph (b)(1) of § 9008.51 did not provide a date for the close of books for host committees' post-convention reports, the NPRM proposed revising 11 CFR 9008.51(b)(1) to set the close of books as 15 days prior to the date of filing. No commenters specifically addressed this date. The Commission believes that the proposed time frame is reasonable, in that it should provide sufficient time for host committees and municipal funds to prepare their reports. In addition, the Commission believes that it makes sense to apply the same time frame to host committees and municipal fund reports that currently applies to convention committee reports under 11 CFR 9008.3(b)(2)(ii). Accordingly, the Commission is revising 11 CFR 9008.51(b)(1) to establish the close of books for host committee and municipal fund reports as 15 days prior to the due date for filing these reports.

Second, the NPRM proposed revising 11 CFR 9008.51(b)(1) to require that reports filed pursuant to 2 U.S.C. 437 must contain the information specified in 11 CFR part 104. The statutory authority for 11 CFR part 104 is based in 2 U.S.C. 434. Host committee and municipal fund reporting is required by 2 U.S.C. 437, which explicitly allows the Commission to require a "full and complete financial statement, in such form and detail as it may prescribe." Requiring host committee and municipal fund reports to be presented in the same format as other reports that are filed with the Commission significantly enhances the public disclosure of convention-related financial activity. No commenters addressed this proposed change. Accordingly, the Commission is revising 11 CFR 9008.51(b)(1) to state that host

committee and municipal fund post-convention reports must "disclose all the information required by 11 CFR part 104."

The NPRM also sought comment on whether requiring host committees and municipal funds to file quarterly reports after the 60-day post-convention report is required by and consistent with 2 U.S.C. 437, which refers to a single financial statement. No commenters addressed this question.

The Commission concludes that it does have the authority to require further reports by municipal funds. Section 437 states that host committees and municipal funds must, "within 60 days following the end of the convention (but not later than 20 days prior to the date on which presidential and vice-presidential electors are chosen), file with the Commission a full and complete financial statement, in such form and detail as [the Commission] may prescribe, of the sources from which it derived its funds, and the purpose for which such funds were expended." 2 U.S.C. 437. The Commission's experience with convention financing indicates that it is often not possible for host committees and municipal funds to provide a full and complete financial statement within the prescribed time frame because receipts and invoices pertaining to the convention tend to continue to arrive after the convention has ended and even after the November general election. The Commission believes that 2 U.S.C. 437 in conjunction with 26 U.S.C. 9009, which grants the Commission the authority to require the submission of "such books, records, and information, as it deems necessary to carry out the functions and duties imposed on it by this chapter," provides the Commission with sufficient statutory authority to require both host committees and municipal funds to continue filing reports with the Commission as long as they receive or spend funds relating to the conventions. Furthermore, the Commission notes that the reporting obligation beyond the initial report is expressly conditioned on further convention-related activity, which means that the obligation will only apply when the initial report is *not* a "full and complete financial statement," as required by 2 U.S.C. 437.

The NPRM also sought comment on the form that convention committees, host committees, and municipal funds should be required to use for their reports. Convention committees and host committees were required to report using FEC Form 4, while municipal funds were not required to use any particular form. See 11 CFR