

should the Commission address a situation where a political committee qualifies for multicandidate status, does not certify its status within ten days, but makes a contribution over \$2,000 to a candidate for Federal office? The Commission also seeks comments on what certification process, if any, should be used if the Commission adopts an alternative approach and allows multicandidate status to be optional at the choice of the committee.

II. 11 CFR 110.1 Conforming Change to Contributions by Persons Other Than Multicandidate Political Committees

In section 307(a)(2) of BCRA, Congress raised the annual aggregate limit on contributions by persons other than multicandidate committees to national political party committees from \$20,000 to \$25,000. 2 U.S.C. 441a(a)(1)(B). The Commission proposes to revise the corresponding regulation in 11 CFR 110.1 to reflect this statutory change.

III. 11 CFR 110.5 Aggregate Biennial Contribution Limitation for Individuals

BCRA amended the provisions in the Act that limit the total amount of contributions that may be made by individuals. Section 441a(a)(3) of the FECA previously permitted individuals to make no more than \$25,000 in aggregate contributions per calendar year. This provision was revised by BCRA to establish new biennial aggregate limits that permit individuals to make up to \$95,000 in contributions, including up to \$37,500 in contributions to candidates and their authorized committees, and up to \$57,500 in contributions to any other political committees. 2 U.S.C. 441a(a)(3)(A) and (B). The \$57,500 aggregate contribution limit contains a further restriction in that no more than \$37,500 of this amount may be given to committees that are not the political committees of national political parties. 2 U.S.C. 441a(a)(3)(B). Regulations implementing these changes were issued as part of the rulemaking entitled "Contribution Limitations and Prohibitions." See Contribution Limitations and Prohibitions; Final Rules, 67 FR 69928 (November 19, 2002). Previously, 2 U.S.C. 441a(a)(3) also provided that, for the purposes of the annual limitation, any contribution made to a candidate "in a year other than the calendar year in which the election is held with respect to which such contribution is made, is considered to be made during the calendar year in which such election is held." BCRA deleted this language from the Act. However, the Commission retained 11 CFR 110.5(c), which

specifically addressed contributions made in a non-election year. The proposed rules would amend § 110.5(c) to delete the current language and to replace it with language affirmatively stating that for the purposes of the biennial contribution limits in 11 CFR 110.5 (which are set forth in paragraph (b)), a contribution to a candidate will be attributed to the two-year period in which the contribution is actually made, regardless of when the election will be held. For example, for the purposes of the biennial limit, a contribution made in 2004 to a candidate in a 2006 Senate race would be attributed to the individual's limit for the 2003–2004 period. Similarly, a contribution made in 2005 to a candidate in the 2008 presidential race would be attributed to the individual's limit for the 2005–2006 period. In addition, a contribution made during 2007 to retire debt from a 2006 House election would be attributed to the individual's two-year limit for the 2007–2008 period, not for the 2005–2006 period.

The Commission seeks comments on whether the proposed revisions are consistent with BCRA. If the Commission revises its regulations in this manner, the Commission seeks comment on when such revisions should become effective.

Certification of No Effect Pursuant to 5 U.S.C. 605(b)

[Regulatory Flexibility Act]

The attached proposed rules, if promulgated, would not have a significant economic impact on a substantial number of small entities. The basis for this certification is that few, if any, small entities would be affected by these proposals. These rules propose no sweeping changes, and are largely intended to simplify the process of determining the status of political committees and the aggregate biennial amounts that individuals may contribute to candidates for Federal office. Several of the proposed changes are purely technical, and those few proposals that might increase the cost of compliance by small entities would not do so in such an amount as to cause a significant economic impact.

List of Subjects

11 CFR Part 102

Political committees and parties, reporting and recordkeeping requirements.

11 CFR Part 110

Campaign funds, political committees and parties.

For the reasons set out in the preamble, the Federal Election Commission proposes to amend subchapter A of chapter 1 of title 11 of the Code of Federal Regulations as follows:

PART 102—REGISTRATION, ORGANIZATION, AND RECORDKEEPING BY POLITICAL COMMITTEES (2 U.S.C. 433)

1. The authority citation for part 102 would continue to read as follows:

Authority: 2 U.S.C. 432, 433, 434(a)(11), 438(a)(8), 441d.

2. Section 102.2 would be amended by revising paragraph (a)(3) to read as follows:

§ 102.2 Statement of organization: Forms and committee identification number (2 U.S.C. 433(b), (c)).

(a) * * *

(3) A committee shall certify to the Commission that it has satisfied the criteria for becoming a multicandidate committee set forth at 11 CFR 100.5(e)(3) by filing FEC Form 1M no later than ten (10) calendar days after qualifying for multicandidate committee status.

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PART 110—CONTRIBUTION AND EXPENDITURE LIMITATIONS AND PROHIBITIONS

3. The authority citation for part 110 would continue to read as follows:

Authority: 2 U.S.C. 431(8), 431(9), 432(c)(2), 437d, 438(a)(8), 441a, 441b, 441d, 441f, 441g, 441h, and 441k.

4. Section 110.1 would be amended by revising paragraph (c)(3) to read as follows:

§ 110.1 Contributions by persons other than multicandidate political committees (2 U.S.C. 441a(a)(1)).

* * * * *

(c) * * *

(3) Each recipient committee referred to in 11 CFR 110.1(c)(2) may receive up to the \$25,000 limitation from a contributor, but the limits of 11 CFR 110.5 shall also apply to contributions made by an individual.

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5. Section 110.2 would be amended by revising paragraph (a)(1) to read as follows:

§ 110.2 Contributions by multicandidate political committees (2 U.S.C. 441a(a)(2)).

(a)(1) *Scope.* This section applies to all contributions made by any multicandidate political committee as defined in 11 CFR 100.5(e)(3). See 11 CFR 102.2(a)(3) for multicandidate