

## **WE ALL WANT A DEMOCRAT IN THE WHITE HOUSE...**

We are all excited about the tremendous possibilities we have this election year. We all want to harness, to take advantage of, to bring into the fold all the new and newly energized voters out there.

And we are all also tremendously frustrated when, election after election, the national campaign pretty much bypasses us, focusing most of their resources in states where they are more likely to win electoral college votes.

This year, unlike most recent election years, the national campaign will have a presence and staff in Texas. But the reality is that that presence will be limited. So you will probably still be frustrated by a lack of materials, little if any media advertising, too few visits and events.

Please don't let that frustration get you into trouble. Campaign activity on behalf of specific candidates for federal office is restricted by federal law and regulated by the Federal Election Commission. Federal registration thresholds for parties are much lower than Texas's. Recordkeeping and reporting requirements are much more stringent.

Federal campaign activity—even printing too many yard signs and doorhangers—can cause you to become a federal committee, even if you don't have to report as a political committee to the Texas Ethics Commission.

Being a federal PAC is not easy. Even if you federalize, you might get to print all the paper stuff you want, but you still can't *be* the presidential campaign, you still can't have a presidential campaign HQ, and you will still be severely limited in what you can do for any federal candidate.

## **DO YOU REALLY WANT TO BE A FEDERAL POLITICAL COMMITTEE?**

Becoming a federal PAC is a serious step. Don't do it accidentally or inadvertently, and please don't do it without considering the consequences and responsibilities. If you become a federal PAC:

- All of your political activity—including voter registration drives, generic GOTV activities, and early-vote rallies—will be federally regulated and reportable.
- All of your administrative costs—rents, staff, taxes, phones, stationery, etc.—will be federally regulated and reportable.
- You will be restricted in how you use contributions you raise under Texas law.
- You will be restricted in contributing or raising money for other kinds of state PACs; even your ability to contribute to a Texas non-federal candidate can be restricted.
- Your federal bank account will become your primary operating account. The only way you will be able to use your Texas contributions in the campaign—even contributions from your local candidates and officeholders—is via a complex allocation-and-transfer system.
- You may have to report monthly, even if many/most of your activities are generic (“Vote Democratic”).

- Your reports will be reviewed by Federal Election Commission staff (FEC analysts desk-audit every report); letters from the FEC are routine, and you are required to explain or amend reports within 30 days of receiving a letter.
- You will share federal contribution limits (incoming and outgoing) with the state party and any other county party in Texas that has federalized.
- Failure to properly file reports with the FEC can result in steep fines.

#### **FEDERAL REGISTRATION THRESHOLDS**

If your county party exceeds any one of these registration thresholds, you have to register as a federal PAC.

- Making contributions to federal candidates that total over \$1,000 in a calendar year—for all federal candidates combined.
- Making expenditures for “exempt party activities” that exceed \$5,000 in a calendar year. Exempt activities are volunteer-based ways of promoting federal candidates that do not count as contributions to those candidates.
- Raising more than \$5,000 to use specifically in connection with federal elections.

#### **EXEMPT PARTY ACTIVITIES**

The exempt party activities are volunteer-based activities that feature federal candidates (with or without other candidates) but do not count as contributions to the federal candidates.

(Public advertising is NEVER an exempt activity. Do NOT place radio, television, newspaper or other paid advertising that supports/opposes a federal candidate.)

To avoid federal registration, you must limit exempt activities to \$5,000 in a calendar year. Staying under this very low threshold (set in 1979) takes careful planning. There are three types of exempt party activities.

- Slate cards or other printed lists
- Campaign materials
- Presidential/Vice Presidential voter registration and GOTV

**Please review the attached information for ideas about how to stay off the federal radar, under the federal registration thresholds, and stretch your \$5,000 exempt activity limit.**

And for more information about federal activity:

*General Compliance Guide for Democratic County Parties* (June 2006), pp. 27-35, online at [www.txdemocrats.org/grassroots/resources](http://www.txdemocrats.org/grassroots/resources)

FEC’s *Campaign Guide for Political Party Committees* (August 2007) and *Party Guide Supplement* (July 2008), online at <http://www.fec.gov/info/publications.shtml#guides>

FEC brochure “Local Party Activity” (updated December 2007), online at <http://www.fec.gov/pages/brochures/locparty.shtml>

