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Restrictions on Contributions to Convention and Host Committees

As the 2016 presidential election nears, fundraising efforts surrounding the presidential nominating conventions are beginning to intensify. Each convention is supported by both a convention committee, established by the applicable national party (Convention Committee), and by a separate host committee, a nonprofit organization the principal purpose of which is the encouragement of commerce in the convention city and the projection of a favorable image to convention attendees (Host Committee). While federal law prohibits corporate contributions to Convention Committees, there are several ways for corporations to support convention activities, including by contributing to the Host Committees. Below is a summary of the applicable restrictions.

Support for Convention Committees

Federal law treats Convention Committees in the same manner as other national party committees (e.g., RNC, DNC) for the purposes of prohibited sources, and places certain limits and restrictions on contributions. Accordingly, corporate contributions to Convention Committees are prohibited.

While in the past Convention Committees received public funding, recent amendments to federal law have eliminated this public funding. In its place, individuals and PACs are now permitted to contribute directly to Convention Committees. However, contributions by individuals and PACs are subject to limits and may raise issues under applicable pay-to-play laws to the extent they are solicited by or linked to state or local candidates or officeholders.

Individual contributions to a Convention Committee are limited to \$100,200 per year, while a multicandidate PAC may contribute up to \$45,000 per year.

Support for Host Committees

While prohibited from contributing to Convention Committees, corporations may make unlimited monetary or in-kind contributions to a Host Committee, provided that the contributions are made for the purpose of assisting with the logistics of hosting the convention (e.g., providing services and construction for the convention, defraying administrative expenses of the host committee, or providing accommodations and hospitality for committee members of the hosting party). Please note that corporations are prohibited from paying for expenses such as travel and accommodations for speakers and delegates to the convention.

Private Events

Corporations also may hold or support private events in connection with the convention. When paying for such events, it is important to keep in mind that the limits and restrictions above apply equally to in-kind contributions. As a result, to the extent an event is intended to benefit a Convention Committee, corporate support could be problematic. On the other hand, corporate support for events intended to benefit a Host Committee is permissible. As always, sponsors and other supporters of events should keep in mind potential gift law implications to the extent government officials or employees may attend, and we recommend vetting such events in advance to ensure compliance with these and other laws, including campaign finance and pay-to-play provisions.