

Payroll Deduction for Trade Association PACS?

November 2003

The Federal Election Commission (FEC) approved on October 16, 2003, a Notice of Availability in relation to a petition by America's Community Bankers and its separate segregated fund, COMPAC. America's Community Bankers' Petition for Rulemaking asks the FEC to revise its regulations at 11 CFR 114.8(e)(3) and specifically permit, rather than prohibit, the use of payroll deductions by a member corporation of a trade association in order to collect contributions from the corporation's restricted class for the trade association's separate segregated fund. The Petition is based upon (1) the fact that the current FEC prohibition is not mandated by federal statute; (2) the growing popularity, low cost and ease of use of payroll deduction plans; and (3) the fact that BCRA emphasizes separate segregated funds and takes away other types of corporate activities.

The Notice of Availability provides interested persons with 30 days from the publication of the Notice in the Federal Register in which to comment on the Petition for Rulemaking. The comment period closes on November 24, 2003. Only after the close of the comment period will the FEC act on the merits of the Petition.

The Notice of Availability can be found at www.fec.gov/pdf/nprm/payroll_deduction_trade_ssf/fr68n206p60887.pdf. The Petition can be found at www.fec.gov/pdf/nprm/payroll_deduction_trade_ssf/orig_petition.pdf.

Authors

D. Mark Renaud
Partner
202.719.7405
mrenaud@wiley.law