

FEC Fines Association for Omitting Required PAC Disclaimers

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On April 5, the Federal Election Commission (FEC) announced that the High Point Regional Association of Realtors (HPRAR) would pay a \$4,500 fine for failing, in its August 2005 newsletter and subsequent monthly meetings, to include the proper disclaimers informing those solicited of the political purposes of the PAC and the right to refuse to contribute without reprisal. Neither the National Association of Realtors nor its PAC (RPAC), the entity for which HPRAR was soliciting contributions, was found to have committed any wrongdoing.

In its August 2005 newsletter, according to the conciliation agreement reached in Matter Under Review (MUR) 5681, HPRAR listed each of its members who had not contributed to RPAC, provided information about upcoming state legislation, and profiled a particular member for her monetary support to RPAC. The section of the newsletter concluded by asking whether each member had given RPAC his or her "fair share." In addition, HPRAR displayed the names of non-contributing members at its monthly meetings and its annual meeting, held in September 2005.

Federal law and the rules of the FEC require that solicitations for contributions from trade associations or a corporation's restricted class, whether written or oral, include information about the PAC's political purposes and that each member has the right to refuse to contribute without reprisal from the soliciting entity. In addition, all contributions must be voluntary and those solicited must be so informed. None of the above solicitations included the requisite information.

These are not the only disclaimer requirements. Disclaimers should also include a statement that contributions are not tax deductible, although this requirement is enforced by the IRS and not the FEC. Further, if contribution guidelines are suggested, then an additional disclaimer must be included. This disclaimer must state that all guidelines are suggestions, that a contributor is free to contribute more or less than the suggested amount, and that the employer will not favor or disfavor the individual based on the contribution amount or a decision not to contribute.