

April 18, 2024

Re: FEC Registered Political Action Committee Compliance following S1251

Idaho's campaign finance disclosure laws aim to 1) promote public confidence in government and 2) promote openness in government by promoting transparency in the financial support or opposition in election campaigns as outlined in Idaho Code § <u>67-6601</u>. During the 2024 legislative session, the legislature passed, and the governor signed <u>S1251</u>, which modified the definition of a political committee by removing the exemption for committees registered with the Federal Elections Commission (FEC). This legislation contained an emergency clause and took effect on April 3, 2024.

Since the passage of <u>\$1251</u>, the Secretary of State's office has been working to determine the implications of this change and the relationship between FEC compliance and state compliance. Having spoken to the bill sponsors, <u>\$1251</u> aimed to ensure greater transparency in instances where FEC-registered political committees engage in Idaho state or local elections. Given the legislative intent, the following is initial guidance for FEC-registered candidates and committees as to how to comply with Idaho's campaign finance laws. Further guidance may be provided following initial implementation until such time, any FEC-registered entity may rely upon this guidance.

Federal Candidates

These changes do not apply to federal candidate elections. The Federal Elections Commission clearly regulates the disclosure requirements related to federal elections. Any candidate activity or political action committee activity related to federal elections in Idaho should be reported in accordance with FEC guidance. Idaho's definition of "public office" in Idaho Code § 67-66702(22) specifically excludes federal offices because the FEC has jurisdiction over reporting and disclosure in federal races.

FEC Candidate or PAC Donations to Idaho Candidates or Political Committees

The FEC recently issued an advisory opinion, <u>AO 2023-09</u>¹, which clarifies that federal candidates and, by extension, political committees may have a nonfederal political committee so long as the nonfederal committee does not raise funds to influence any election for federal office.

¹ https://www.fec.gov/updates/ao-2023-09/

One option for FEC-registered entities interested in participating in Idaho state, legislative, judicial, and local races is to create a separate nonfederal political committee that otherwise complies with Idaho campaign finance laws.

Alternatively, in order to add the intended transparency, our office advises any federal candidate or PAC making direct contributions to Idaho candidates or political committees to provide the FEC ID number of the candidate or political committee making the contribution. When reporting, the receiving candidate or political committee shall add the FEC ID number as part of the contributor's name. Example: Potato Lovers PAC (FEC ID: C008947584)

Moving forward, our office is evaluating the possible integration of the FEC ID for these types of contributions into the new Idaho campaign finance reporting portal.

Local PACs registered with the FEC

One of the intended impacts of <u>\$1251</u> was to require registration and reporting to the Idaho Secretary of State for any political committee that raises and expends funds for the purpose of supporting or opposing non-federal candidates or measures in Idaho, regardless of whether the committee is registered and reporting to the FEC. There are instances where a federally registered political committee only engages in non-federal Idaho races. This is distinguished from federal political action committees that raise and expend funds in federal elections. Any committee falling within this category is advised to register and report any activity dating back to January 1, 2023 in order to cover the full 2024 election cycle.

Independent Expenditures

Regardless of whether a political committee is registered with the FEC, Idaho, or any other jurisdiction, an independent expenditure report is required when making independent expenditures in non-federal, state and local elections in Idaho. An independent expenditure is any expenditure greater than \$100 that clearly advocates for or against any non-federal candidate or measure in an Idaho election. The definition and specific requirements can be found in Idaho code sections 67-6602(11) & 67-6611.

If a FEC-registered PAC makes the independent expenditure, it is advised that the PAC include its FEC ID number as part of the entity name when filing an independent expenditure report. Example: Potato Lovers PAC (FEC ID: C008947584)

Any entity not registered with the Idaho Secretary of State, including FEC-registered PACs, may report an independent expenditure here:

https://sunshine.voteidaho.gov/nonregister/independentexpenditurereport