



FEDERAL ELECTION COMMISSION
Washington, DC 20463

April 9, 1982

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

ADVISORY OPINION 1982-17

Mr. Donald F. Michael
Chairman
Indiana Democratic Party
311 W. Washington Street
Indianapolis, Indiana 46204

Dear Mr. Michael:

This responds to your letter of March 3, 1982, requesting an advisory opinion on behalf of the Indiana Democratic Party ("the Party") concerning application of the Federal Election Campaign Act of 1971, as amended ("the Act"), and Commission regulations to the distribution of state funds to the Party.

Under Indiana law a portion of the fees paid for personalized auto license plates are distributed to the political parties in the state. The applicable statute requires a \$40 fee for a personalized license plate with \$30 of that fee distributed to qualified state party committees, i.e., those political parties whose candidates for the office of governor received at least 5% of the votes cast in the last preceding general election for that office. IND. CODE §9-7-5.5-7 and §9-7-5.5-8. You ask whether the Party may deposit its share of the personalized auto license plate proceeds in its Federal election account established under 102.5 of Commission regulations.

The fees distributed by the State to the Party are not contributions under the Act. The monies collected by the State from personalized auto license plate fees were mandatory fees and not paid to the State for the purpose of influencing a Federal election. In addition, the Commission has previously recognized that pursuant to State statute, a State may fund political parties and candidates in Federal elections. In Advisory Opinions 1978-9 and 1980-103 (copies enclosed), the Commission permitted state party committees and candidates to accept funds generated from a state income tax check-off system for use in Federal elections. Therefore, the Party may deposit its share of the personalized auto license plate proceeds in its Federal election account.

These proceeds should be reported as miscellaneous receipts with an explanation indicating their source and identifying the appropriate state agency as the payor. 2 U.S.C. 434(b)(3)(G) and 11 CFR 104.3(a)(4)(vi).

This response constitutes an advisory opinion concerning application of the Act, or regulations prescribed by the Commission, to the specific transaction or activity set forth in your request. See 2 U.S.C. 437f.

Sincerely,

(signed)

Frank P. Reiche
Chairman of the Federal Election Commission

Enclosures (AO 1978-9 and 1980-103)