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M-97-03

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MEMORANDUM

TO: Non-Legislative Political Committees
FROM: Michael J. Sullivan, Director Pro Tem
SUBJECT: Expenditures for Automobile Use¹

This memorandum provides guidelines for political committees not organized on behalf of candidates for state legislative office, which make expenditures for the use of a candidate's or committee agent's personally owned automobile, or which may wish to lease an automobile.² The following guidelines are provided to help candidates and committees³ comply with the campaign finance law's record keeping requirements and restrictions on personal use.

1. When Reimbursement is Allowed - Although a political committee is not required to reimburse a candidate or other person for campaign, legislative, or constituent service related travel, it may do so if the expenditure is "not otherwise paid, provided or reimbursed by the commonwealth or any other governmental body." *See* M.G.L. c. 55, § 6.

A political committee organized may reimburse the candidate or an agent of the committee for the use of a personal automobile, if a governmental body does not reimburse the candidate for the travel, for (a) travel relating to campaigning for votes and fundraising, i.e., "campaign travel," or (b) travel related to providing legislative or constituent services, including traveling to attend meetings or events relating to legislation or issues of interest to constituents, i.e. "constituent travel."

2. Amount of Reimbursement - A political committee may reimburse a candidate or other person, who is not otherwise reimbursed, for campaign or legislative travel in an amount up to and including the standard mileage rate set by the Internal Revenue Service (IRS). In 2021, the standard mileage rate is 56 cents.

¹ As initially issued, M-97-03 provided guidance regarding expenditures for automobile leases. As revised, this Memorandum now provides guidance to committees, other than those organized on behalf of candidates for the state senate or house of representatives, regarding all automobile-related expenditures. *See* M-97-02 for guidance applicable to legislative candidates regarding automobile expenditures.

² The campaign finance law does not provide for the purchase of automobiles by political committees.

³ The term "candidate" includes not only persons seeking office, but also incumbents.

If a committee is reimbursing a candidate or individual at the IRS rate, it cannot also make reimbursements for the cost of gas, oil, tires, repairs, taxes, insurance, licenses, garage rent or any other costs. Reimbursement should take place within thirty days of the initial expenditure. *See* 970 CMR 2.10(2)(d).

A committee reimbursing a candidate or other person for campaign or constituent travel at the IRS rate should generally not also make direct payments for items that are included in the mileage reimbursement rate, such as fuel. OCPF closely scrutinizes expenditures to ensure that campaign funds are not used to pay for personal travel.

3. Recordkeeping - The key to ensuring that a political committee does not inadvertently make expenditures for personal travel is accurate recordkeeping. A political committee should not reimburse a candidate or agent of the committee for the use of a personal automobile, unless the candidate or agent provides to the political committee the following information and receipts:

- (a) the date of the travel;
- (b) the purpose and destination of the travel;
- (c) the distance traveled or odometer readings; and
- (d) the automobile used and the name of the owner.

To the extent this information is not recorded by a committee, the travel may be considered personal. Political committees should consider using a mileage tracking app that may be loaded into a smart phone or tablet, to automatically calculate and log all travel to be reimbursed.

4. When may a political committee lease an automobile? - A political committee may lease an automobile if the committee anticipates that it will be used at least 50% of the time for campaign and constituent travel.

A committee that leases an automobile must pay all costs associated with use of the automobile, including the costs of maintenance and repair, insurance (*but the insurance may cover only the candidate and other authorized agents of the committee*) and fuel. Persons who use an automobile leased by a committee must reimburse the committee for personal travel. The committee should record the leased automobile's odometer reading each month and determine the total miles traveled. The committee must be reimbursed based on mileage personally used, by the candidate, or other person using the automobile, within 30 days of any personal travel. The amount to be reimbursed may be determined by multiplying the mileage personally used by the IRS rate.

5. Expenditures for ride sharing. A committee may make expenditures for travel using ride sharing apps such as Uber and Lyft, or may make expenditures for taxis, if the person being reimbursed is not otherwise reimbursed for the travel. The specific purpose of the expenditure must be described fully in the committee's campaign finance reports.

Political committees must preserve all records relative to such expenditures for a period of six years from the date of the relevant election.

For further information and guidance with respect to this memorandum, please contact OCPF at (617) 979-8300.