

Additional Contributions Permitted for National Party Committees

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Ever since the Bipartisan Campaign Reform Act of 2002 cut off corporate funds to the national political party committees and subjected them to severe contribution limits, there have been concerns about the effect this would have on the parties' ability to remain relevant in the political process. Some have argued that the rise of super PACs following the Supreme Court's decision in *Citizens United* further diminished the parties' standing. In response to these concerns, Congress passed, and the president signed into law, provisions permitting additional contributions to be made to the national party committees as part of a rider attached to the omnibus appropriations bill enacted last month.

Combined with the Supreme Court's decision last April in *McCutcheon v. FEC*, which invalidated the "biennial" limits on the aggregate contributions at the federal level that individuals could make every two years (*Election Law News* May 2014), the new law means that individuals and PACs are now permitted to give up to triple the base limits to each of the several new accounts that the national party committees may establish.

The new contribution limits come with important strings attached on how the parties may use the funds, however. Individuals and multicandidate PACs are still subject to the preexisting \$32,400 and \$15,000 limits, respectively (to be adjusted for inflation in 2015) on how much they may contribute each year to the main account of each of the national party committees (RNC, DNC, NRSC, DSCC, NRCC, DCCC) for their general political activities. However, the Republican and Democratic National Committees are now also permitted to accept additional amounts of up to three times the base limits for separate accounts, or \$97,200 (from individuals) or \$45,000 (from

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multicandidate PACs) to pay for their presidential nominating conventions. These additional funds are especially important because a law enacted last April ended public financing for the conventions, reallocating the funds to cancer research instead. Although the Federal Election Commission already had given the green light last October for the parties to treat their conventions as separate party committees entitled to additional contributions from individuals and PACs, the new law formalizes the FEC's approach, significantly raises the limits for convention contributions, and simplifies things somewhat by treating the funds not as separate committees, but as additional accounts of the RNC and DNC.

Additionally, the RNC and DNC, as well as each parties' Senate and House campaign committees, also may form two additional separate accounts to pay for (1) expenses related to legal proceedings such as election recounts, and (2) expenses related to the construction, purchase, renovation, operation, or furnishing of their headquarter buildings. Like the convention accounts, each of these accounts is subject to the enhanced \$97,200/\$45,000 annual contribution limits. Similar to the convention accounts, the FEC already had issued several advisory opinions over the last eight years permitting each party committee to establish separate accounts, subject to their own additional contribution limits, to pay for certain recount, election contest, redistricting, and other litigation expenses. However, the campaign finance rider in the omnibus appropriations bill provides for higher contribution limits for the legal expense funds and possibly greater leeway on how the funds may be used than what the FEC had permitted.

Despite the much larger amounts the national party committees are now permitted to accept, it is important to note that they still may not accept corporate contributions, as well as contributions from foreign nationals, national banks, and federal contractors. The limits on contributions to each state and local party committee's federal account also have not been affected.