Increased Campaign Contribution Limits in the FY2015 Omnibus Appropriations Law: Frequently Asked Questions

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Summary

This report provides brief answers to frequently asked questions about increased campaign contribution limits in the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83). The President signed the bill into law on December 16, 2014. The relevant language increases certain contribution limits to national political party committees. This language changes the amounts the two major parties may solicit and collect.

Most notably, three units within each of the national Democratic and Republican parties could be affected. These include a headquarters committee (e.g., the Democratic National Committee), a House campaign committee (e.g., the National Republican Congressional Committee), and a Senate campaign committee (e.g., the National Republican Senatorial Committee). The language permits all six of these national party committees to establish additional accounts, with higher contribution limits than previously permitted. In practice, it appears that maximum individual contributions to a national party have increased from at least $97,200 (or $129,600 if following a recent Federal Election Commission advisory opinion) annually to $777,600. Other national parties, such as third parties, would also be eligible for larger contributions. Although this report emphasizes individual contribution limits, political action committees (PACs) may also increase their party contributions under the bill.

This updated report is based on a preliminary analysis of the legislative language. Some implications remain unclear at this time. This report will be updated as additional information becomes available.
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Introduction

This report provides brief answers to frequently asked questions about selected campaign finance provisions in the Consolidated and Further Continuing Appropriations Act, 2015 (H.R. 83). The House passed the measure (219 - 206) on December 11, 2014. The Senate did so (56-40) on December 13, 2014. The President signed the bill into law on December 16. Although other provisions address topics such as contractor disclosure, increased limits for contributions to national party committees have been the subject of most debate. Those increases, particularly for individual contributions, are the subject of this brief overview.

The relevant language in H.R. 83 increases contribution limits to national political party committees. Most prominently, these party committees include the Democratic National Committee (DNC), Democratic Congressional Campaign Committee (DCCC), Democratic Senatorial Campaign Committee (DSCC), Republican National Committee (RNC), National Republican Congressional Committee (NRCC), and the National Republican Senatorial Committee (NRSC). These committees may also establish new accounts, each with separate contribution limits, to support party conventions, facilities, and recounts or other legal matters. In practice, it appears that an individual’s contributions to a national party may increase from at least $97,200 annually to $777,600. For a two-year election cycle, an individual could give twice that amount, or more than $1.5 million. Although this report emphasizes increases in individual contribution limits, political action committees (PACs) may also make larger contributions to parties.

Ultimately, the impact of the proposed language will depend on a combination of agency implementation and political practice. The Federal Election Commission (FEC) is responsible for administering the increased limits. The agency’s rulemaking, advisory opinions, or enforcement activities could further clarify how the provisions will affect donors and elections. On December 17, 2014, the FEC briefly stated that it was "assessing" the language and would issue guidance "as soon as practicable." Similarly, donor and party decisions will determine how or whether fundraising practices change. In particular, it is unclear how many donors have the ability or desire to make the larger contributions now permitted.

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1 For background discussion of topics relevant for this report, see, for example, CRS Report R41542, The State of Campaign Finance Policy: Recent Developments and Issues for Congress, by R. Sam Garrett.
2 As of this writing, a public law number is unavailable. This report is based on the text of the enrolled bill passed by the House and Senate.
3 Roll call vote 563.
4 Record vote 354.
5 See Section 735, which would prohibit required disclosure of certain campaign-related spending as a condition of the contracting process.
6 As noted elsewhere in this report, only the “headquarters” committees (e.g., the DNC or RNC) could collect additional funds for conventions.
7 The exact amount is $1,555,200. Most amounts in this report appear to be eligible for future inflation adjustments.
Before proceeding, it is important to note that this report is based on a preliminary analysis of the bill text. The report has been prepared in response to evolving questions concerning ongoing legislative debate. Some implications remain unclear at this time, and the analysis below could change with additional information. This report will be updated as additional information becomes available.

How much could an individual contribute to party committees before the recent change?

Before H.R. 83 was enacted, the Federal Election Campaign Act (FECA)\(^9\) permitted an individual to contribute $32,400 annually to national party committees.\(^10\) H.R. 83 increased the limits as discussed below. These limits apply separately to the six political committees around which the two major parties are organized. For both parties, these include a headquarters committee (e.g., the Democratic National Committee), a House campaign committee (e.g., the National Republican Congressional Committee), and a Senate campaign committee (e.g., the National Republican Senatorial Committee). Previously, an individual could contribute no more than $97,200 annually to a typically organized national party.\(^11\)

In addition, an October 2014 FEC advisory opinion\(^12\) (AO) determined that, following the recent repeal of public funding for presidential nominating conventions, separate contribution limits apply to convention funds.\(^13\) Therefore, it appears that a “maxed out” donor could have contributed $129,600 to a national party when counting all three traditional committees plus a convention committee.\(^14\)

How much may an individual contribute to party committees under the new limits?

Division N, Section 101 of H.R. 83 increases limits for individuals making contributions to national party committees. These provisions, which are effective “on or after” the enactment date, permit parties to establish new, segregated accounts and accept additional funds to support party conventions, facilities, and recounts or other legal matters. Specifically, the language permits the national parties to establish up to three additional accounts for each purpose, as shown in Table 1.

\(^10\) 52 U.S.C. §30116(a); previously codified at 2 U.S.C. §441a(a).
\(^11\) This figure is derived from a $32,400 contribution for each of the three committees (a headquarters committee, a House committee, and a Senate committee).
\(^12\) AOs do not have the force of law or regulation, but FECA permits those encountering “indistinguishable” situations as those presented in the AO to follow guidance presented in the AO. See 52 U.S.C. §30108(c)(1)(B); previously codified at 2 U.S.C. §437f(c)(1)(B).
\(^14\) This amount ($97,200 + $32,400) assumes 2014 election cycle limits. In practice, the amount will be adjusted for inflation during the 2016 cycle when a contribution is actually made to a convention committee.
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below. Overall, it appears that maximum individual contributions will increase from $97,200 (or $129,600 if following the FEC AO noted above) for a typical party with three major committees to $777,600. The limits below are annual amounts. During a two-year election cycle, it appears that an individual could, therefore, contribute up to $1,555,200 to a national party’s typical committees.15

Table 1. Previous and New Annual Individual Contribution Limits to National Political Parties

<table>
<thead>
<tr>
<th>Previous Limits</th>
<th>New Additional Segregated Accounts and Associated Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Traditional Individual Contributions</td>
</tr>
<tr>
<td>National Party Committees (e.g., DNC, RNC)</td>
<td>$32,400</td>
</tr>
<tr>
<td>House Campaign Committees (e.g., DCCC, NRCC)</td>
<td>$32,400</td>
</tr>
<tr>
<td>Senate Campaign Committees (e.g., DSCC, NRSC)</td>
<td>$32,400</td>
</tr>
<tr>
<td>Totals</td>
<td>$97,200</td>
</tr>
</tbody>
</table>

Source: CRS analysis of bill text.

a. The bill text requires that the proposed convention accounts spend no more than $20 million per convention for the increased contribution limits to apply. Limits in the table would be subject to future inflation adjustments.

How will PAC contributions to parties be affected?

Although this report emphasizes proposed changes to the individual contribution limits, the language also increases limits for political action committees (PACs) as shown in Table 2 and Table 3 below.

15 It appears that “maxed out” contributions could be made to multiple national parties. However, it is unclear how much practical effect this would have because typical donors give primarily or solely to one party. Giving to multiple parties might be more relevant for political action committee (PAC) contributions.
## Table 2. Previous and New Annual Non-Multicandidate PAC Contribution Limits to National Political Parties

<table>
<thead>
<tr>
<th></th>
<th>Previous Limits</th>
<th>New Additional Segregated Accounts and Associated Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Traditional Contributions</td>
<td>Convention Committees</td>
</tr>
<tr>
<td>National Party Committees (e.g., DNC, RNC)</td>
<td>$32,400</td>
<td>$97,200&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>House Campaign Committees (e.g., DCCC, NRCC)</td>
<td>$32,400</td>
<td>N/A</td>
</tr>
<tr>
<td>Senate Campaign Committees (e.g., DSCC, NRSC)</td>
<td>$32,400</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$97,200</td>
<td>$97,200</td>
</tr>
</tbody>
</table>

Source: CRS analysis of bill text.

<sup>a</sup> The bill text requires that the proposed convention accounts spend no more than $20 million per convention for the increased contribution limits to apply. Limits in the table would be subject to future inflation adjustments.

## Table 3. Previous and New Annual Multicandidate PAC Contribution Limits to National Political Parties

<table>
<thead>
<tr>
<th></th>
<th>Previous Limits</th>
<th>New Additional Segregated Accounts and Associated Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Traditional Contributions</td>
<td>Convention Committees</td>
</tr>
<tr>
<td>National Party Committees (e.g., DNC, RNC)</td>
<td>$15,000</td>
<td>$45,000&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>House Campaign Committees (e.g., DCCC, NRCC)</td>
<td>$15,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Senate Campaign Committees (e.g., DSCC, NRSC)</td>
<td>$15,000</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$45,000</td>
<td>$45,000</td>
</tr>
</tbody>
</table>

Source: CRS analysis of bill text.

<sup>a</sup> The bill text requires that the proposed convention accounts spend no more than $20 million per convention for the increased contribution limits to apply.

Although there are differences between the increased limits for multicandidate PACs and non-multicandidate PACs, it is unclear how consequential they might be in practice. Given the higher limits for non-multicandidate PACs, it appears that there could be an advantage to a PAC not achieving multicandidate status, although such PACs are rare and it is perhaps unlikely that a
committee could practically prevent itself from achieving multicandidate status. In practice, therefore, it appears that the increased limits in Table 3 will be more consequential than those in Table 2.

**Which party committees would be affected?**

Six committees appear to be most relevant. The two major parties each have three main national political committees that perform similar functions and are organized similarly. On the Democratic side, these include the DNC, DCCC, and DSCC. Republican counterpart committees include the RNC, NRCC, and NRSC. The new law appears to be relevant for all national party committees, including third parties.

**Would the proposed provisions affect other contributions or spending surrounding elections?**

The provisions do not appear to affect other fundraising or spending provisions in elections per se. It is possible that with additional freedom to make comparatively large contributions to political parties, some donors who would have previously given money to super PACs or other “outside” groups would instead redirect those funds to parties. It is also possible that increased party-funding limits will provide another outlet for donors but not necessarily redirect existing funds.

Those supporting the increased limits have reportedly suggested that the proposed contributions would be more transparent than those given to groups such as politically active tax-exempt organizations (e.g., 501(c)(4) social welfare groups), and would provide parties with more funds to compete in an environment increasingly dominated by nonparty groups. Opponents counter that the proposed changes have not been subject to substantial consideration and would represent a return to the “soft money” era that existed before Congress enacted the Bipartisan Campaign Reform Act (BCRA), when parties could accept unlimited contributions for generic “party-building” activities. The precise implications of the proposed new limits remain to be seen.

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16 “Multicandidate committees” are those that have been registered with the FEC (or, for Senate committees, the Secretary of the Senate) for at least six months; have received federal contributions from more than 50 people; and (except for state parties) have made contributions to at least five federal candidates. See 11 C.F.R. §100.5(c)(3). Consequently, most PACs attain multicandidate status automatically over time.

17 There are also some differences regarding PAC inflation adjustments. Contributions to multicandidate committees are not subject to inflation adjustments, but non-multicandidate committees would be adjusted each election cycle for inflation.

18 It is possible that each major party’s state-legislative campaign committee (the Democratic Legislative Campaign Committee (DLCC) and the Republican Legislative Campaign Committee (RLCC)) could also be implicated, but it is unclear as of this writing.

19 There are, however, increased abilities for parties to make coordinated expenditures from the new accounts. On coordinated party expenditures, see CRS Report R422644, Coordinated Party Expenditures in Federal Elections: An Overview, by R. Sam Garrett and L. Paige Whitaker.

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