

National Party 2.0: FECA Amendments in Omnibus Spending Bill Increase Fundraising Power of National Parties

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Election and Political Law

If you skipped to the final pages of the [omnibus spending bill](#) unveiled last night to see how it ends, you would find a rather dramatic change in campaign finance law related to party committee contribution limits. Page 1599 (of 1603) of the spending package contains amendments to the Federal Election Campaign Act (FECA) that give national party committees additional avenues for fundraising, effectively returning to the parties some of the power that has been diminished with the rise of super PACs and other outside spending groups. The law still needs to pass Congress and be signed by the President, but it is not too soon to consider the potential impact of these changes.

What is in the omnibus amendments to FECA?

At its core, the changes to the law would allow national party committees to create up to three additional specialized “accounts,” each of which could receive contributions from individuals and PACs that are **triple the amount** that can be given to the main party account. The three separate, segregated accounts can be used to pay for expenses related to the following areas:

1. Presidential nominating conventions;
2. Headquarters buildings of the party (which includes construction, purchase, renovation, operation, and furnishing);
3. Election recounts, contests, and other legal proceedings.

While the presidential nominating conventions account is only available to the RNC and the DNC, the other two accounts are available to all national party committees (RNC, NRSC, NRCC, DNC, DSCC, DCCC). Based on the language of the statutory amendments, it appears that this could give each party the ability to create **seven new accounts**, each with triple the existing contribution limits. **Chart 1** on the next page should help summarize how much individuals could give to the various accounts per year.

As Chart 1 shows, individuals would be able to give up to **\$777,600** to a party’s various accounts each year. This means that a couple could give up to **\$3,110,400** to a party in a two-year election cycle. This is a major increase in the potential spending power of the national parties.

The amendments also allow PACs to contribute more to national party committees. PACs could contribute up to \$15,000 per year to the main accounts of a party committee and up to \$45,000 per year to each of the seven new accounts described above.

Chart 1: Annual Individual Contribution Limits Under Omnibus Bill FECA Amendments					
	Main Party Account	Convention Account	Party Building Account	Legal Fund Account	TOTAL
Republican National Committee	\$32,400	\$97,200	\$97,200	\$97,200	\$324,000
National Republican Senatorial Committee	\$32,400		\$97,200	\$97,200	\$226,800
National Republican Congressional Committee	\$32,400		\$97,200	\$97,200	\$226,800
Total Republican Party Contribution					\$777,600
Democratic National Committee	\$32,400	\$97,200	\$97,200	\$97,200	\$324,000
Democratic Senatorial Campaign Committee	\$32,400		\$97,200	\$97,200	\$226,800
Democratic Congressional Campaign Committee	\$32,400		\$97,200	\$97,200	\$226,800
Total Democratic Party Contribution					\$777,600

These changes apply only to contributions from individuals and PACs. The ban on corporate and union contributions still applies to the new accounts.

In addition to providing several new accounts into which each party can stockpile funds, the FECA amendments in the omnibus spending bill stripped away the coordination restrictions on each of these new accounts. This would allow the party committees to work with presidential and congressional candidates on activities supported by these funds without violating existing limits on coordinated activities or in kind contribution limits.

What will the parties do with all of this new money?

The answer to this question will be developed over time as the parties figure out the boundaries of the new law. But the activities supported by these funds will almost certainly extend beyond what is traditionally thought of as relating to the national party conventions, party headquarter buildings, and legal expenses.

This is particularly the case with the **building account**. Under the omnibus amendments, this account can be used to pay for construction **and operation** of party headquarters buildings. It is possible that “party operations” could include activities such as data mining and modeling projects or opposition research centers. This is the account to watch to determine how much of an impact these amendments will have on the balance of power between national parties and super PACs.

Other account activities to watch, should the bill become law: the new **party convention accounts** could be a route to tickets and passes to the national conventions. While this might be too much for many PACs, some bigger PACs could afford \$45,000 for a convention ticket. The amendments do contain a \$20 million cap on expenditures from the new convention accounts.

Remember, this is not the law yet. We will continue to monitor the progress of these amendments as the spending bill makes its way through the congressional process and to the President’s desk.

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