

Campaign finance regulation

Campaign finance regulation refers to attempts to regulate the ways in which political campaigns are funded. This includes all spending done to promote or support the promotion of candidates, ballot measures, political parties and more. Regulations can be applied to natural persons, corporations, political action committees, political parties and other organizations. They can come in the form of incentives, such as providing public financing to candidates who abide by spending limits, as well as restrictions, such as contribution limits on donors. Legislative efforts, judicial rulings and citizen initiatives have all played roles in shaping the regulation of political contributions.

This page provides information regarding:

- Different types of campaign finance regulation, such as disclosure, public financing and contribution limits
- Debates surrounding campaign finance regulation
- Federal and state campaign finance regulations
- Organizations related to advocacy and research around campaign finance regulation

Major issues

Disclosure

The federal and state governments require some level of disclosure from candidates, committees and political parties of the amount and source of contributions and expenditures. States vary in the detail required in disclosures and in the frequency of reporting. A recent trend has been the use of electronic disclosure systems.^[1]

In 2008, Grading State Disclosure published a comprehensive assessment of state campaign finance disclosure laws and practices. The report graded states on a letter scale from A to F. The reports' significant findings included:

- “
- 31 states require candidates to disclose the occupation and employer of their contributors;
 - 36 states require timely reporting of last-minute contributions;
 - 44 states require independent expenditures to be reported;
 - 30 states require statewide candidates to file disclosure reports electronically;
- ”

- 24 states require both statewide and legislative candidates to file disclosure reports electronically;
- 12 states operate a voluntary electronic filing program for candidates;
- 8 states have no electronic filing program;
- 49 states post campaign finance data on their disclosure web sites;
- 39 states provide searchable databases of contributions online; and
- 27 states provide searchable databases of expenditures on^[2]

Ballotpedia has pages for each state's campaign finance requirements for candidates, ballot measures and judicial races. A list of those pages can be found [here](#). For a state-by-state comparison of disclosure requirements see this article: [State by state comparison of campaign finance reporting requirements](#).

Contribution limits

Another common method of regulating political contributions is to limit the amount and source of them. Such limits can be made to adjust periodically according to the Consumer Price Index. Limitations can take the form of bans against certain sources, such as corporations or unions, or they can place limitations as to the amounts that can be contributed. However, there are a number of potential ways to combine these methods. For example, particular sources can be given differing contribution limits. Another example could be having contribution limits on particular campaigns, overall limits for a source or a combination of individual campaign and overall election limits.^{[1][4]}

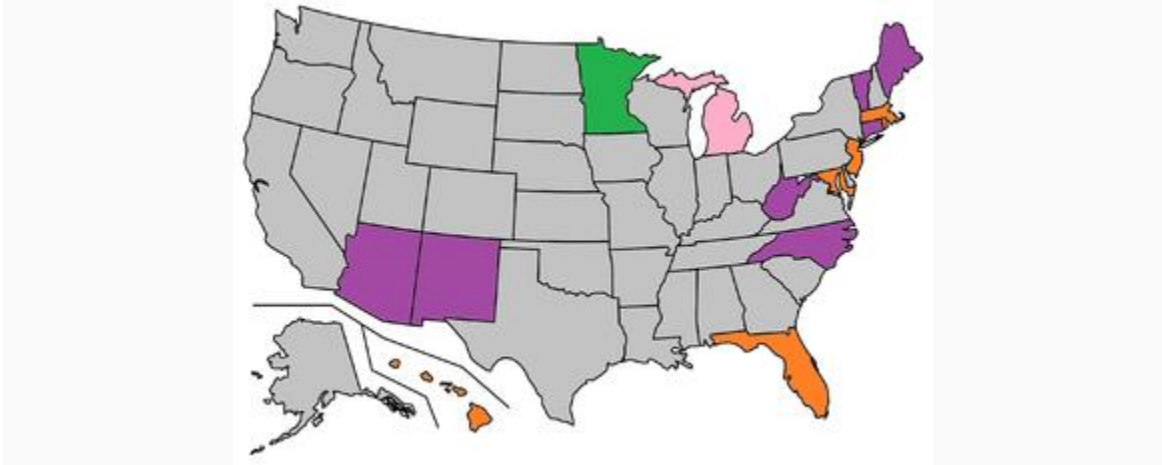
Federal law prohibits any contributions from foreign nationals to any federal, state or local candidate, unless the person has a green card. Cash contributions are limited in 31 states. Most states set their limit at \$100, but some have limits as low as \$25. Minors are restricted in 19 states from making political contributions. Most states consider contributions of minors as part of their parent or guardian's political contributing. [Ohio](#), in particular, prohibits any person under age seven from making political contributions. Lobbyists frequently face separate contribution limitations, as well.^[5]

As of 2008, 13 states had no limit on how much can be given to [political parties](#). Fourteen states had limits on how much corporations and labor unions could give, but did not restrict or limit contributions from other sources. The remaining 27 states had limits on contributing to political parties from most or all sources.^[6]

The national average limit on individual contributions to candidates were as follows in 2011:^[7]

- \$8,579 for gubernatorial races
- \$4,003 for state senates
- \$3,632 for house of representatives

Spending limits & public financing



Map of state public campaign financing methods for individual candidates. The colors correspond to the following financing methods: Purple-"Clean Elections," Orange-matching grants, Green-fixed subsidy, Pink-combination of matching grants and fixed subsidy and Gray-no public funds^[8]

Spending limits are closely related to the method of contribution limits. Campaign spending limits place a cap on the amount a campaign can spend. The [U.S. Supreme Court](#) ruled in [Buckley v. Valeo](#) in 1976 that requiring candidates to abide by spending limits violates the [First Amendment](#) of the [United States Constitution](#). The argument was because political campaigns use their funds to make political communications, those communications are deemed protected by the freedom of speech. Therefore, spending limits, on candidates, at least, were deemed to be limiting that right and unconstitutional.^{[1][9]} The court has ruled that spending limits are constitutional only if they are optional, and several states have such optional spending limits. The case of *Randall v. Sorell*, upheld the *Buckley v. Valeo* ruling in 2006.^[10]

[Public financing of campaigns](#) can be used to encourage candidates to abide by such optional limitations. Some states provide funds directly to individual candidates, some to political parties and yet others provide tax incentives to those who make political contributions.^{[11][11]}

See also: [Public financing of campaigns](#)

Public funding to individual candidates

In total, 14 states offer some kind of public funding system to political candidates. A particular subset of these practices are sometimes referred to as **Clean Elections**. "Clean Elections" refers to systems where candidates who choose to receive public funding are

prohibited from raising funds from other sources. However, in most states, public funds are only a portion of a candidates expenditures and they raise other funds within in the limitations of the public financing laws.^[8]

Public funding to political parties

As of 2013, 10 states provided grants to qualified political parities. These grants tend to be small and funded through income tax check-offs or add-ons, usually in the amount of \$1 to \$5. These grants are often used to help finance party conventions. The grants are funded by income tax check-offs (which do not increase filer's tax liability) or add-ons (which increase filer's tax liability), ranging in amounts from \$1 to \$25. In most states, the amount is between \$1 and \$5. In eight states, the full amount of the add-on or check-off goes to the political party designated by the taxpayer. In most states, if the taxpayer fails to designate a political party, the amount is divided among the qualified political parties in the state according to their registration or their share of the most recent gubernatorial vote.^[12] The following states give the full amount of the add-on or check-off of a taxpayer to a party they designate (or distribute it equally between the qualified parties if no party is designated):^[12]

- [Alabama](#)
- [Arizona](#)
- [Iowa](#)
- [Minnesota](#)
- [New Mexico](#)
- [North Carolina](#)
- [Utah](#)

The remaining three states that provide public funds to political parities are the following:^[12]

- [Kentucky](#): The full amount is given to the party designated by the taxpayer, but it is divided into two portions. The county party organization receives \$0.50 and the state party receives \$1.50.
- [Ohio](#): The funds are divided equally among all qualified parties.
- [Rhode Island](#): The first \$2 is given to the political party designated by the taxpayer, and the remaining \$3 is given to the candidate fund.

Debating reform

The arguments surrounding campaign finance regulation are multifaceted. Individuals and organizations may support some kinds of reform while opposing others. They might also like

reforms applied to only some types of campaigns, candidates, donors or organizations. The following sections provide a small look at the perspectives and arguments held by supporters and opponents of different types of campaign finance reform. In these debates, several themes can be seen repeatedly, such as:

- Is spending money an act of speech? If so, is that speech covered by the First Amendment?
- Who counts as a person? Should corporations, nonprofits and other groups have the same rights as natural persons?
- What privacy is afforded to political speech? What should the balance be between transparency of campaign and privacy of contributors?

Also at stake in campaign finance regulation debates is the matter of who is influencing politics. Proponents of more stringent regulations argue that without them the highest bidder wins. Opponents of such moves argue that regulations limit the freedom of speech and make politicians less accountable to voters.^[13] The following sections discuss some of the tensions underlying opposition and support for various forms of campaign finance regulation.

Transparency versus privacy

Disclosure practices lie at the heart of the debate surrounding the need for transparency in campaign financing and the right to privacy for political contributors.

In favor of transparency

Some argue that public campaign financing is a way to provide greater transparency to political campaigning. Public campaign financing has been touted as giving candidates the option to avoid being swayed by special interest donors. Public Campaign, which advocates for public funding of campaigns, argues that public financing allows elected officials to "consider legislation on the merits, without worrying about whether they are pleasing well heeled donors and lobbyists." It is also seen as reducing the amount of time spent raising money so that candidates and elected officials can spend more time talking to constituents.^[14]

The [American Civil Liberties Union](#) has supported the disclosure of direct contributions to candidates, direct contributions to [PACs](#) and independent expenditures. The [League of Women Voters](#) has also supported full and timely disclosure of campaign contributions and expenditures. They have also advocated for one committee to coordinate, control and report financial transactions for each candidate, party or other committee, as well as an independent body to monitor and enforce the law.^{[15][16]}

In favor of contributor privacy

Most of the arguments against disclosure are not entirely against the practice. Rather, they seek to place limits on which contributions should have to be disclosed, and whether they should be disclosed publicly. Many who oppose broader disclosure of contributors to political campaigns see those contributions as a protected form of speech. Other arguments include concerns about the arduousness of reporting requirements hindering speech and that such disclosure reports are rarely utilized by voters because of their complexity and length.^[17]

David N. Bossie, President of [Citizens United](#) and Citizens United Productions, has claimed that the information provided by current disclosure practices "does little if anything to enlighten a voter," due to the extensive length of the reports. He argues that,

David N. Bossie, President of Citizens United and Citizens United Productions

“ Disclosure must be balanced against the burden on potential speakers. Having to file reports that are thousands of pages long if one so much as mentions a candidate will severely chill speech. ^[21]

—David N. Bossie

^[18]

David Keating, President of the [Center for Competitive Politics](#), has argued that disclosure laws were put in place to shine light on large, secretive donations to candidates, but that the current disclosure efforts are covering too many small donations. The fact that donors of amounts as small as \$50 can be looked up online and that potential employers could look up these donations are potential disincentives to smaller contributors who want to protect their privacy, according to Keating. He advocates for raising the threshold for publicly disclosing donations until they reach a set cumulative total.^[19]

Money as speech

Related to the tension between transparency and privacy is the issue of money as speech. The [U.S. Supreme Court](#) ruling in [Buckley v. Valeo](#) established the precedent of political campaign donations as being a protected form of the freedom of speech. However, arguments continue to surround this ruling.

Contributions as protected speech

The [American Civil Liberties Union](#) has supported efforts to broaden disclosure and other transparency efforts, but they have "fought to protect the speech and privacy rights of those

whose participation in the political process posed no threat of corruption or appearance of corruption." This has included advocating in several court cases for the removal of contribution limits or to increase the limit amount. The ACLU also opposed the 2010 DISCLOSE Act, arguing that it "fails to improve the integrity of political campaigns in any substantial way while significantly harming the speech and associational [*sic*] rights of Americans."^{[20][21][22][23]}

The [National Rifle Association](#) has opposed efforts to broaden disclosure requirements on campaign contributions and expenditures, including legally challenging the McCain-Feingold campaign finance regulation bill. In 2010, the organization said, "NRA believes that any restrictions on the political speech of Americans are unconstitutional."^{[24][25]}

Money ≠ speech

Some of the arguments given by opponents of the "money as speech" position include:

- "Money is not speech, but a way to fund and amplify speech:" spending money in politics can help people express themselves and lead to political speech, but it is not an act of speech in itself.^[26]
- "An election system in which unlimited political spending is protected speech replicates the systemic inequalities found in society." Money as speech means that those groups of people whose majority tend to have lower incomes have less speech-making power than groups whose majority have higher incomes. According to [Public Citizen](#), the "median income of the top five donor zip codes in 2010 was approximately twice the national rate. The ethnic and racial background of those zip codes was also 80-90% white."^[26]

[John Paul Stevens](#), former [U.S. Supreme Court justice](#), made a statement to [Senate Committee on Rules and Administration](#) on April 30, 2014, opposing the rulings of [McCutcheon v. FEC](#). In his statement, he spoke strongly against the idea that money should be considered speech, saying,

“ While money is used to finance speech, money is not speech. Speech is only one of the activities that are financed by campaign contributions and expenditures. Those financial activities should not receive precisely the same constitutional protections as speech itself. After all, campaign funds were used to finance the Watergate burglary, actions that clearly were not protected by the First Amendment.^{[27][2]} ”

—[John Paul Stevens](#)

Attorney Dan Backer, who counseled Shaun McCutcheon in the *McCutcheon v. FEC*, said of the court's ruling on the matter,

Current regulations

Federal campaign finance reporting

- [Code of Federal Regulations, Title 11 Federal Elections Revised as of January 1, 2014](#)
- [Explanations and justifications for FEC regulations](#)
- [A chart of federal contribution limits for 2013-2014 from the FEC](#)
- [FEC brochure on public funding for presidential campaigns](#)

Penalties for noncompliance

According to the FEC, most violations of the Federal Election Campaign Act (FECA) result in civil penalties, but knowingly and willfully violating certain FECA provisions can lead to imprisonment. The FEC has exclusive civil enforcement authority, and may refer criminal violations to the [U.S. Department of Justice](#). The sentencing guidelines for criminal violations of the law are set by the U.S. Sentencing Commission.^[29]

State campaign finance reporting

The following table provides links to the rules for campaign finance in each state, the agencies that report on campaign finance, and links to public financing programs or voluntary spending limits when applicable. Note that states may have public financing or voluntary spending limits for only certain offices, and may even have public financing for some offices and voluntary spending limits for others.

Click on the green check marks to read about public financing and voluntary spending limit options in those states.