



CAMPAIGN FINANCE GUIDE



I. Key Campaign Finance Vocabulary

- *Hard Money* – campaign contributions regulated and limited by the federal government that are given directly to a candidate
- *Soft Money* – unlimited and unregulated campaign contributions to federal candidates and the national parties. Supposedly for generic “party building” activities (ex: get-out-the-vote drives, bumper stickers, yard signs, and “issue ads”)
- *Political Action Committee (PAC)* – officially registered fund-raising organization that represents interest groups in the political process.
- *527 Groups* – Tax-exempt organizations created to raise money for political activities such as voter mobilization efforts and issue ads
- *501c Groups* – Nonprofit, tax-exempt interest groups that can engage in varying levels of political activity
- *Super PACs* - PACs may raise and spend unlimited sums of money in order to advocate for or against political candidates.

II. Important Campaign Finance Laws

- *Tillman Act (1907)* – the first legislation in the United States prohibiting monetary contribution to national political campaigns by corporations.
- *Federal Election Campaign Act (1971, 1974)* – increased disclosure of contributions for federal campaigns and 1974 amendments placed legal limits on the campaign contributions.
- *Bipartisan Campaign Reform Act (a.k.a. McCain-Feingold Act)* – banned national parties and officeholders from raising and spending “soft money,” and prohibited corporations and unions from funding “electioneering communications” within 30 days before a primary or 60 days before a general election.

III. Campaign Finance Supreme Court Decisions

- *Buckley v. Valeo (1976)* – candidates spending money to finance their own campaigns is a form of constitutionally protected free speech through the 1st Amendment
- *Citizens United v. Federal Election Commission (2010)* – ruled spending is protected speech under the 1st Amendment and the government cannot prohibit spending by corporations and labor unions to support or denounce individual candidates in elections
- *McCutcheon v. Federal Election Commission (2014)* - struck down limits on aggregate federal campaign contributions because they violate 1st Amendment; left intact limits on individual candidate’s campaign contributions per election (\$2,600)