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COMPLIANCE

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# Legal ALERT!

## FEC Issues New Contribution Limits

The Federal Election Commission recently announced increased dollar limits on contributions to federal candidates and committees for the 2009-2010 federal campaign cycle. As a reminder, the limitations apply to any type of contribution, including money, goods, services, loans, or anything of value, made in connection with the nomination or election of any federal candidate.

### Individual Limits

Under the new contribution limits, individuals may now contribute up to \$2,400 to any federal candidate or candidate committee during the primaries, and an additional \$2,400 during the general election. In the 2007-2008 cycle which just ended, the contribution limit for the primaries and general election was \$2,300 each.

In addition, the limit for individual donors making contributions to national party committees, such as the Democratic National Committee or the Republican National Committee, has also increased to \$30,400 per calendar year, up from \$28,500 in 2007-2008. The \$5,000 limit that an individual may give to a political action committee ("PAC") per calendar year remains unchanged.

Overall, individuals remain limited to a maximum amount that can be contributed during a campaign cycle. For the 2009-2010 campaign cycle, an individual may contribute a combined maximum of \$115,500 to candidates, PACs and party committees. The cumulative limit for the 2007-2008 cycle was \$108,200. Federal law further imposes special limits on how the cumulative biennial limit may be spent. For the 2009-2010 campaign cycle, an individual may not contribute more than an aggregate of \$45,600 to candidates and candidate committees (up from \$42,700 in the last cycle) and \$69,900 to all other non-candidate committees (e.g., PACs, national political party committees, and State political parties) (up from \$65,500 in the last cycle).

### PAC Limits

Federal Law places a limit on the amount a PAC may contribute to an individual candidate or candidate committee during an election cycle, but does not limit the amount a PAC may contribute in the aggregate to all candidates or candidates' committees. For the 2009-2010 campaign cycle, a PAC may now contribute up to \$2,400 to any single federal candidate or candidate committee per election, up from \$2,300 in the last cycle. The \$5,000 per election limit that a PAC that qualifies for multi-candidate status may give to any federal candidate or candidate committee remains unchanged. Note that a PAC that qualifies for multi-candidate status may still give up to \$15,000 per year to a national party committee.

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### Corporate Prohibition

Under federal law, all corporations, including incorporated trade associations and not-for-profit corporations, remain **barred** from making contributions to and expenditures on behalf of candidates for federal office. This broad prohibition applies to the use of corporate funds in connection with primaries, conventions and general elections, as well as special elections. Furthermore, a corporation may not reimburse its employees for political contributions made by the employees. There are, however, exceptions to this general prohibition, the most significant of which is the ability of a corporation to establish, administer and solicit contributions to its own PAC. A corporate PAC is subject to the PAC limits discussed above.

The following chart sets forth the maximum contribution limits that individuals and PACs may give in federal political contributions for 2009-2010:

Federal Contribution Limits for 2009-2010

	To each candidate or candidate committee per election	To a PAC per calendar year	To national party committee per calendar year	To the federal account of a State, district and/or local party committee per calendar year	Aggregate Limits per biennial period
<b>Individual contribution limit</b>	\$2,400	\$5,000	\$30,400	\$10,000 (aggregate)	\$115,500 overall biennial limit; \$45,600 to all candidates; \$69,900 to all PACs and parties
<b>PAC (single candidate) contribution limit</b>	\$2,400	\$5,000	\$30,400	\$10,000 (aggregate)	No Limit
<b>PAC (multi-candidate) contribution limit</b>	\$5,000	\$5,000	\$15,000	\$5,000 (aggregate)	No Limit
<b>Corporate contribution</b>	Prohibited	Prohibited	Prohibited	Prohibited	Prohibited

Hiscock & Barclay has a team of experienced attorneys ready to provide assistance and compliance help on the federal and state contribution limits. If you have any questions regarding the foregoing or otherwise related to lobbying and election law compliance, please contact one of our Lobbying and Election Law Compliance Practice Area members. ■