

Campaign Finance : Legislative & Court History Congressional Acts & Supreme Court Decisions

1907 Congress Tillman Act	<i>Prohibits:</i> Contributions from Corporate Treasuries
1947 Congress Taft Hartley Act	<i>Prohibits:</i> Contributions from Corporate Treasuries & Union Dues
1971 Congress Federal Election Campaign Act (FECA) 1974 Amended	<p><i>Establishes:</i> Federal Election Commission (FEC)</p> <p><i>Allows:</i> Public Funding for presidential primaries & general elections</p> <p><i>Requires:</i> Disclosure of sources of campaign contributions</p> <p><i>Limits:</i> Contributions by an individual to a candidate, party or PAC</p> <p><i>Limits:</i> Candidate campaign expenditures and independent (PAC) expenditures</p> <p><i>Prohibits:</i> Contributions directly from corporations, unions, and national banks</p> <p><i>Prohibits:</i> Contributions from government contractors</p> <p><i>Prohibits:</i> Contributions from foreign nationals</p> <p><i>Prohibits:</i> Cash contributions over \$100</p> <p><i>Prohibits:</i> Contributions in the name of another</p> <p><i>Prohibits:</i> Candidate self-funding own campaign</p>
1976 Supreme Court Buckley v. Valeo	<p><i>Upholds:</i> Limits on campaign contributions</p> <p><i>Upholds:</i> Public Funding, i.e. Taxpayer matching funds</p> <p><i>Overturns:</i> Limits on candidate self-funding own campaign</p> <p><i>Overturns:</i> Limits on campaign expenditures by candidates and by PACs -"spending money to influence elections is constitutionally protected free speech". <i>Free Speech</i></p>
1978 Supreme Court 1st National Bank of Boston v. Bellotti	Corporations have 1st amendment right (free speech) to make expenditures in non-candidate elections (referendums, etc) in order to attempt to influence the political process. <i>Free Speech</i>
1990 Supreme Court Austin v. Michigan Chamber of Commerce	<i>Upholds:</i> Restrictions on corporate expenditures to support or oppose candidates based on notion that " corporate wealth can unfairly influence elections. "
2002 Congress Bipartisan Campaign Reform Act (BCRA) also known as McCain-Feingold	<p><i>Prohibits:</i> Corporations & Unions from using general treasury funds to make electioneering communications (ads, movies, etc) within 30 days of primary or 60 days of general election</p> <p>Raised Contribution Limit for those running against a self-financed candidate (so-called Millionaire's Amendment) - level the playing field. (see Buckley v. Valeo)</p>
2003 Supreme Court McConnell v. FEC	<i>Upholds:</i> Constitutionality of government having a legitimate interest in preventing "both actual corruption threatened by large financial contributions and... the appearance of corruption that might result from those contributions".
2007 Supreme Court Wisconsin Right to Life v. FEC	<p><i>Overturns:</i> Limits on political advertising on issue ads <i>Free Speech</i></p> <p><i>Affirms:</i> Right of corporations to speak thru ads. <i>Free Speech</i></p>
2008 Supreme Court Davis v. FEC	<i>Overturns:</i> Millionaire's Amendment now allowing a candidate to out-spend publicly Funded candidate (See McCain-Feingold/BCRA 2002) <i>Free Speech</i>
2010 Supreme Court Citizens United v. FEC	<p><i>Upholds:</i> Disclosure (does not speak to the issue of undisclosed funds flowing into campaigns)</p> <p><i>Affirms:</i> A corporation's right to spend unlimited money in elections. (still may not contribute directly to candidate)</p> <p><i>Free Speech</i></p>
2011 Federal Court * Carey vs. FEC (*FEC not contesting decision at this date)	<i>Allows:</i> PACs to accept unlimited contributions, i.e. Allows a traditional PAC to merge with a Super PAC (a PAC has contribution limits & can give directly to a candidate; a Super PAC has no contribution limits but cannot give directly to a candidate - the decision creates the Hybrid PAC).

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(Excerpt from FEC brochure “The FEC and the Federal Campaign Finance Law”)

Historical Background

As early as 1905, President Theodore Roosevelt recognized the need for campaign finance reform and called for legislation to ban corporate contributions for political purposes. In response, Congress enacted several statutes between 1907 and 1966 which, taken together, sought to:

- Limit the disproportionate influence of wealthy individuals and special interest groups on the outcome of federal elections;
- Regulate spending in campaigns for federal office; and
- Deter abuses by mandating public disclosure of campaign finances.

In 1971, Congress consolidated its earlier reform efforts in the [Federal Election Campaign Act \(FECA\)](#), instituting more stringent disclosure requirements for federal candidates, political parties and political action committees (PACs). Still, without a central administrative authority, the campaign finance laws were difficult to enforce.

Following reports of serious financial abuses in the 1972 Presidential campaign, Congress amended the FECA in 1974 to set limits on contributions by individuals, political parties and PACs. The 1974 amendments also established an independent agency, the Federal Election Commission (FEC) to enforce the law, facilitate disclosure and administer the public funding program. Congress made further amendments to the FECA in 1976 following a constitutional challenge in the Supreme Court case [Buckley v. Valeo](#); major amendments were also made in 1979 to streamline the disclosure process and expand the role of political parties.

The next set of major amendments came in the form of the [Bipartisan Campaign Reform Act of 2002 \(BCRA\)](#). Among other things, the BCRA banned national parties from raising or spending nonfederal funds (often called "soft money"), restricted so-called issue ads, increased the contribution limits and indexed certain limits for inflation.

Public funding of federal elections originally proposed by President Roosevelt in 1907 began to take shape in 1971 when Congress set up the income tax checkoff to provide for the financing of Presidential general election campaigns and national party conventions. Amendments to the Internal Revenue Code in 1974 established the matching fund program for Presidential primary campaigns.

The FEC opened its doors in 1975 and administered the first publicly funded Presidential election in 1976.

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