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Fact Sheet on Loophole-Opening Leadership PAC Rider

Under existing laws, Members of Congress are required to have separate campaign committees to pay for their re-election activities and cannot legally spend any of their Leadership PAC funds on their own campaigns. This rule ensures that limits on contributions to a Member's campaign cannot be circumvented by giving additional contributions through the Member's Leadership PAC to support the Member's campaign.

For example, under existing laws, an individual can give a Senator \$2,100 for his primary election and \$2,100 for his general election, or a total of \$4,200 to support the Senator's own campaign. The same individual also can give \$5,000 each year, or \$30,000, over the Senator's six-year term to the Senator's Leadership PAC. But the Senator cannot spend these Leadership PAC funds on the Senator's campaign.

If the Leadership PAC funds could be legally used to support the Senator's campaign, this would mean that an individual could provide a total of \$34,200 to support the Senator's campaign – \$30,000 to the Leadership PAC and \$4,200 to the campaign committee – or more than eight times the \$4,200 maximum individual contribution allowed for a federal candidate's campaign.

The rider attached to the Senate Appropriations bill would license a major circumvention of the contribution limits by allowing a Senator's Leadership PAC funds to be sent to the Senator's party committee and then spent by the party committee on the Senator's campaign. And since the rider defines a Leadership PAC as a PAC established by a federal officeholder, this scheme to circumvent the contribution limits would be available only to congressional incumbents.

If the Leadership PAC rider was enacted, we would end up with Senate races where the Senate incumbent had an individual contribution limit of \$34,200 for his re-election campaign, while the challenger had a limit of \$4,200. – an enormous and discriminatory advantage for Senate and House incumbents over their challengers.

In effect, a congressional incumbent would be allowed to have two separate committees to finance his campaign, with separate contribution limits for each committee, while a challenger would have one committee with one set of contribution limits.

The same problem would exist regarding PAC contributions to federal candidates. Under current law, a PAC can give \$5,000 for a Senator's primary race and \$5,000 for his general election race, or a total of \$10,000 to support a Senator's campaign. The same PAC can give

\$5,000 per year, or \$30,000 over six years, to the Senator's Leadership PAC. If an unlimited amount of a Senator's Leadership PAC funds can be given to a party committee and then spent by the party committee on the Senator's campaign, this means a PAC could provide a total of \$40,000, instead of \$10,000, to support a Senator's campaign. The Senator's challenger, meanwhile, would be limited to raising a total of \$10,000 from a PAC for the challenger's campaign.