

Fact Sheet on the Pence-Wynn Bill

The Pence-Wynn bill would repeal the aggregate limit on the total contributions an individual can give to parties and PACs in a two-year cycle for federal election purposes – currently \$61,400. It would also repeal the aggregate limit on the total contributions an individual can give to all federal candidates in a two-year cycle – currently \$40,000.

These aggregate limits were enacted in 1974 as part of the post-Watergate campaign finance reforms in order to prevent an individual from contributing huge sums to influence federal elections. In repealing them, the Pence-Wynn bill also would unravel the 2002 Bipartisan Campaign Reform Act (BCRA) and its ban on huge soft money contributions from individuals to influence federal races.

Repeal of post-Watergate limits on party contributions. Under the Pence-Wynn bill, any individual during a two-year election cycle would be able to give a total of \$160,200 to the three national committees of a political party, and a total of \$1,000,000 to the state party committees of that party (\$20,000 during the two-year cycle to each of the 50 state party committees). Since a party can make unlimited transfers of funds among its various committees, all of these contributions could end up in one party committee, such as the National Republican Congressional Committee or the Democratic National Committee.

In other words, under the Pence-Wynn bill, an individual would be able to contribute a total of \$1,160,200 in contributions to a single political party in a two-year election cycle, compared with \$61,400 under current law.

Furthermore, a President, Senator, Representative or federal candidate would be able to solicit this amount for their party– more than a million dollars – from a single donor.

Repeal of post-Watergate limits on candidate contributions. The Pence-Wynn bill would also repeal the aggregate limit of \$40,000 on the contributions that an individual can give to all federal candidates in an election cycle.

Thus, under the bill, an individual could contribute \$4,200 (\$2,100 for the primary and \$2,100 for the general election) to a candidate in *each* House and Senate race, or more than \$2 million, to all federal candidates in a two-year election cycle. A President, Senator, Representative or federal candidate would be able to solicit this amount – more than two million dollars – from a single donor.

Thus, the Pence-Wynn bill would invite the return of the million-dollar donor to federal elections and such contributions from a single donor could be solicited by a President, Senator, Representative or federal candidate.

Repeal of key BCRA provision on “electioneering communications” by corporations and unions. Congress provided in BCRA that corporations and labor unions could not use soft money to pay for sham “issue ads” attacking and supporting federal candidates in the period close to an election.

The Pence-Wynn bill would fundamentally undermine this provision by allowing trade associations, labor unions and non-profit corporations to use unlimited soft money donations from individuals to pay for broadcast ads about federal candidates close to an election. This would repeal a key provision of BCRA and would allow these groups to again use unlimited soft money from individuals to pay for sham “issue ads” to influence federal campaigns.