

PROPOSED LEGISLATION LIMITING CONTRIBUTIONS MADE TO INDEPENDENT EXPENDITURE-ONLY POLITICAL ACTION COMMITTEES

Explanatory Memorandum August 1, 2026

Overview

The proposed legislation would limit the amount of contributions that could be made by individuals, political action committees (PACs), and business entities to independent expenditure-only PACs (super PACs). For all three categories of contributors, contributions would be limited to \$5,000 in the aggregate in any calendar year.

Purpose of the Proposed Legislation

Super PACs have fundamentally changed the landscape of American politics. Before 2010, billionaires made just 0.3% of all political contributions. By 2024, billionaires made 19% of all contributions—\$3 billion in total.

The proposed legislation would provide a significant check on the power of individuals and entities to influence the outcome of our elections.

Authority

The U.S. Supreme Court's decision in *Citizens United v. Federal Election Commission* held that limits on **expenditures** by PACs violated their right to free speech under the First Amendment of the U.S. Constitution. The Court also held that a contribution could be regulated if there was a risk that it was being made to a candidate in exchange for a favor. *Citizens United* did not address limits on **contributions** to PACs.

The U.S. Court of Appeals for the District of Columbia Circuit in *Speechnow.org v. Federal Election Commission* extended *Citizens United* to contributions to PACs and ruled that limits on those **contributions could not be regulated** under the First Amendment as long as the PAC was independent of the political campaign. ***Speechnow.org* resulted in the creation of super PACs.**

Speechnow.org has **not** been reviewed by the Supreme Court and is being tested in the U.S. Court of Appeals for the First Circuit in a case involving Maine legislation which served as the basis for this proposed Maryland legislation. The federal district court decision being appealed aligns with *Speechnow.org*. The principal argument supporting the appeal is that contributions to super PACs in effect support candidates and may be regulated because of the corruption or the appearance of corruption they inject into political campaigns.

Entities Covered

The Act would apply to **contributions to super PACs** by all individuals, PACs, and business entities, including firms, partnerships, corporations, incorporated associations, and labor organizations and other organizations, regardless of whether they are for-profit or nonprofit entities.

Provisions of the Proposed Legislation

Section 1 would limit contributions by individuals to super PACs \$5,000 in the aggregate in any calendar year and would adjust that limit every 2 years based on the Consumer Price Index.

Section 2 would limit contributions by PACs and business entities to super PACs to \$5,000 in the aggregate in any calendar year and would adjust that limit every 2 years based on the Consumer Price Index.

Section 3 would require campaign finance disclosure reports to contain an itemized account of the total contributions from each contributor, each expenditure of more than \$250 in any one candidate's election, the date and purpose of each expenditure, and the name of each payee or creditor. The report would have to state whether the expenditure is in support of or in opposition to the candidate and would have to include, under penalty of unsworn falsification, a statement whether the expenditure is made in cooperation, consultation or concert with, or at the request or suggestion of the candidate or an authorized committee or agent of the candidate.

Section 4 would provide that a super PAC could use only funds received in compliance with the proposed legislation when making independent expenditures and would have to keep an account of any contributions received for the purpose of making those expenditures.

Effective Date

Because the constitutionality of the proposed legislation is still being tested, it is recommended that it go into effect only if the U.S. Supreme Court upholds the comparable Maine law, if *Citizens United* is overturned, or if an amendment to the U.S. Constitution overriding *Citizens United* is adopted.