Public Affairs Council

NRSC V. FEC

SUPREME COURT DECISION AT A GLANCE:

On June 30, 2026, the U.S. Supreme Court ruled in NRSC v. FEC that federal limits on coordinated party expenditures violate the First Amendment. In a 6-3 decision, the Court struck down a provision of the Federal Election Campaign Act (FECA) that had limited how much political party committees could spend in coordination with federal candidates. The ruling also overturned the Court's 2001 decision in Colorado II, which had upheld those limits.

WHAT'S CHANGED?

Political parties can now coordinate unlimited spending with federal candidates. Political parties are no longer subject to federal limits on coordinated expenditures made on behalf of candidates.

WHAT DID NOT CHANGE?

- Contribution limits to national and state party committees remain the same.
- Contribution limits to candidates remain unchanged.
- Disclosure and reporting requirements remain in place.
- Earmarking rules still apply.
- Pay-to-play laws are unaffected.

MAJOR IMPACTS

Stronger party-candidate coordination

Political parties now have greater flexibility to work directly with candidates on advertising, voter outreach, and campaign strategy without coordinated spending caps.

More efficient campaign spending

Because coordinated expenditures qualify for candidates' lowest broadcast advertising rates, parties may be able to purchase media more efficiently than before.

Operational changes for party committees

The decision may reduce the need for internal "firewall" structures that separated independent and coordinated spending. Parties may also rely more heavily on transfers between party committees and expanded joint fundraising committees.

Public Affairs Council
2121 K St. N.W., Suite 900
Washington, DC 20037

(+1) 202.787.5950
pac@pac.org

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Potential shift in fundraising strategies
While contribution limits remain unchanged, donors may view party committees as a more attractive avenue for supporting candidates because parties can now coordinate spending without expenditure limits. Whether donor behavior changes remains to be seen.

LOOKING AHEAD:

- State law challenges are likely as similar restrictions on coordinated party spending may be challenged.
- Additional litigation could target contribution limits imposed on political parties.
- The Court's reasoning appears limited to political parties and is unlikely to immediately extend to individuals, PACs, or super PACs.
- Parties may continue expanding the use of joint fundraising committees and transferring funds among national and state party committees to maximize coordinated spending.
- Pay-to-play compliance remains unchanged, and organizations subject to SEC Rule 206(4)-5, MSRB Rule G-37, or similar rules should continue following existing compliance procedures.

WHY THIS MATTERS FOR EMPLOYEE-FUNDED PACS:

Although the decision does not change corporate PAC contribution limits or solicitation rules, it could reshape the campaign finance landscape by increasing the role of political parties in federal elections. PAC professionals should monitor how parties adjust their fundraising and spending strategies, while continuing to follow existing contribution limits, disclosure requirements, earmarking rules, and applicable pay-to-play restrictions.

Key Takeaway: *NRSC v. FEC* removes federal limits on coordinated party expenditures but leaves the broader campaign finance framework—including contribution limits, disclosure requirements, and pay-to-play laws—largely intact. The decision is expected to strengthen the role of political parties in federal campaigns while prompting additional legal and strategic developments in the years ahead.