

What is a Super PAC?

In 1976, the Supreme Court issued an opinion on the constitutionality of the Federal Election Campaign Act of 1971, as amended in 1974, and the Presidential Election Campaign Fund Act. In this [Buckley v. Valeo](#) decision, the court found that total spending limits were unconstitutional based on the first amendment. Years later, in 2010, the court issued two more decisions that extended the first amendment right to corporations, labor unions and other organizations. In their 5-4 Citizens United v. FEC decision, the Supreme Court ruled that these entities have a right to spend unlimited funds on independent political messaging and activities, including supporting or opposing a political candidate or ballot initiative. Therein began the era of “independent-only expenditure political committees”, otherwise known as Super PACs.

These entities are significantly different than their cousin, the Political Action Committee (PAC), and it is important to distinguish between the two.

Political Action Committee (PAC)

A PAC is a private group that can raise and distribute funds with the purpose of electing or defeating a candidate. The candidate can coordinate with the PAC on fundraising and the distribution of funds, although the amounts received and spent are highly regulated. Details on contribution limits [can be found here](#).

Super PAC

A type of independent PAC that may raise unlimited funds from individuals, corporations, labor unions, or other entities. A Super PAC can be created to support a narrow cause (such as the election of a certain candidate), but it must remain independent and cannot coordinate activities with the campaign or cause.

There are two main differences between a PAC and a Super PAC.

PAC	Super PAC
Limited on the amount solicited from donors	No limit on the amount solicited from donors
Can coordinate with candidate on contributions and expenditures	Cannot coordinate with candidate on contributions or expenditures

Regulations

Super PACs must follow strict guidelines and are regulated by both the FEC and state laws. They must:

1. Register a Statement of Organization within ten days of exceeding \$1,000 in contributions in one year
2. Properly disclose requisite financial contributions, adhering to time restrictions
3. Follow guidelines restricting them for coordinating with a campaign or cause in regards to contributions or disbursements.

Huckaby Davis Lisker, Inc. is well versed in the management of Super PACs and the guidelines that must be followed. Please reach out to learn more about our consulting services.