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Policy Supplement to Board Regulation No. 1: Interim Application of *NRSC v. FEC*

Scope & Purpose

This Supplement is intended to provide notice to the public, the regulated community, and Board staff of how the Board will apply the United States Supreme Court’s holding in *National Republican Senatorial Committee v. Federal Election Commission*, 146 S.Ct. 2404 (June 30, 2026), to existing City campaign finance law. Once approved, this Supplement will represent the Board’s approved enforcement and advice position until the Board can complete the process to amend Board Regulation No. 1 (Campaign Finance).

This Supplement only impacts “coordinated party expenditures” by a “political party,” as those terms are described below. Nothing herein changes the application of the contribution limits to any other individual or organization. This guidance has no impact on Pennsylvania or federal campaign finance law requirements.

The campaign finance law landscape

State campaign finance law provides a general framework for campaign finance in Pennsylvania state and municipal elections, including elections for City offices. State law sets some basic restrictions about who can make and accept political contributions. State law does not, however, limit the amounts of contributions or expenditures allowed in an election.

Federal campaign finance law applies to federal elections, including those for seats that represent Pennsylvania in the U.S. Senate and House of Representatives. Like State law, federal law requires recordkeeping and reporting. Federal campaign finance law limits contributions to candidates. Federal law also limits contributions to political parties, as well as expenditures made by a party in coordination with a candidate.

City campaign finance law, which consists of City Code Section 20-1000 and Board Regulation No. 1, applies to elections for City offices – Mayor, Council, Controller, Commissioners, District Attorney, and Sheriff. Under City law, those receiving contributions or making expenditures to influence an election for any of those offices need to file campaign finance reports with the Board of Ethics. City law also limits the amounts of contributions to candidates or their campaigns and includes a variety of anti-circumvention measures in support of those limits.

NRSC v. FEC: A brief synopsis

The Supreme Court’s recent decision in [*NRSC v FEC*](#) found that federal limits on coordinated expenditures by political parties violated parties’ First Amendment rights. The Court found that there were enough other protections in federal campaign finance law against corruption or circumvention that the limits on coordinated expenditures were not necessary to implement the law. The Court relied on disclosure requirements, individual contribution limits, and earmarking rules to find that the coordinated expenditure limits went beyond what was needed to prevent circumvention of the contribution limits. Notably, the *NRSC* case did not change either the limits on direct contributions by parties to candidates/campaigns or the limits on donations to parties.

Application to City campaign finance law

City campaign finance law was developed and operates in a City and State legal and political landscape that is distinct from the federal campaign finance universe considered by the Court. As a result, the *NRSC* decision does not translate on a one-to-one basis into City law. For example, City campaign finance law lacks a definition of political party. Without such a definition, it is unclear which organizations might be able to engage in additional expenditures in coordination with a candidate.

Importantly, City and federal law conceptualize the relationship between contributions and coordinated expenditures in fundamentally different ways. Under City law, if an expenditure is coordinated with a candidate, it is an in-kind contribution. The contribution limit applies to the total value of all in-kind contributions and direct monetary contributions. These “coordinated expenditures” are treated similarly regardless of who makes the expenditure.

In contrast, federal law has separate limits for coordinated expenditures by parties and direct monetary contributions by parties to candidates or their campaigns. The limits for coordinated expenditures are set based on state population and are significantly higher than the direct contribution limits. Federal law also limits donations to the political parties themselves.

Given the distinct purpose and application of the term “coordinated expenditure” in City law, applying the Court’s holding in *NRSC* to everything that City law treats as “coordinated” would go far beyond what is necessary to protect the First Amendment rights of political parties. Instead, we will apply the Court’s holding to coordinated expenditures that are analogous to the types of expenditures considered in the *NRSC* case. This is consistent with the Court’s reliance on the continued availability of other anti-circumvention measures – none of which it disturbed.

Overview

As explained below, the Board’s interim definition of political party will be rooted in the certification process set out in the State Election Code, 25 P.S. § 2831. That said, the party certification process and its timeframes were not designed to apply to spending limits. To more accurately represent party participation in City elections, the Board will look at party certifications during a longer timeframe.

The policy below defines coordinated party expenditures as a new category of in-kind contributions that do not count toward the contribution limit. To fall within this exception, an expenditure must be the result of actual communication between the party and the candidate/campaign. The party must also retain direction and control of both the expenditure and its resulting goods or services. In other words, the exception applies to expenditures that are clearly the speech of the party. This approach is designed to protect the First Amendment rights of a political party conferred by the *NRSC* decision. At the same time, this policy gives continued meaning to the contribution limits on which the Court relied in finding that federal caps on coordinated party expenditures were not justified.

All monetary contributions made by a political party to a City candidate/campaign continue to count toward the contribution limit. In-kind contributions made by a political party to a City candidate/campaign also still count toward the contribution limit unless they qualify as

coordinated party expenditures. The limits for contributions to Litigation Fund Committees and Transition & Inauguration Fund Committees remain unchanged.

Candidates/campaigns are still limited to using only one political committee and one checking account to receive contributions and make expenditures on their behalf. A candidate cannot use a political party as a second account to evade this rule. The rules regarding the attribution of contributions made through another person still apply to donors to a party, including contributions made through a political party via their coordinated expenditures. This continued attribution ensures that other individuals and organizations cannot circumvent the contribution limits by using a party as an intermediary to coordinate with candidates.

Policy Guidance

The guidance below shall be effective upon approval by the Board. Board staff shall apply this guidance to any party expenditure made in coordination with a candidate for City office in 2027, regardless of whether the expenditure was made before or after the approval date. This guidance shall expire automatically on the effective date of any amendments to Board Regulation No. 1 except to the extent any portion thereof is incorporated into the resulting amended Regulation.

General policy for political party expenditures to influence City elections

Coordinated party expenditures, as defined below, will not count toward the contribution limit and will not result in excess contributions by a political party to a recipient candidate/campaign.

A. What is a political party?

An organization is a *political party* if it:

1. is a registered political committee;¹
2. is/was designated as a political party by the Secretary of State or City Commissioners under the State Election Code for at least one of the following:
 - the next covered election;
 - another covered election within the preceding four calendar years;
 - any election within the preceding four calendar years in which it nominated at least one candidate for any federal, state, or county office that appeared on a ballot produced by the City Commissioners;

and

3. has a copy of its bylaws on file with the Secretary of State or City Commissioners.²

¹ 4 Pa. Code § 176.1.

² 25 P.S. § 2837.

A committee of an organization that meets the criteria above is also a *political party* if it:

1. is a registered political committee;
2. was affirmatively created by the party consistent with the party's bylaws; **and**
3. has filed all campaign finance reports required by City and State law in the preceding 2 years or since its initial registration as a political committee, whichever is shorter.

The following are **not** *political parties* regardless of whether they meet the criteria above:

- a transition & inauguration committee;³ **or**
- a litigation fund committee.⁴

B. How do the contribution limits apply to a political party?

Coordinated party expenditures (defined below) **do not** count toward the contribution limit.

The following contributions (including pre-candidacy contributions) by a political party to a candidate/campaign **do** count towards the contribution limit:

1. monetary contributions;
2. contributions made by the party through another person; and
3. in-kind contributions other than *coordinated party expenditures*.

C. What are coordinated party expenditures?

A *coordinated party expenditure* is an in-kind contribution by a political party through an expenditure that:

1. is made from an account controlled by the political party;
2. remains within the direction or control of the political party;
3. is the result of direct communication between the political party and an intended beneficiary candidate/campaign; **and**
4. is intended to benefit a candidate/campaign that:
 - has not authorized the political party to accept contributions and make expenditures on their behalf;⁵

³ Code §20-1009; Bd. Reg. 1, Subpart H.

⁴ Code §20-1011; Bd. Reg. 1, Subpart G.

⁵ See 25 P.S. § 3243.

- does not control (as described in Regulation No. 1, Paragraph 1.23(c)⁶) the political party or the account from which the expenditure is made;
- in any General or Special Election, is the nominee of the political party making the expenditure.⁷

Expenditures by a political party for expenses related to transition and inauguration, or litigation for which a candidate may establish a litigation fund committee, are **not** *coordinated party expenditures* regardless of whether they meet the criteria above.

Examples

In-kind contributions that remain within the direction or control of the political party:

- printed materials paid for by the political party that are stored and distributed by party employees or volunteers at the direction of the party
- a television ad that is developed in consultation with the candidate that is paid for by the party and for which the party has the final say on when and where the ad will run
- a party pays for a crisis communications consultant to help a candidate respond to allegations of misconduct, but all work performed is approved and supervised by party officials

In-kind contributions that do not remain within the direction or control of the political party:

- payment of a bill for printed materials that are neither possessed nor used by the party
- expenditures to pay for goods or services already purchased by the campaign
- payment of rent for a campaign's office that the party does not use or occupy

⁶ Paragraph 1.23(c) provides:

A campaign may be found to control a political committee or an account if:

- i. The candidate or an agent of the candidate or the campaign is the treasurer or chair of the political committee or a signer on, or authorized user of, the account;
- ii. The candidate or an agent of the campaign established or registered the political committee or account; or
- iii. The treasurer or chair of the political committee, or a signer on or authorized user of the account, is an employee of the campaign.

A campaign will not be found to control a political committee merely because the campaign and the political committee used the same attorney to complete and file registration paperwork.

⁷ Unless the nominee is removed from or replaced on the ballot **or** the political party otherwise withdraws their nomination as provided for by their bylaws.

D. Is there a limit on how much a donor can give to a political party that is making coordinated party expenditures?

There is no limit on how much a donor can contribute to a political party so long as the donor is making unrestricted donations to the party and the party is not an authorized candidate political committee. That said, a donor cannot use a political party to make excess contributions or avoid other provisions of City campaign finance law. Thus, if the donor is using the party as a pass-through for contributions to a candidate for City office, such contributions will count toward the contribution limit for that donor. Contributions made through another person⁸ are generally attributed to both the original donor and the person through whom the original donor makes the contribution. Pass-through contributions made via a political party, however, will not count toward the contribution limit for the party so long as they are used only for coordinated party expenditures.

E. Can a political party function as a candidate's authorized political committee?

In theory, yes, but then its role as to that candidate is that of a candidate political committee, not a political party. As a result, the party's expenditures in support of that candidate could no longer be either coordinated party expenditures or independent expenditures.

Under State law, while a candidate is not required to have a candidate political committee, no political committee can accept money on a candidate's behalf until the candidate has formally authorized the committee to do so. Under City law, a candidate for City elective office can use only one political committee and one checking account to receive contributions and make expenditures. If a candidate for City elective office authorizes a political party to accept money on their behalf, the political party becomes the candidate's single political committee and is subject to the same recordkeeping and contribution limits as any other candidate political committee.

⁸ This City rule is for the purpose of calculating whether a donor has exceeded the contribution limit. Bd. Reg. 1, ¶1.4. This provision includes, but is not limited to, the designation or direction of contributions referred to as "earmarking" under federal law. Notably, Pennsylvania law more generally prohibits contributions made through other people. 25 P.S. § 3254.

Once authorized as a candidate political committee, the party must raise funds within the contribution limits to spend in support of the candidate. The party must keep careful records of what money was raised and spent for a particular candidate for City office, use a single checking account for all such contributions and expenditures, and clearly disclose all contributions and expenditures on its campaign finance reports. Parties may need to account for funds flowing between the state, local, and ward committees. The party may also need to file more reports than it would were it functioning as a non-candidate political committee.

F. How should a political party disclose *coordinated party expenditures*?

A political party that makes an expenditure it believes meets the criteria for a coordinated party expenditure must clearly identify each such expenditure in its campaign finance reports. Specifically, to comply with the requirement that a campaign finance report disclose “the purpose of the expenditure” (Regulation No. 1, Paragraph 1.21(a)(iii)) the filer ***must include the phrase “coordinated party expenditure”*** and briefly describe the nature of both the expenditure and the coordination with the candidate(s)/campaign(s), including identifying the candidate(s)/campaign(s).

G. Does a candidate/campaign have to disclose a political party’s *coordinated party expenditure* as a contribution?

Yes. Under the current regulation and the guidance above, the expenditures of a political party in coordination with a candidate are still in-kind contributions. Some such contributions, however, do not count toward the contribution limits. A candidate/campaign must disclose **all** in-kind contributions, including any *coordinated party expenditure*. The recipient candidate/campaign must include the phrase “*coordinated party expenditure*” in the description of each such contribution.