

# Political Law Quarterly – Q1 2026

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Political activities sit at the intersection of law, policy, and reputation. Companies operating in highly regulated industries cannot avoid political law issues, and it is frequently more complex than expected.

This quarterly newsletter highlights a few practical issues we are seeing with clients and a handful of developments worth keeping on the radar.

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## What Is a Super PAC, Anyways?

Contrary to what its name may imply, a so-called “super PAC” is not a traditional political action committee (PAC) with extra fundraising or spending power. In fact, super PACs are often defined by their limitations. They cannot make direct political contributions to candidates or even coordinate with candidates or political parties. Despite these limitations, super PACs are increasingly common due to a key concept: independent expenditures.

An independent expenditure is a political communication, such as a paid TV ad, that supports or opposes a candidate and is made independently by super PACs (*i.e.*, without any coordination with the candidate’s campaign or political party). Because the expenditures are made without coordination, they are considered a form of protected political speech. As a result, there are far fewer legal restrictions on how super PACs can raise money and how much they can spend advocating for or against candidates. For example, companies are often banned from making direct contributions to candidates from corporate treasury funds, but no such limitation exists for donations to super PACs.

Super PACs are “super” because the unlimited political funds they raise and spend are considered “political speech” and subject to less restrictions.

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## Compliance Checklist for the Quarter

A few practical reminders as the year begins.

### 1. Review Contribution Policies

Many companies have political contribution policies on paper that are not consistently operationalized. Make sure procedures for pre-clearance and reporting are actually being followed.

### 2. Confirm PAC Reporting Calendars

Corporate PACs often operate on different reporting schedules depending on activity levels. Confirm that reporting calendars reflect current obligations.

### 3. Update Lobbying Registrations

Companies that lobby in multiple states should verify that registration renewals and reporting requirements are current across jurisdictions.

### 4. Evaluate Pay-to-Play Exposure

Companies with government contracts or investment adviser exposure should periodically review political contribution activity for potential pay-to-play implications.

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## Development to Watch: Expanding State Pay-to-Play Rules

More states are examining restrictions on political contributions tied to government contracting or financial relationships with public entities. While these rules vary widely, the overall trend is toward greater scrutiny.

For companies operating across multiple states, the practical challenge is not a single rule but the patchwork of overlapping regimes.

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## Where We See Problems Arise

Most compliance issues do not stem from intentional misconduct. They arise from structure.

Typically:

- Government affairs teams drive political activity.
- Legal departments manage regulatory risk.
- Political compliance frequently sits somewhere between those functions.

Without a centralized system, responsibilities can become fragmented and key tasks can slip through the cracks.

Common problem areas include:

- Missed registration renewals.
- Untracked executive political contributions.
- Inconsistent documentation of event sponsorships.
- Delayed reporting of lobbying activity.

A disciplined process, supported by clear policies and responsibilities, can prevent most of these issues from escalating into enforcement actions, negative press, or business disruptions.

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## A Final Thought

Political compliance is rarely an area where companies want to spend their time, but in regulated industries, it is part of the operating environment.

Handled well, it becomes routine infrastructure.

Handled poorly, it can quickly become a distraction.

If you have questions about any of the issues above, or if you would like to walk through your current compliance framework, feel free to reach out.

We're always happy to talk and to partner with you on building a practical political compliance structure that works for your organization.

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