

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 94

To provide a comprehensive congressional campaign financing reform to encourage grassroots campaign giving, lessen the role of special economic interests, prohibit the use of soft money, discourage candidate expenditures of personal wealth, and otherwise restore greater competitive balance to the congressional electoral process.

---

## IN THE SENATE OF THE UNITED STATES

JANUARY 21 (legislative day, JANUARY 5), 1993

Mr. DOMENICI introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

---

## A BILL

To provide a comprehensive congressional campaign financing reform to encourage grassroots campaign giving, lessen the role of special economic interests, prohibit the use of soft money, discourage candidate expenditures of personal wealth, and otherwise restore greater competitive balance to the congressional electoral process.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act shall be known as the “Grassroots Cam-  
4       paigning and Election Reform Act of 1993”.

## 1 RELIANCE ON IN-STATE CONTRIBUTIONS

2 SEC. 2. (a) Chapter 2, section 441 of title 2, United  
3 States Code, is amended by inserting a new subsection (h),  
4 and relettering subsequent sections appropriately:

5 “(h)(1) It shall be unlawful for any candidate for the  
6 Senate of the United States or the House of Representa-  
7 tives of the United States to solicit or accept any funds  
8 for the purposes of election to the Senate or the House  
9 of Representatives from any individual, organization, or  
10 political action committee that does not reside or have its  
11 headquarters within the State from which such candidate  
12 seeks election.

13 “(2) Each contributor to a candidate under the terms  
14 of paragraph (1) of this subsection shall provide evidence  
15 of the State of residence of such contributor, pursuant to  
16 limits described in paragraph (3) of this subsection.

17 “(3)(A) For the purpose of determining the accuracy  
18 of any declaration of residence by a contributor, each can-  
19 didate for the Congress of the United States shall main-  
20 tain records of the home State of each contributor.

21 “(B) It shall be presumed that a contributor is a resi-  
22 dent of the candidate’s State if the contribution is made  
23 in the form of a check drawn on a bank within such State,  
24 and if the contribution is physically presented to the can-

1 didate or his agent in such State or mailed in an envelope  
2 postmarked in such State.

3 “(C) For any contribution in cash in excess of \$99,  
4 such name and address shall be accompanied by a nota-  
5 rized statement attesting to the accuracy of such name  
6 and address.

7 “(D) Notwithstanding the provisions of subparagraph  
8 (B) of this subsection, any contribution in excess of \$499  
9 shall be accompanied by a notarized statement attesting  
10 to the accuracy of the name and address of the contribu-  
11 tor.

12 “(E) Any contribution from a political party to a can-  
13 didate shall be accompanied by a notarized statement as  
14 to the residence of the contributors of such funds.

15 “(4) Any contribution that fails to meet the criteria  
16 described in paragraph (3) of this subsection shall, within  
17 ten days of receipt, be returned to the contributor, if  
18 known, or given to a nonpolitical health or educational  
19 charitable organization of the candidate’s choice within  
20 the candidate’s State.

21 “(5) Each violation of this section shall subject the  
22 candidate to a civil penalty of \$1,000’.

23 (b)(1) As of January 31, 1993, each Member of the  
24 Senate of the United States elected in 1992 and each  
25 Member of the House of Representatives of the United

1 States shall rebate to each Member's contributors, on a  
2 pro rata basis, all campaign funds retained as of January  
3 1, 1993, or donate such funds to a nonpolitical health or  
4 educational charitable organization of the Member's choice  
5 within the Member's State.

6 (2) As of January 31, 1993, each Member of the Sen-  
7 ate of the United States who was not a candidate for elec-  
8 tion in 1992 shall rebate to each Member's contributors,  
9 on a pro rata basis, all campaign funds raised as of such  
10 date, or donate such funds to a nonpolitical health or edu-  
11 cational charitable organization of the Member's choice  
12 within the Member's State.

13 (3) Any funds not rebated or contributed pursuant  
14 to this subsection shall subject the Member to a civil pen-  
15 alty equal to twice the sums involved.

16 LIMITATIONS ON POLITICAL ACTION COMMITTEES

17 SEC. 3. (a) Chapter 2, section 441b of title 2, United  
18 States Code, is amended by deleting all of the text follow-  
19 ing subsection (b)(2)(B).

20 (b) Chapter 2, section 441a(a)(2) of title 2, United  
21 States Code, is amended by striking out "5,000" and in-  
22 serting in lieu thereof "500" in subsection (A), and by  
23 placing a period after the word "committee" and striking  
24 all that follows in subsection (C).

1 (c) Chapter 2, section 441b of title 2, United States  
2 Code, is amended by inserting the following as a new sub-  
3 paragraph “(C)”:

4 “(c) It is unlawful for any bank, labor organization,  
5 or corporation referred to in subparagraph (a) of this sec-  
6 tion to make any contribution or expenditure for the es-  
7 tablishment, administration, or solicitation of contribu-  
8 tions to any political committee.”.

9 USE OF PERSONAL WEALTH FOR CAMPAIGN PURPOSES

10 SEC. 4. Chapter 2, section 441 of title 2, United  
11 States Code, is amended by inserting a new subsection (i),  
12 and relettering subsequent sections appropriately:

13 “(i)(1)(A) Within fifteen days after a candidate quali-  
14 fies for the ballot, under applicable State law, such can-  
15 didate shall file with the Commission, a declaration stating  
16 whether or not such candidate intends to expend, in the  
17 aggregate:

18 “(i) At least \$250,000, if a candidate for the  
19 Senate of the United States, or

20 “(ii) At least \$100,000, if a candidate for the  
21 House of Representatives of the United States,  
22 from his personal funds, and the funds of his immediate  
23 family, and incur personal loans in excess of such amount,  
24 in connection with his campaign for such office.

25 “(B) For purposes of this subsection, ‘immediate  
26 family’ means a candidate’s spouse, and any child, step-

1 child, parent, grandparent, brother, sister, half-brother, or  
2 half-sister of the candidate, and the spouse of any such  
3 person and any child, stepchild, parent, grandparent,  
4 brother, half-brother, sister, or half-sister of the can-  
5 didate's spouse, and the spouse of any such person.

6       “(C) The statement required by this subsection shall  
7 be in such form, and shall contain such information, as  
8 the Commission may, by regulation, require.

9       “(2) Notwithstanding any other provision of law, in  
10 any election in which a candidate declares that he intends  
11 to expend more than the limits described in subparagraph  
12 (A) of paragraph (1), or does expend and incur loans in  
13 excess of such limits, or fails to file the declaration re-  
14 quired by this subsection, the limitations on contributions  
15 in subsection (h) of this section, as they apply to all other  
16 candidates in such election in such State, shall be waived  
17 and the limitations on contributions in subsection (a) of  
18 this section, as they apply to all other individuals running  
19 for such office, shall be increased for such election as  
20 follows:

21               “(A) The limitations provided in subsection  
22 (a)(1)(A) shall be increased to an amount equal to  
23 1000 per centum of such limitation, and

24               “(B) The limitations provided in subsection  
25 (a)(3) shall be increased to an amount equal to 150

1       percentum of such limitation, but only to the extent  
2       that contributions above such limitation are made to  
3       candidates affected by the increased levels provided  
4       in subparagraph (A).

5       “(3) If the limitations described in paragraph (2) of  
6 this subsection are increased pursuant to paragraph (2)  
7 for a convention or a primary election, as they relate to  
8 an individual candidate, and such individual candidate is  
9 not a candidate in any subsequent election in such cam-  
10 paign, including the general election, the provisions of  
11 paragraph (2) shall no longer apply.

12       “(4) Any candidate who—

13               “(A) declares, pursuant to subparagraph (1) of  
14 this paragraph that he does not intend to expend, in  
15 the aggregate, more than the limits described in sub-  
16 paragraph (1)(A); and

17               “(B) subsequently does expend and incur loans  
18 in excess of such amounts, or intends to expend and  
19 incur loans in excess of such amounts,

20 such candidate shall notify and file an amended declara-  
21 tion with the Commission and shall notify all other can-  
22 didates for such office within twenty-four hours after  
23 changing such declaration or exceeding such limits, which-  
24 ever first occurs, by sending such notice by certified mail,  
25 return receipt requested. Failure to so notify and so file

1 shall subject such candidate to a civil penalty equal to  
2 twice the fund so expended.

3 “(5) Any candidate who incurs personal loans in con-  
4 nection with his campaign under this Act shall not repay,  
5 either directly or indirectly, such loans from any contribu-  
6 tions made to such candidate or any authorized committee  
7 of such candidate, if such contribution was made following  
8 the date of such election.

9 “(6) Notwithstanding any other provision of law, no  
10 candidate under this title may make expenditures from his  
11 personal funds or the personal funds of his immediate  
12 family, or incur personal loans in connection with his cam-  
13 paign for election to such office at any time after ninety  
14 days before the date of such election, or twenty-four hours  
15 after the primary election for such office, whichever date  
16 shall later occur. The provisions of this paragraph shall  
17 apply to all candidates regardless of whether such can-  
18 didate has reached the limits provided in paragraph (1)  
19 of this subsection. Violation of this paragraph shall subject  
20 such violator to a civil penalty three times the funds so  
21 expended.

22 “(7) The Commission shall take such action as it  
23 deems necessary under the enforcement provisions of this  
24 Act to assure compliance with the provisions of this sub-  
25 section.”.

## SOFT MONEY

1

2 SEC. 5. (a) At the appropriate place in the Federal  
3 Election Campaign Act of 1971 (2 U.S.C. 441), insert the  
4 following new section:

5 “( ) (A) Any amount solicited, received or spent by  
6 a national, State, or local committee of a political party,  
7 directly or indirectly, shall be subject to the provisions of  
8 this Act, if such amount is solicited, received, or spent in  
9 connection with a Federal election. No part of such  
10 amount may be allocated to a non-Federal account or oth-  
11 erwise maintained in, or paid from, an account that is not  
12 subject to this Act. This section shall not apply to amounts  
13 described in section 431 (b)(B)(viii) of title 2.

14 “(B) For purposes of this section, the term “in con-  
15 nection with a Federal election” includes any activity that  
16 may affect a Federal election, including but not limited  
17 to the following:

18 “(1) Voter registration and get-out-the-vote  
19 activities;

20 “(2) Generic activities, including but not limited  
21 to any broadcasting, newspaper, magazine, billboard,  
22 mail, or similar type of communication or public  
23 advertising;

