

104TH CONGRESS
2D SESSION

H. R. 2944

To reform the financing of Federal elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 1996

Mrs. MALONEY introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committees on Commerce, the Judiciary, Government Reform and Oversight, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reform the financing of Federal elections, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Election Re-
5 form Act of 1996”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—HOUSE OF REPRESENTATIVES ELECTION SPENDING
LIMITS AND BENEFITS

- Sec. 101. House of Representatives election spending limits and benefits.
- Sec. 102. Broadcast rates and preemption.
- Sec. 103. Reduced postage rates.
- Sec. 104. Contribution limitations for House of Representatives candidates.
- Sec. 105. Reporting requirements.

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Provisions Relating to Political Action Committees

- Sec. 201. Prohibition of leadership committees; excess contributions.
- Sec. 202. Aggregate limit on certain contributions.
- Sec. 203. Contributions by lobbyists.
- Sec. 204. Limitation on financial support provided to political committees by connected organizations.

Subtitle B—Provisions Relating to Soft Money of Political Parties

- Sec. 211. Soft money of political parties.
- Sec. 212. Reporting requirements.
- Sec. 213. Building fund exception to the definition of the term “contribution”.

Subtitle C—Soft Money of Persons Other Than Political Parties

- Sec. 221. Soft money of persons other than political parties.

Subtitle D—Contributions

- Sec. 231. Restrictions on bundling.
- Sec. 232. Contributions by dependents not of voting age.

Subtitle E—Additional Prohibitions on Contributions

- Sec. 241. Allowable contributions for candidates.

Subtitle F—Independent Expenditures

- Sec. 251. Provisions relating to independent expenditures.
- Sec. 252. Mandatory limitation on independent expenditures in House of Representatives elections.
- Sec. 253. Reporting requirements for certain independent expenditures.
- Sec. 254. Designation of income tax payments to Independent Expenditure Response Fund.
- Sec. 255. Independent Expenditure Response Fund.
- Sec. 256. Registration fee for multicandidate political committees.

TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Audits.
- Sec. 302. Change in certain reporting from a calendar year basis to an election cycle basis.
- Sec. 303. Expedited procedures.
- Sec. 304. Official Mass Mailing Allowance.
- Sec. 305. Provisions relating to Members’ Official Mail Allowance.
- Sec. 306. Intent of Congress.
- Sec. 307. Expedited review of constitutional issues.

Sec. 308. Effective date.

Sec. 309. Regulations.

1 **TITLE I—HOUSE OF REPRESENT-**
 2 **ATIVES ELECTION SPENDING**
 3 **LIMITS AND BENEFITS**

4 **SEC. 101. HOUSE OF REPRESENTATIVES ELECTION SPEND-**
 5 **ING LIMITS AND BENEFITS.**

6 The Federal Election Campaign Act of 1971 is
 7 amended by adding at the end the following new title:

8 **“TITLE V—SPENDING LIMITS**
 9 **AND BENEFITS FOR HOUSE**
 10 **OF REPRESENTATIVES ELEC-**
 11 **TION CAMPAIGNS**

12 **“SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.**

13 “(a) IN GENERAL.—For purposes of this title, a can-
 14 didate is an eligible House of Representatives candidate
 15 if the Commission has certified, pursuant to section 504,
 16 that the candidate—

17 “(1) meets the election cycle filing requirements
 18 of subsection (b); and

19 “(2) meets the threshold contribution require-
 20 ments of subsection (c).

21 “(b) FILING REQUIREMENTS.—

22 “(1) IN GENERAL.—The requirements of this
 23 subsection are met if the candidate files with the

1 Commission under penalty of perjury a declaration
2 that—

3 “(A) the candidate and the candidate’s au-
4 thorized committees—

5 “(i) will not exceed the expenditure
6 limits under section 502(a) and (b);

7 “(ii) will not, in the event of a runoff
8 election, accept contributions in excess of
9 the runoff expenditure limit, reduced by
10 any amounts transferred to this election
11 cycle from a preceding election cycle; and

12 “(iii) will not accept any contributions
13 in violation of section 315; and

14 “(B) the candidate intends to make use of
15 the benefits provided under section 503.

16 “(2) DEADLINE FOR FILING DECLARATION.—

17 The declaration under paragraph (1) shall be filed
18 the date the candidate files as a candidate for the
19 primary election. In the case of a candidate who is
20 not eligible to participate in a primary election but
21 qualifies for the general election ballot under State
22 law, the declaration under paragraph (1) shall be
23 filed not later than the date the candidate qualifies
24 for the general election ballot under State law.

25 “(3) NOTIFICATION.—A candidate who—

1 “(A) files a declaration pursuant to sub-
2 section (b)(1) of this Act; and

3 “(B) subsequently acts in a manner incon-
4 sistent with any of the limitations or require-
5 ments of the declaration filed under subsection
6 (b)(1) shall file a notification regarding such
7 acts with the Commission not later than 24
8 hours after the first such act inconsistent with
9 any of the limitations or requirements and shall
10 at the same time notify all other candidates for
11 the same office by sending a copy of the notifi-
12 cation filed with the Commission by certified
13 mail, return receipt requested.

14 “(c) THRESHOLD CONTRIBUTION REQUIREMENTS.—

15 “(1) IN GENERAL.—The requirements of this
16 subsection are met if the candidate and the can-
17 didate’s authorized committees have received allow-
18 able contributions during the applicable period in an
19 amount equal to 10 percent of the election cycle ex-
20 penditure limit under section 502(a), and file with
21 the Commission under penalty of perjury a state-
22 ment with supporting materials demonstrating that
23 this requirement has been met.

24 “(2) DEFINITIONS.—For purposes of this
25 Act—

1 “(A) the term ‘allowable contributions’
2 means contributions that are made as gifts of
3 money by an individual pursuant to a written
4 instrument identifying such individual as the
5 contributor, except that such term shall not in-
6 clude contributions from individuals residing
7 outside the candidate’s State to the extent such
8 contributions exceed 25 percent of the amount
9 set forth in paragraph (1), provided that—

10 “(i) no more than \$200 of any con-
11 tribution from an individual shall be taken
12 in account; and

13 “(ii) such term shall not include any
14 contribution within the meaning of section
15 315(a)(8), as amended by section 231; and

16 “(B) the term ‘applicable period’ means—

17 “(i) the period beginning on January
18 1 of the calendar year preceding the cal-
19 endar year of the general election involved
20 and ending on the date of the general elec-
21 tion; or

22 “(ii) in the case of a special election
23 for the office of Representative in, or Dele-
24 gate or Resident Commissioner to, the
25 Congress, the period beginning on the date

1 the vacancy in such office occurs and end-
2 ing on the date of the general election.

3 **“SEC. 502. LIMITATION ON EXPENDITURES.**

4 “(a) ELECTION CYCLE EXPENDITURE LIMIT.—

5 “(1) IN GENERAL.—Except as otherwise pro-
6 vided in this title, the aggregate amount of expendi-
7 tures (other than expenditures for legal fees) for an
8 election cycle by an eligible House of Representatives
9 candidate and the candidate’s authorized committees
10 shall not exceed \$600,000.

11 “(2) INDEXING.—The amount under paragraph
12 (1) shall be increased as of the beginning of each
13 calendar year based on the increase in the price
14 index determined under section 315(c), except that
15 the base period shall be calendar year 1996.

16 “(b) RUNOFF EXPENDITURE LIMITS.—The aggre-
17 gate amount of expenditures for a runoff election by an
18 eligible House of Representatives candidate and the can-
19 didate’s authorized committees shall not exceed 20 percent
20 of the election cycle expenditure limit under subsection
21 (a).

22 “(c) PAYMENT OF TAXES.—The limitation under
23 subsection (a) shall not apply to any expenditure for Fed-
24 eral, State, or local taxes with respect to earnings on con-
25 tributions raised.

1 “(d) CONTESTED PRIMARY.—If, as determined by
2 the Commission, an eligible House of Representatives can-
3 didate in a contested primary wins that primary election
4 by a margin of 15 percent or less, the limitation contained
5 in subsection (a)(1) shall be increased by \$200,000 for
6 such candidate, and such candidate shall be entitled to
7 raise additional contributions not to exceed this amount.

8 “(e) RULES APPLICABLE WHEN MANDATORY ELEC-
9 TION CYCLE EXPENDITURE LIMIT NOT IN EFFECT.—(1)
10 For purposes of the Federal Election Campaign Act of
11 1971, during any period beginning after the effective date
12 of this Act in which the requirement of paragraph (1) is
13 not in effect, there shall be in effect a voluntary election
14 cycle expenditure limit which shall operate in the same
15 manner as subsection (a), except that paragraph (2) shall
16 also be in effect.

17 “(2) COMPLYING CANDIDATES RUNNING AGAINST
18 NONCOMPLYING CANDIDATES.—(A) If in the case of an
19 election with more than one candidate where any can-
20 didate either—

21 “(i) fails to be certified as an eligible candidate
22 by the Commission and has expended personal funds
23 in excess of 5 percent of the election cycle limits
24 contained in subsection (a) or has received contribu-
25 tions or expended personal funds which in the aggre-

1 gate exceed 50 percent of the election cycle limits
2 contained in subsection (a); or

3 “(ii) violates the limitations on expenditures of
4 this Act;

5 an eligible candidate shall be treated as provided in sub-
6 paragraph (B) and a candidate referred to in clause (i)
7 or (ii) shall be treated as provided in subparagraph (C).

8 “(B) The treatment referred to in subparagraph (A)
9 with respect to an eligible candidate is that the limitations
10 under subsection (a), section 323, and section 325, shall
11 not apply with respect to the candidate.

12 “(C) The treatment referred to in subparagraph (A)
13 with respect to a candidate referred to in subparagraph
14 (A) (i) or (ii) is that the candidate shall pay to the Inde-
15 pendent Expenditure Response Fund an amount equal to
16 35 percent of any amount expended in excess of the limita-
17 tion amount under subsection (a)(1) and the candidate
18 shall not receive benefits under section 503 or payments
19 under section 252(b) of the Federal Election Reform Act
20 of 1996.

21 **“SEC. 503. BENEFITS ELIGIBLE CANDIDATES ENTITLED TO**
22 **RECEIVE.**

23 “(a) IN GENERAL.—Subject to subsection (b), for
24 any election in which an eligible House of Representatives
25 candidate has at least one opponent who has qualified for

1 the ballot and who has raised in contributions or expended
2 an amount equal to 10 percent of the election cycle limit
3 in section 502(a), such eligible candidate shall be entitled
4 to receive—

5 “(1) the broadcast media rates provided under
6 section 315(b) of the Communications Act of 1934;
7 and

8 “(2) the reduced postage rates provided in sec-
9 tion 3626(e) of title 39, United States Code.

10 “(b) PERSONAL SOURCES RULE.—(1) The aggregate
11 amount of expenditures that may be made during an elec-
12 tion cycle by an eligible House of Representatives can-
13 didate or such candidate’s authorized committees from the
14 sources described in paragraph (2) shall not exceed 5 per-
15 cent of the election cycle expenditure limit under sub-
16 section (b).

17 “(2) A source is described in this subsection if it is—

18 “(A) personal funds of the candidate and
19 members of the candidate’s immediate family;
20 or

21 “(B) personal loans incurred by the can-
22 didate and members of the candidate’s imme-
23 diate family.

1 **“SEC. 504. CERTIFICATION BY COMMISSION.**

2 “(a) IN GENERAL.—The Commission shall determine
3 whether a candidate has met the requirements of this title
4 and, based upon that determination, shall issue a certifi-
5 cation stating whether or not such candidate is eligible to
6 receive benefits under this title.

7 “(b) CERTIFICATION.—Upon receipt of the declara-
8 tion required under section 501(b) and the statement re-
9 quired under section 501(c), and such other information
10 as the Commission may by regulation require, the Com-
11 mission shall determine if such candidate meets the eligi-
12 bility requirements in section 501 and, if so, shall certify
13 the candidate’s eligibility for the benefits referred to in
14 section 503. The Commission shall revoke such certifi-
15 cation if, based on relevant information submitted in such
16 form and manner as the Commission may require or based
17 on relevant information that otherwise comes to its atten-
18 tion, it determines a candidate fails to continue to meet
19 any of the requirements of this title, including the limita-
20 tions on expenditures set forth in section 502(a) and (b).

21 “(c) DETERMINATION BY COMMISSION.—All deter-
22 minations (including certifications under this section)
23 made by the Commission under this title shall be final,
24 except to the extent that they are subject to examination
25 and audit by the Commission under section 505 and sub-
26 ject to judicial review.

1 **“SEC. 505. REPAYMENTS; ADDITIONAL CIVIL PENALTIES.**

2 “(a) MISUSE OF BENEFITS.—If the Commission de-
3 termines that any benefit made available to an eligible
4 House of Representatives candidate under this title was
5 not used as provided for in this title, or that an eligible
6 candidate has violated any of the spending limits con-
7 tained in this Act or otherwise revokes the certification
8 of a candidate as an eligible House of Representatives can-
9 didate, the Commission shall so notify the candidate and
10 the candidate shall pay to the provider of such benefits
11 received an amount equal to the value of the benefits re-
12 ceived under this title.

13 “(b) CIVIL PENALTIES.—

14 “(1) LOW AMOUNT OF EXCESS EXPENDI-
15 TURES.—Any eligible House of Representatives can-
16 didate who makes expenditures that exceed a limita-
17 tion under this title by 2.5 percent or less shall pay
18 to the Commission an amount equal to the amount
19 of the excess expenditures.

20 “(2) MEDIUM AMOUNT OF EXCESS EXPENDI-
21 TURES.—Any eligible House of Representatives can-
22 didate who makes expenditures that exceed a limita-
23 tion under this title by more than 2.5 percent and
24 less than 5 percent shall pay to the Commission an
25 amount equal to 3 times the amount of the excess
26 expenditures.

1 “(3) LARGE AMOUNT OF EXCESS EXPENDI-
2 TURES.—Any eligible House of Representatives can-
3 didate who makes expenditures that exceed a limita-
4 tion under this title by 5 percent or more shall pay
5 to the Commission an amount equal to 3 times the
6 amount of the excess expenditures plus a civil pen-
7 alty to be imposed pursuant to the procedures of
8 section 309 of this Act (2 U.S.C. 437(g)).”.

9 **SEC. 102. BROADCAST RATES AND PREEMPTION.**

10 (a) BROADCAST RATES.—Section 315(b) of the Com-
11 munications Act of 1934 (47 U.S.C. 315(b)) is amended—

12 (1) by striking “(b) The charges” and inserting
13 “(b)(1) The charges”;

14 (2) by redesignating paragraphs (1) and (2) as
15 subparagraphs (A) and (B), respectively;

16 (3) in paragraph (1)(A), as redesignated—

17 (A) by striking “forty-five” and inserting
18 “30”; and

19 (B) by striking “lowest unit charge of the
20 station for the same class and amount of time
21 for the same period” and inserting “lowest
22 charge of the station for the same amount of
23 time for the same period on the same date”;
24 and

1 (4) by adding at the end the following new
2 paragraph:

3 “(2) In the case of an eligible House of Representa-
4 tives candidate (as described in section 501(a) of the Fed-
5 eral Election Campaign Act of 1971), the charges for the
6 use of a television or radio broadcasting station during
7 the 30-day period and 60-day period referred to in para-
8 graph (1)(A) shall not exceed 50 percent of the lowest
9 charge described in paragraph (1)(A).”.

10 (b) PREEMPTION; ACCESS.—Section 315 of such Act
11 (47 U.S.C. 315) is amended—

12 (1) by redesignating subsections (c) and (d) as
13 subsections (d) and (e), respectively; and

14 (2) by inserting immediately after subsection
15 (b) the following subsection:

16 “(c)(1) Except as provided in paragraph (2), a li-
17 censee shall not preempt the use, during any period speci-
18 fied in subsection (b)(1)(A), of a broadcasting station by
19 an eligible House of Representatives candidate who has
20 purchased and paid for such use pursuant to subsection
21 (b)(2).

22 “(2) If a program to be broadcast by a broadcasting
23 station is preempted because of circumstances beyond the
24 control of the broadcasting station, any candidate adver-

1 tising spot scheduled to be broadcast during that program
2 may also be preempted.”.

3 (c) REVOCATION OF LICENSE FOR FAILURE TO PER-
4 MIT ACCESS.—Section 312(a)(7) of the Communications
5 Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

6 (1) by striking “or repeated”;

7 (2) by inserting “or cable system” after “broad-
8 casting station”; and

9 (3) by striking “his candidacy” and inserting
10 “the candidacy of such person, under the same
11 terms, conditions, and business practices as apply to
12 its most favored advertiser”.

13 (d) JURISDICTION OVER TAKINGS CHALLENGE TO
14 BROADCAST RATES.—The United States Court of Federal
15 Claims shall have exclusive jurisdiction over any action
16 challenging the constitutionality of the broadcast media
17 rates required to be offered to political candidates under
18 section 503(1) of the Federal Election Campaign Act of
19 1971 and section 315(b) of the Communications Act of
20 1934. Money damages shall be the sole and exclusive rem-
21 edy in such cases, and only individuals or entities suffering
22 actual financial injury shall have standing to maintain
23 such an action.

24 (e) CONDITION OF RENEWAL OR NEW LICENSE.—
25 Section 307 of the Communications Act of 1934 is amend-

1 ed by adding the following: “The continuation of an exist-
 2 ing license, the renewal of an expiring license, and the is-
 3 suance of a new license shall be expressly conditioned on
 4 the agreement by the licensee to abide by the provisions
 5 of section 503(1) of the Federal Election Campaign Act
 6 of 1971 and section 315(b) of this Act. The Commission
 7 shall take such action as it deems appropriate to assure
 8 compliance with this requirement.”.

9 (f) REGULATIONS.—The Commission, in consultation
 10 with the Federal Communications Commission, shall issue
 11 regulations to modify the requirements of this section in
 12 any cases where a licensee establishes that such require-
 13 ments would impose significant economic hardship.

14 (g) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to the general elections occurring
 16 after December 31, 1996 (and the election cycles relating
 17 thereto).

18 **SEC. 103. REDUCED POSTAGE RATES.**

19 (a) IN GENERAL.—Section 3626(e) of title 39, Unit-
 20 ed States Code, is amended—

21 (1) in paragraph (2)—

22 (A) in subparagraph (A)—

23 (i) by striking “and the National” and
 24 inserting “the National”; and

1 (ii) by inserting before the semicolon
2 the following: “, and, subject to paragraph
3 (3), the principal campaign committee of
4 an eligible House of Representatives can-
5 didate;”;

6 (B) in subparagraph (B), by striking
7 “and” after the semicolon;

8 (C) in subparagraph (C), by striking the
9 period and inserting a semicolon; and

10 (D) by adding after subparagraph (C) the
11 following new subparagraphs:

12 “(D) the term ‘principal campaign committee’
13 has the meaning given such term in section 301 of
14 the Federal Election Campaign Act of 1971; and

15 “(E) the term ‘eligible House of Representa-
16 tives candidate’ has the meaning given such term in
17 section 501(a) of the Federal Election Campaign
18 Act of 1971.”; and

19 (2) by adding after paragraph (2) the following
20 new paragraph:

21 “(3) The rate made available under this subsection
22 with respect to an eligible House of Representatives can-
23 didate shall apply only to that number of pieces of mail
24 equal to 3 times the number of individuals in the voting

1 age population (as certified under section 315(e) of such
2 Act) of the congressional district.”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to the general elections occurring
5 after December 31, 1996 (and the election cycles relating
6 thereto).

7 **SEC. 104. CONTRIBUTION LIMITATIONS FOR HOUSE OF**
8 **REPRESENTATIVES CANDIDATES.**

9 Section 315(a) of the Federal Election Campaign Act
10 of 1971 (2 U.S.C. 441a(a) is amended by adding at the
11 end the following new paragraphs:

12 “(9)(A) Notwithstanding paragraph (1)(A), the limi-
13 tation described in that paragraph shall be \$500 with re-
14 spect to any election for the office of Representative in,
15 or Delegate or Resident Commissioner to, the Congress.

16 “(B) Notwithstanding paragraph (2)(A), the limita-
17 tion described in that paragraph shall be \$500 with re-
18 spect to any election for the office of Representative in,
19 or Delegate or Resident Commissioner to, the Congress.

20 “(10)(A) Notwithstanding paragraphs (1), (3), and
21 (9), no citizens committee shall make contributions to any
22 candidate and the authorized political committees of such
23 candidate with respect to any election for the office of
24 Representative in, or Delegate or Resident Commissioner
25 to, the Congress which, in the aggregate, exceed \$1,000.

1 “(B) As used in this Act, the term ‘citizens commit-
2 tee’ means a political committee which, in each calendar
3 year, receives contributions of not more than \$100 from
4 each of at least 25 individuals.”.

5 **SEC. 105. REPORTING REQUIREMENTS.**

6 (a) Any candidate for the House of Representatives
7 who during the election cycle expends more than the limi-
8 tation under section 503(b) of the Federal Election Cam-
9 paign Act of 1971 during the election cycle from his per-
10 sonal funds, the funds of his immediate family, and per-
11 sonal loans incurred by the candidate and the candidate’s
12 immediate family shall report such expenditures to the
13 Commission within 48 hours after such expenditures have
14 been made or loans incurred. An additional report shall
15 be filed within 48 hours of the date such candidate makes
16 expenditures of such personal funds aggregating 25 per-
17 cent of the election cycle limit under section 502(a) of the
18 Federal Election Campaign Act of 1971.

19 (b) Any candidate for the House of Representatives
20 who has failed to be certified as an eligible candidate by
21 the Commission and who during the election cycle has re-
22 ceived contributions or expended personal funds which, in
23 the aggregate, exceed 50 percent of the election cycle lim-
24 its contained in section 502(a) of the Federal Election
25 Campaign Act of 1971, shall file a report with the Com-

1 mission within 48 hours after such contributions have
2 been received or such expenditures have been made. Addi-
3 tional reports shall be filed within 48 hours after such can-
4 didate has received contributions or expended personal
5 funds which, in the aggregate, exceed 70 percent and 120
6 percent of the election cycle limit. Additional reports shall
7 be filed within 48 hours after the candidate spends an
8 amount equal to 105 percent and 155 percent of the elec-
9 tion cycle limit contained in section 502(a) of the Federal
10 Election Campaign Act of 1971.

11 (c) The Commission within 48 hours after any report
12 has been filed under subsections (a) and (b) shall notify
13 each eligible House of Representatives candidate in the
14 election about each such report.

15 (d) If any act which requires the filing of any report
16 under subsection (a) or (b) occurs after the 20th day, but
17 more than 24 hours before an election, such report shall
18 be filed by the candidate within 24 hours of the occurrence
19 of such act. For any such report filed pursuant to this
20 subsection, the Commission shall notify the appropriate el-
21 igible House of Representatives candidate within 24 hours
22 after the filing of such report.

1 **TITLE II—REDUCTION OF**
2 **SPECIAL INTEREST INFLUENCE**
3 **Subtitle A—Provisions Relating to**
4 **Political Action Committees**

5 **SEC. 201. PROHIBITION OF LEADERSHIP COMMITTEES; EX-**
6 **CESS CONTRIBUTIONS.**

7 (a) PROHIBITION OF LEADERSHIP COMMITTEES.—

8 Section 302(e) of the Federal Election Campaign Act of
9 1971 (2 U.S.C. 432(e)) is amended—

10 (1) by amending paragraph (3) to read as fol-
11 lows:

12 “(3) No political committee that supports or has sup-
13 ported more than one candidate may be designated as an
14 authorized committee, except that—

15 “(A) a candidate for the office of President
16 nominated by a political party may designate the na-
17 tional committee of such political party as the can-
18 didate’s principal campaign committee, but only if
19 that national committee maintains separate books of
20 account with respect to its functions as a principal
21 campaign committee; and

22 “(B) a candidate may designate a political com-
23 mittee established solely for the purpose of joint
24 fundraising by such candidates as an authorized
25 committee.”; and

1 (2) by adding at the end the following new
2 paragraph:

3 “(6)(A) A candidate for Federal office or any individ-
4 ual holding Federal office may not directly or indirectly
5 establish, finance, maintain, or control any Federal or
6 non-Federal political committee other than a principal
7 campaign committee of the candidate, authorized commit-
8 tee, party committee, or other political committee des-
9 ignated in accordance with paragraph (3). A candidate for
10 more than one Federal office may designate a separate
11 principal campaign committee for each Federal office.
12 This paragraph shall not preclude a Federal officeholder
13 who is a candidate for State or local office from establish-
14 ing, financing, maintaining, or controlling a political com-
15 mittee for election of the individual to such State or local
16 office.

17 “(B) For one year after the effective date of this
18 paragraph, any political committee established before such
19 date but which is prohibited under subparagraph (A) may
20 continue to make contributions. At the end of that period
21 such political committee shall disburse all funds by one
22 or more of the following means: making contributions to
23 an entity qualified under section 501(c)(3) of the Internal
24 Revenue Code of 1986 that is not established, maintained,
25 financed, or controlled directly or indirectly by any can-

1 didate for Federal office or any individual holding Federal
2 office; making a contribution to the treasury of the United
3 States; contributing to the national, State, or local com-
4 mittees of a political party; or making contributions not
5 to exceed \$1,000 to candidates for elective office.”.

6 (b) EXCESS CONTRIBUTIONS.—A candidate (or au-
7 thorized committees of such candidate) who receives a con-
8 tribution from a multicandidate political committee in ex-
9 cess of the amount allowed under subsection (d)(1) shall
10 return the amount of such excess contribution to the con-
11 tributor.

12 **SEC. 202. AGGREGATE LIMIT ON CERTAIN CONTRIBUTIONS.**

13 Title III of the Federal Election Campaign Act of
14 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
15 end the following new section:

16 “SEC. 323. For purposes of the Federal Election
17 Campaign Act of 1971, during any period beginning after
18 the effective date of this Act, it shall be unlawful for a
19 candidate for election for the office of Representative in,
20 or Delegate or Resident Commissioner to, the Congress
21 (or the authorized committees of such candidate) to ac-
22 cept—

23 “(1) any contribution from an individual in ex-
24 cess of \$200 to the extent that the acceptance of
25 such contribution will cause the aggregate amount of

1 contributions from individuals in excess of \$200 re-
2 ceived by the candidate and the candidate's author-
3 ized committees to exceed \$200,000;

4 “(2) contributions from multicandidate political
5 committees in excess of \$200,000 for an election
6 cycle; or

7 “(3) contributions from citizens committees in
8 excess of \$200,000 for an election cycle.”

9 **SEC. 203. CONTRIBUTIONS BY LOBBYISTS.**

10 Section 315(a) of the Federal Election Campaign Act
11 of 1971 (2 U.S.C. 441a(a)), as amended by section 104,
12 is further amended by adding at the end the following new
13 paragraph:

14 “(11) Notwithstanding section 315(a)(1)(A), any
15 person required to register under section 4 of the Lobby-
16 ing Disclosure Act of 1995 (2 U.S.C. 1603) or the Foreign
17 Agents Registration Act of 1938 (22 U.S.C. 611 et
18 seq.)—

19 “(A) shall not make contributions to, or solicit
20 contributions for, any candidate and his authorized
21 political committees with respect to any election for
22 Federal office, if such person has had a lobbying
23 contact with the candidate during the preceding
24 year; and

1 “(B) shall not have any lobbying contact with
 2 any individual who holds a Federal office, if, during
 3 the preceding year, such person has made, or solic-
 4 ited contributions for, such individual as a candidate
 5 (and his authorized political committees) with re-
 6 spect to any election for Federal office.”.

7 **SEC. 204. LIMITATION ON FINANCIAL SUPPORT PROVIDED**
 8 **TO POLITICAL COMMITTEES BY CONNECTED**
 9 **ORGANIZATIONS.**

10 Section 316(b) of the Federal Election Campaign Act
 11 of 1971 (2 U.S.C. 441b(b)) is amended by adding at the
 12 end the following new paragraph:

13 “(8) Notwithstanding any other provision of this sec-
 14 tion, a connected organization may provide financial sup-
 15 port to a political committee only to the extent that such
 16 support does not exceed an amount equal to 20 percent
 17 of the fundraising expenses of the political committee.”.

18 **Subtitle B—Provisions Relating to**
 19 **Soft Money of Political Parties**

20 **SEC. 211. SOFT MONEY OF POLITICAL PARTIES.**

21 Title III of the Federal Election Campaign Act of
 22 1971 (2 U.S.C. 431 et seq.), as amended by section 202,
 23 is further amended by adding at the end the following new
 24 section:

1 “SOFT MONEY OF POLITICAL PARTIES

2 “SEC. 324. (a) A national committee of a political
3 party, including the national congressional campaign com-
4 mittees of a political party, and any officers or agents of
5 such party committees, shall not solicit or receive any con-
6 tributions, donations, or transfers of funds, or spend any
7 funds, not subject to the limitations, prohibitions, and re-
8 porting requirements of this Act. This subsection shall
9 apply to any entity that is established, financed, main-
10 tained, or controlled by a national committee of a political
11 party, including the national congressional campaign com-
12 mittees of a political party, and any officers or agents of
13 such party committees.

14 “(b)(1) Any amount expended or disbursed by a
15 State, district, or local committee of a political party, dur-
16 ing a calendar year in which a Federal election is held,
17 for any activity which might affect the outcome of a Fed-
18 eral election, including but not limited to any voter reg-
19 istration and get-out-the-vote activity, any generic cam-
20 paign activity, and any communication that identifies a
21 Federal candidate (regardless of whether a State or local
22 candidate is also mentioned or identified) shall be made
23 from funds subject to the limitations, prohibitions and re-
24 porting requirements of this Act.

1 “(2) Paragraph (1) shall not apply to expenditures
2 or disbursements made by a State, district or local com-
3 mittee of a political party for—

4 “(A) a contribution to a candidate other than
5 for Federal office, provided that such contribution is
6 not designated or otherwise earmarked to pay for ac-
7 tivities described in paragraph (1);

8 “(B) the costs of a State or district/local politi-
9 cal convention;

10 “(C) the non-Federal share of a State, district
11 or local party committee’s administrative and over-
12 head expenses (but not including the compensation
13 in any month of any individual who spends more
14 than 20 percent of his or her time on activity during
15 such month which may affect the outcome of a Fed-
16 eral election). For purposes of this provision, the
17 non-Federal share of a party committee’s adminis-
18 trative and overhead expenses shall be determined by
19 applying the ratio of the non-Federal disbursements
20 to the total Federal expenditures and non-Federal
21 disbursements made by the committee during the
22 previous presidential election year to the committee’s
23 administrative and overhead expenses in the election
24 year in question;

1 “(D) the costs of grassroots campaign mate-
2 rials, including buttons, bumper stickers, and yard
3 signs, which materials solely name or depict a State
4 or local candidate; or

5 “(E) the cost of any campaign activity con-
6 ducted solely on behalf of a clearly identified State
7 or local candidate, provided that such activity is not
8 a get out the vote activity or any other activity cov-
9 ered by paragraph (1).

10 “(3) Any amount spent by a national, State, district
11 or local committee or entity of a political party to raise
12 funds that are used, in whole or in part, to pay the costs
13 of any activity covered by paragraph (1) shall be made
14 from funds subject to the limitations, prohibitions, and re-
15 porting requirements of this Act. This paragraph shall
16 apply to any entity that is established, financed, main-
17 tained, or controlled by a State, district or local committee
18 of a political party or any agent or officer of such party
19 committee in the same manner as it applies to that com-
20 mittee.

21 “(c) No national, State, district or local committee
22 of a political party shall solicit any funds for or make any
23 donations to any organization that is exempt from Federal
24 taxation under section 501(c) of the Internal Revenue
25 Code of 1986.

1 “(d)(1) No candidate for Federal office, individual
2 holding Federal office, or any agent of such candidate or
3 officeholder, may solicit or receive (A) any funds in con-
4 nection with any Federal election unless such funds are
5 subject to the limitations, prohibitions and reporting re-
6 quirements of this Act; (B) any funds that are to be ex-
7 pended in connection with any election for other than a
8 Federal election unless such funds are not in excess of
9 the amounts permitted with respect to contributions to
10 Federal candidates and political committees under section
11 315(a)(1) and (2), and are not from sources prohibited
12 from making contributions by this Act with respect to elec-
13 tion for Federal office. This paragraph shall not apply to
14 the solicitation or receipt of funds by an individual who
15 is a candidate for a non-Federal office if such activity is
16 permitted under State law for such individual’s non-Fed-
17 eral campaign committee.

18 “(2)(A) No candidate for Federal office or individual
19 holding Federal office may directly or indirectly establish,
20 maintain, finance or control any organization described in
21 section 501(c) of the Internal Revenue Code of 1986 if
22 such organization raises funds from the public.

23 “(B) No candidate for Federal office or individual
24 holding Federal office may raise funds for any organiza-
25 tion described in section 501(c) of the Internal Revenue

1 Code of 1986 if the activities of the organization include
2 voter registration or get-out-the-vote campaigns.

3 “(C) For purposes of this paragraph, an individual
4 shall be treated as holding Federal office if such individ-
5 ual—

6 “(i) holds a Federal office; or

7 “(ii) holds a position described in level I of the
8 Executive Schedule under 5312 of title 5, United
9 States Code.”.

10 **SEC. 212. REPORTING REQUIREMENTS.**

11 (a) REPORTING REQUIREMENTS.—Section 304 of the
12 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
13 is amended by adding at the end the following new sub-
14 section:

15 “(d) POLITICAL COMMITTEES.—(1) A political com-
16 mittee other than a national committee of a political party,
17 any congressional campaign committee of a political party,
18 and any subordinate committee of either, to which section
19 325(b)(1) applies shall report all receipts and disburse-
20 ments.

21 “(2) Any political committee other than the commit-
22 tees of a political party shall report any receipts or dis-
23 bursements that are used in connection with a Federal
24 election.

1 “(3) If a political committee has receipts or disburse-
2 ments to which this subsection applies from any person
3 aggregating in excess of \$200 for any calendar year, the
4 political committee shall separately itemize its reporting
5 for such person in the same manner as required in sub-
6 section (b)(3)(A), (5), or (6).

7 “(4) Reports required to be filed under this sub-
8 section shall be filed for the same time periods required
9 for political committees under subsection (a).”.

10 (b) REPORTS BY STATE COMMITTEES.—Section 304
11 of the Federal Election Campaign Act of 1971 (2 U.S.C.
12 434), as amended by subsection (a), is further amended
13 by adding at the end the following new subsection:

14 “(e) FILING OF STATE REPORTS.—In lieu of any re-
15 port required to be filed by this Act, the Commission may
16 allow a State committee of a political party to file with
17 the Commission a report required to be filed under State
18 law if the Commission determines such reports contain
19 substantially the same information.”.

20 (c) OTHER REPORTING REQUIREMENTS.—

21 (1) AUTHORIZED COMMITTEES.—Section
22 304(b)(4) of the Federal Election Campaign Act of
23 1971 (2 U.S.C. 434(b)(4)) is amended—

24 (A) by striking “and” at the end of sub-
25 paragraph (H);

1 (B) by inserting “and” at the end of sub-
2 paragraph (I); and

3 (C) by adding at the end the following new
4 subparagraph:

5 “(J) in the case of an authorized commit-
6 tee, disbursements for the primary election, the
7 general election, and any other election in which
8 the candidate participates;”.

9 (2) NAMES AND ADDRESSES.—Section
10 304(b)(5)(A) of the Federal Election Campaign Act
11 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended—

12 (A) by striking “within the calendar year”;
13 and

14 (B) by inserting “, and the election to
15 which the operating expenditure relates” after
16 “operating expenditure”.

17 **SEC. 213. BUILDING FUND EXCEPTION TO THE DEFINITION**
18 **OF THE TERM “CONTRIBUTION”.**

19 Section 301(8)(B) of the Federal Election Campaign
20 Act of 1971 (2 U.S.C. 431(8)(B)) is amended—

21 (1) by striking out clause (viii); and

22 (2) by redesignating clauses (ix) through (xiv)
23 as clauses (viii) through (xiii), respectively.

1 **Subtitle C—Soft Money of Persons**
2 **Other Than Political Parties**

3 **SEC. 221. SOFT MONEY OF PERSONS OTHER THAN POLITI-**
4 **CAL PARTIES.**

5 Section 304 of the Federal Election Campaign Act
6 of 1971 (2 U.S.C. 434), as amended by section 212(a)
7 and (b), is further amended by adding at the end the fol-
8 lowing new subsection:

9 “(f) ELECTION ACTIVITY OF PERSONS OTHER THAN
10 POLITICAL PARTIES.—(1)(A)(i) If any person to which
11 section 325 does not apply makes (or obligates to make)
12 disbursements for activities described in section 325(b)(1)
13 in excess of \$2,000, such person shall file a statement—

14 “(I) within 48 hours after the disbursements
15 (or obligations) are made; or

16 “(II) in the case of disbursements (or obliga-
17 tions) that are required to be made within 20 days
18 of the election, within 24 hours after such disburse-
19 ment (or obligations) are made.

20 “(ii) An additional statement shall be filed each time
21 additional disbursements aggregating \$2,000 are made (or
22 obligated to be made) by a person described in clause (i).

23 “(B) This paragraph shall not apply to—

24 “(i) a candidate or a candidate’s authorized
25 committees; or

1 “(ii) an independent expenditure (as defined in
2 section 301(17)).

3 “(2) Any statement under this section shall be filed
4 with the Commission and shall contain such information
5 as the Commission shall prescribe, including whether the
6 disbursement is in support of, or in opposition to, 1 or
7 more candidates or any political party.”.

8 **Subtitle D—Contributions**

9 **SEC. 231. RESTRICTIONS ON BUNDLING.**

10 Section 315(a)(8) of the Federal Election Campaign
11 Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read
12 as follows:

13 “(8)(A) No person, either directly or indirectly, may
14 act as a conduit or intermediary for any contribution to
15 a candidate.

16 “(B)(i) Nothing in this section shall prohibit—

17 “(I) joint fundraising conducted in accordance
18 with rules prescribed by the Commission by 2 or
19 more candidates; or

20 “(II) fundraising for the benefit of a candidate
21 that is conducted by another candidate.

22 “(ii) No other person may conduct or otherwise par-
23 ticipate in joint fundraising activities with or on behalf
24 of any candidate.

1 “(C) The term ‘conduit or intermediary’ means a per-
2 son who transmits a contribution to a candidate or can-
3 didate’s committee or representative from another person,
4 except that—

5 “(i) a House of Representatives candidate or
6 representative of a House of Representatives can-
7 didate is not a conduit or intermediary for the pur-
8 pose of transmitting contributions to the candidate’s
9 principal campaign committee or authorized commit-
10 tee;

11 “(ii) a professional fundraiser is not a conduit
12 or intermediary, if the fundraiser is compensated for
13 fundraising services at the usual and customary
14 rate;

15 “(iii) a volunteer hosting a fundraising event at
16 the volunteer’s home, in accordance with section
17 301(8)(b), is not a conduit or intermediary for the
18 purposes of that event; and

19 “(iv) an individual is not a conduit or
20 intermediary for the purpose of transmitting a con-
21 tribution from the individual’s spouse.

22 For purposes of this section a conduit or intermediary
23 transmits a contribution when receiving or otherwise tak-
24 ing possession of the contribution and forwarding it di-

1 rectly to the candidate or the candidate’s committee or
2 representative.

3 “(D) For purposes of this section, the term ‘rep-
4 resentative’—

5 “(i) shall mean a person who is expressly au-
6 thorized by the candidate to engage in fundraising,
7 and who, in the case of an individual, is not acting
8 as an officer, employee, or agent of any other per-
9 son;

10 “(ii) shall not include—

11 “(I) a political committee with a connected
12 organization;

13 “(II) a political party;

14 “(III) a partnership or sole proprietorship;

15 “(IV) an organization prohibited from
16 making contributions under section 316; or

17 “(V) a person required to register under
18 section 4 of the Lobbying Disclosure Act of
19 1995 (2 U.S.C. 1603) or the Foreign Agents
20 Registration Act of 1938 (22 U.S.C. 611 et
21 seq.).

22 “(E) For purposes of this section, the term ‘acting
23 as an officer, employee, or agent of any other person’ in-
24 cludes the following activities by a salaried officer, em-

1 ployee, or paid agent of a person described in subpara-
2 graph (D)(ii)(IV):

3 “(i) Soliciting contributions to a particular can-
4 didate in the name of, or by using the name of, such
5 a person.

6 “(ii) Soliciting contributions to a particular
7 candidate using other than the incidental resources
8 of such a person.

9 “(iii) Soliciting contributions to a particular
10 candidate under the direction or control of other sal-
11 aried officers, employees, or paid agents of such a
12 person.

13 For purposes of this subparagraph, the term ‘agent’ shall
14 include any person (other than individual members of an
15 organization described in subparagraph (b)(4)(C) of sec-
16 tion 316) acting on authority or under the direction of
17 such organization.”.

18 **SEC. 232. CONTRIBUTIONS BY DEPENDENTS NOT OF VOT-**
19 **ING AGE.**

20 Section 315 of the Federal Election Campaign Act
21 of 1971 (2 U.S.C. 441a) is amended by adding at the end
22 the following new subsection:

23 “(i) For purposes of this section, any contribution by
24 an individual who—

25 “(1) is a dependent of another individual; and

1 (b) RULES APPLICABLE WHEN IN STATE REQUIRE-
 2 MENT NOT IN EFFECT.—For purposes of the Federal
 3 Election Campaign Act of 1971, during any period begin-
 4 ning after the effective date on which the requirement of
 5 section 325 of the Act (as added by subsection (a)) is not
 6 in effect, a new clause (iv) shall be inserted in section
 7 501(b)(1) as follows:

8 “(iv) will comply with the requirement
 9 that, by the end of the election cycle, not
 10 less than 75 percent of the total dollar
 11 amount of all contributions from individ-
 12 uals to a candidate or a candidate’s au-
 13 thorized committees, including any expend-
 14 itures, contributions, or loans made by a
 15 candidate shall come from individuals le-
 16 gally residing in the candidate’s State.”.

17 **Subtitle F—Independent** 18 **Expenditures**

19 **SEC. 251. PROVISIONS RELATING TO INDEPENDENT EX-**
 20 **PENDITURES.**

21 (a) INDEPENDENT EXPENDITURE DEFINITION
 22 AMENDMENT.—Section 301 of the Federal Election Cam-
 23 paign Act of 1971 (2 U.S.C. 431) is amended by striking
 24 out paragraphs (17) and (18) and inserting in lieu thereof
 25 the following:

1 “(17)(A) The term ‘independent expenditure’ means
2 an expenditure that—

3 “(i) contains express advocacy; and

4 “(ii) is made without the participation or co-
5 operation of, or without the consultation of, a can-
6 didate or a candidate’s representative.

7 “(B) The following shall not be considered an inde-
8 pendent expenditure:

9 “(i) An expenditure made by—

10 “(I) an authorized committee of a can-
11 didate for Federal office, or

12 “(II) a political committee of a political
13 party.

14 “(ii) An expenditure if there is any arrange-
15 ment, coordination, or direction with respect to the
16 expenditure between the candidate or the candidate’s
17 agent and the person making the expenditure.

18 “(iii) An expenditure if, in the same election
19 cycle, the person making the expenditure is or has
20 been—

21 “(I) authorized to raise or expend funds on
22 behalf of the candidate or the candidate’s au-
23 thorized committees; or

1 “(II) serving as a member, employee, or
2 agent of the candidate’s authorized committees
3 in an executive or policymaking position.

4 “(iv) An expenditure if the person making the
5 expenditure has advised or counseled the candidate
6 or the candidate’s agents at any time on the can-
7 didate’s plans, projects, or needs relating to the can-
8 didate’s pursuit of nomination for election, or elec-
9 tion, to Federal office, in the same election cycle, in-
10 cluding any advice relating to the candidate’s deci-
11 sion to seek Federal office.

12 “(v) An expenditure if the person making the
13 expenditure retains the professional services of any
14 individual or other person also providing services in
15 the same election cycle to the candidate in connec-
16 tion with the candidate’s pursuit of nomination for
17 election, or election, to Federal office, including any
18 services relating to the candidate’s decision to seek
19 Federal office. For purposes of this clause, the term
20 ‘professional services’ shall include any services
21 (other than legal and accounting services solely for
22 purposes of ensuring compliance with any Federal
23 law) in support of any candidate’s or candidates’
24 pursuit of nomination for election, or election, to
25 Federal office.

1 For purposes of this subparagraph, the person making the
2 expenditure shall include any officer, director, employee,
3 or agent of such person.

4 “(18)(A) The term ‘express advocacy’ means, when
5 a communication is taken as a whole and with limited ref-
6 erence to external events, an expression of support for or
7 opposition to a specific candidate, to a specific group of
8 candidates, or to candidates of a particular political party.

9 “(B) The term ‘expression of support for or opposi-
10 tion to’ includes a suggestion to take action with respect
11 to an election, such as to vote for or against, make con-
12 tributions to, or participate in campaign activity, or to re-
13 frain from taking action.”.

14 (b) CONTRIBUTION DEFINITION AMENDMENT.—Sec-
15 tion 301(8)(A) of the Federal Election Campaign Act of
16 1971 (2 U.S.C. 431(8)(A)) is amended—

17 (1) in clause (i), by striking out “or” after the
18 semicolon at the end;

19 (2) in clause (ii), by striking out the period at
20 the end and inserting in lieu thereof “; or”; and

21 (3) by adding at the end the following new
22 clause:

23 “(iii) any payment or other transaction referred
24 to in paragraph (17)(A)(i) that is not an independ-
25 ent expenditure under paragraph (17).”.

1 **SEC. 252. MANDATORY LIMITATION ON INDEPENDENT EX-**
2 **PENDITURES IN HOUSE OF REPRESENTA-**
3 **TIVES ELECTIONS.**

4 (a) IN GENERAL.—Section 315 of the Federal Elec-
5 tion Campaign Act of 1971 (2 U.S.C. 441a), as amended
6 by section 232 is further amended by adding at the end
7 the following new subsection:

8 “(j) No person may make independent expenditures
9 totaling more than \$30,000 expressly advocating the elec-
10 tion or defeat of a clearly identified candidate in an elec-
11 tion for the office of Representative in, or Delegate or
12 Resident Commissioner to, the Congress.”.

13 (b) RULES APPLICABLE WHEN MANDATORY INDE-
14 PENDENT EXPENDITURE LIMITATION NOT IN EFFECT.—
15 For purposes of the Federal Election Campaign Act of
16 1971, during any period beginning after the effective date
17 of this Act in which the requirement of section 315(j) of
18 the Federal Election Campaign Act of 1971, as added by
19 subsection (a), is not in effect, if independent expenditures
20 totaling in the aggregate \$30,000 have been made in the
21 same election in favor of another candidate or against an
22 eligible House of Representatives candidate, the Federal
23 Election Commission shall, within 2 business days, notify
24 the eligible candidate that the candidate is eligible for pay-
25 ments from the Independent Expenditure Response Fund

1 equal to the total amount of the independent expenditure,
2 as determined by the Commission.

3 **SEC. 253. REPORTING REQUIREMENTS FOR CERTAIN INDE-**
4 **PENDENT EXPENDITURES.**

5 Section 304(c) of the Federal Election Campaign Act
6 of 1971 (2 U.S.C. 434(c)) is amended—

7 (1) in paragraph (2), by striking the undesig-
8 nated matter after subparagraph (C);

9 (2) by redesignating paragraph (3) as para-
10 graph (7); and

11 (3) by inserting after paragraph (2), as amend-
12 ed by paragraph (1), the following new paragraphs:

13 “(3)(A) Any person (including a political com-
14 mittee) making independent expenditures as defined
15 in section 301(17) and (18) with respect to a can-
16 didate in an election aggregating \$1,000 or more
17 made after the 20th day, but more than 24 hours,
18 before the election shall file a report within 24 hours
19 after such independent expenditures are made. An
20 additional report shall be filed each time independ-
21 ent expenditures aggregating \$1,000 are made with
22 respect to the same candidate after the latest report
23 filed under this subparagraph.

24 “(B) Any person (including a political commit-
25 tee) making independent expenditures with respect

1 to a candidate in an election aggregating \$10,000 or
2 more made at any time up to and including the 20th
3 day before the election shall file a report within 48
4 hours after such independent expenditures are made.
5 An additional report shall be filed each time inde-
6 pendent expenditures aggregating \$10,000 are made
7 with respect to the same candidate after the latest
8 report filed under this paragraph.

9 “(C) A report under subparagraph (A) or (B)
10 shall be filed with the Commission and shall identify
11 each candidate whom the expenditure is actually in-
12 tended to support or to oppose. Not later than 2
13 business days after the Commission receives a re-
14 port, the Commission shall transmit a copy of the
15 report to each candidate seeking nomination or elec-
16 tion to that office.

17 “(D) For purposes of this section, an independ-
18 ent expenditure shall be considered to have been
19 made upon the making of any payment or the taking
20 of any action to incur an obligation for payment.

21 “(4) The Commission may, upon a request of a
22 candidate or on its own initiative, make its own de-
23 termination that a person, including a political com-
24 mittee, has made, or has incurred obligations to
25 make, independent expenditures with respect to any

1 candidate in any election which in the aggregate ex-
2 ceed the applicable amounts under paragraph (3).
3 The Commission shall notify each candidate in such
4 election of such determination made within 2 busi-
5 ness days after making it. Any determination made
6 at the request of a candidate shall be made within
7 48 hours of the request.

8 “(5)(A) A person who reserves broadcast time
9 the payment for which would constitute an inde-
10 pendent expenditure within the meaning of section
11 301(17) of this Act (2 U.S.C. 431(17)), shall at the
12 time of the reservation—

13 “(i) inform the broadcast licensee that pay-
14 ment for the broadcast time will constitute an
15 independent expenditure;

16 “(ii) inform the broadcast licensee of the
17 names of all candidates for the office to which
18 the proposed broadcast relates and state wheth-
19 er the message to be broadcast is intended to
20 be made in support of or in opposition to each
21 such candidate; and

22 “(iii) provide the broadcast licensee a copy
23 of the report described in paragraph (3).

24 “(B) For purposes of this paragraph, the term
25 ‘broadcast’ includes any cablecast.

1 “(C) A licensee who is informed as described in
2 subparagraph (A) shall—

3 “(i) notify each such candidate described
4 in subparagraph (A)(ii) of the proposed making
5 of the independent expenditure; and

6 “(ii) allow any such candidate (other than
7 a candidate for whose benefit the independent
8 expenditure is made) to purchase the same
9 amount of broadcast time immediately after the
10 broadcast time paid for by the independent ex-
11 penditure, at the cost specified in section
12 315(b) of title 47, as amended by section 102
13 of this Act.”.

14 **SEC. 254. DESIGNATION OF INCOME TAX PAYMENTS TO**
15 **INDEPENDENT EXPENDITURE RESPONSE**
16 **FUND.**

17 (a) IN GENERAL.—Subchapter A of chapter 61 of the
18 Internal Revenue Code of 1986 (relating to information
19 and returns) is amended by adding at the end the follow-
20 ing new part:

21 **“PART IX—DESIGNATION OF INCOME TAX PAY-**
22 **MENTS TO INDEPENDENT EXPENDITURE RE-**
23 **SPONSE FUND**

 “Sec. 6098. Designation to Independent Expenditure Response
 Fund.

1 **“SEC. 6098. DESIGNATION TO INDEPENDENT EXPENDITURE**
2 **RESPONSE FUND.**

3 “(a) IN GENERAL.—Every individual (other than a
4 nonresident alien) whose adjusted income tax liability for
5 the taxable year is \$5 or more may designate that \$5 shall
6 be paid over to the Independent Expenditure Response
7 Fund in accordance with the provisions of section 9512.
8 In the case of a joint return of husband and wife having
9 an adjusted income tax liability of \$10 or more, each
10 spouse may designate that \$10 shall be paid to the fund.

11 “(b) ADJUSTED INCOME TAX LIABILITY.—For pur-
12 poses of subsection (a), the term ‘adjusted income tax li-
13 ability’ means, for any individual for any taxable year, the
14 excess (if any) of—

15 “(1) the income tax liability (as defined in sec-
16 tion 6096(b)) of the individual for the taxable year,
17 over

18 “(2) any amount designated by the individual
19 (and, in the case of a joint return, any amount des-
20 ignated by the individual’s spouse) under section
21 6096(a) for such taxable year.

22 “(c) MANNER AND TIME OF DESIGNATION.—A des-
23 ignation under subsection (a) may be made with respect
24 to any taxable year—

25 “(1) at the time of filing the return of the tax
26 imposed by chapter 1 for such taxable year, or

1 “(2) at any other time (after the time of filing
2 the return of the tax imposed by chapter 1 for such
3 taxable year) specified in regulations prescribed by
4 the Secretary.

5 Such designation shall be made in such manner as the
6 Secretary prescribes by regulations except that, if such
7 designation is made at the time of filing the return of the
8 tax imposed by chapter 1 for such taxable year, such des-
9 ignation shall be made either on the first page of the re-
10 turn or on the page bearing the taxpayer’s signature.

11 “(d) TRANSFERS TO FUND.—There are hereby ap-
12 propriated to the Independent Expenditure Response
13 Fund amounts equivalent to the amounts designated
14 under subsection (c).”.

15 (b) CLERICAL AMENDMENT.—The table of parts for
16 subchapter A of chapter 61 of such Code is amended by
17 adding at the end the following new item:

“PART IX. DESIGNATION OF INCOME TAX PAYMENTS TO INDEPENDENT
EXPENDITURE RESPONSE FUND.”

18 (d) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31 of the year in which this Act is enacted.

21 **SEC. 255. INDEPENDENT EXPENDITURE RESPONSE FUND.**

22 (a) IN GENERAL.—Title III of the Federal Election
23 Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended

1 “(j) The Commission shall impose on each political
2 committee a registration fee of \$500.”.

3 **TITLE III—MISCELLANEOUS**
4 **PROVISIONS**

5 **SEC. 301. AUDITS.**

6 (a) **RANDOM AUDITS.**—Section 311(b) of the Federal
7 Election Campaign Act of 1971 (2 U.S.C. 438(b)) is
8 amended—

9 (1) by inserting “(1)” before “The Commis-
10 sion”; and

11 (2) by adding at the end the following new
12 paragraph:

13 “(2) Notwithstanding paragraph (1), the Com-
14 mission may conduct random audits and investiga-
15 tions to ensure voluntary compliance with this Act.
16 The subjects of such audits and investigations shall
17 be selected on the basis of criteria established by
18 vote of at least 4 members of the Commission to en-
19 sure impartiality in the selection process. This para-
20 graph does not apply to an authorized committee of
21 a candidate for President or Vice President subject
22 to audit under chapter 95 or 96 of the Internal Rev-
23 enue Code of 1986.”.

24 (b) **EXTENSION OF PERIOD DURING WHICH CAM-
25 PAIGN AUDITS MAY BE BEGUN.**—Section 311(b) of the

1 appears that the requirements for relief stated in para-
2 graph (13)(A) (ii), (iii), and (iv) are met, the Com-
3 mission may—

4 “(i) order expedited proceedings, shorten-
5 ing the time periods for proceedings under
6 paragraphs (1), (2), (3), and (4) as necessary
7 to allow the matter to be resolved in sufficient
8 time before the election to avoid harm or preju-
9 dice to the interests of the parties; or

10 “(ii) if the Commission determines that
11 there is insufficient time to conduct proceedings
12 before the election, immediately seek relief
13 under paragraph (13)(A).

14 “(C) If the Commission determines, on the
15 basis of facts alleged in the complaint and other
16 facts available to it, that the complaint is clearly
17 without merit, the Commission may—

18 “(i) order expedited proceedings, shorten-
19 ing the time periods for proceedings under
20 paragraphs (1), (2), (3), and (4) as necessary
21 to allow the matter to be resolved in sufficient
22 time before the election to avoid harm or preju-
23 dice to the interests of the parties; or

24 “(ii) if the Commission determines that
25 there is insufficient time to conduct proceedings

1 before the election, summarily dismiss the com-
2 plaint.”.

3 **SEC. 304. OFFICIAL MASS MAILING ALLOWANCE.**

4 Section 311(f) of the Legislative Branch Appropria-
5 tions Act, 1991 (2 U.S.C. 59e(f)) is amended to read as
6 follows:

7 “(f)(1) There is established in the House of Rep-
8 resentatives an Official Mass Mailing Allowance for Mem-
9 bers of the House of Representatives.

10 “(2) The Official Mass Mailing Allowance of a Mem-
11 ber of the House of Representatives—

12 “(A) shall be available only for postage for any
13 mass mailing sent by such Member as franked mail;

14 “(B) shall be the sole source of funding for any
15 such postage; and

16 “(C) shall be available, in a session of Congress
17 (subject to paragraph (5)(A)(ii)), in an amount not
18 to exceed the total amount allocated to the Official
19 Mail Allowance of such Member in such session.

20 “(3) No amount may be transferred to or from the
21 Official Mass Mailing Allowance of a Member of the
22 House of Representatives (including as described in the
23 parenthetical matter in subsection (a)(2)(A)), except as
24 provided in subsection (e)(3)(B).

1 “(4) For purposes of subsection (b), the Official Mass
2 Mailing Allowance of (and any mass mailing sent by) a
3 Member of the House of Representatives shall be treated
4 separately from the Official Mail Allowance of (and any
5 other official mail sent by) such Member.

6 “(5)(A) Otherwise applicable provisions of law relat-
7 ing to mass mailings sent by a Member of (or Member-
8 elect to) the House of Representatives shall continue to
9 govern such mass mailings—

10 “(i) except that—

11 “(I) for purposes of carrying out those
12 other provisions of law, the term ‘mass mailing’
13 shall have the meaning given it under para-
14 graph (8); and

15 “(II) a mass mailing may not be sent if it
16 would be postmarked during any session that
17 begins in an even-numbered calendar year, sub-
18 ject to subparagraph (B); and

19 “(ii) except as otherwise provided in this sub-
20 section.

21 “(B) Nothing in subclause (II) of subparagraph
22 (A)(i) shall be considered to preclude the mailing of any
23 mail matter—

24 “(i) sent after the Tuesday next after the 1st
25 Monday in November of such year, and any mass

1 mailing described in section 3210(a)(6)(B) of title
2 39, United States Code; or

3 “(ii) which relates to an emergency or disaster
4 declared by the President, if—

5 “(I) the mailing is sent within 60 days
6 after the emergency or disaster is declared;

7 “(II) the recipients of the mailing are lo-
8 cated in a congressional district any portion of
9 which is within (or adjacent to) an area in-
10 cluded in the President’s declaration;

11 “(III) the mailing complies with clauses
12 (iii) and (iv) of paragraph (8)(C);

13 “(IV) the mailing complies with clauses (i)
14 and (ii)(II) of section 3210(a)(6)(A) of title 39,
15 United States Code; and

16 “(V) the mailing relates solely to the emer-
17 gency or disaster.

18 “(6) A Member of the House of Representatives
19 shall—

20 “(A) before making any mass mailing, submit a
21 sample of the mail matter involved to the House
22 Commission on Congressional Mailing Standards for
23 an advisory opinion as to whether such proposed
24 mailing is in compliance with applicable provisions of
25 law, rule, or regulation;

1 “(B) before making any mailing of substantially
2 identical mail which totals 250 pieces or less (but
3 more than 50) in the same session, and which in
4 every other respect meets the definition of a mass
5 mailing (determined disregarding the exclusion
6 under subclause (II) of paragraph (8)(A)(i)), submit
7 a sample of the mail matter involved to such Com-
8 mission; and

9 “(C) before making any mailing of substantially
10 identical mail, in the nature of a town meeting no-
11 tice, which totals more than 50 pieces in the same
12 session, and which in every other respect (aside from
13 such nature and number) meets the definition of a
14 mass mailing, submit a sample of the mail matter
15 involved to such Commission.

16 “(7)(A) The regulations prescribed in connection with
17 subsection (a)(3) shall be amended to require, in addition
18 to the information otherwise required to be included in the
19 quarterly report referred to therein, a statement of—

20 “(i) costs charged against the Official Mass
21 Mailing Allowance of each Member; and

22 “(ii) the number of pieces of mail in any mass
23 mailing sent by a Member.

24 “(B)(i) The House Commission on Congressional
25 Mailing Standards shall by regulation establish procedures

1 under which there shall be made available to the public
2 for review and copying any matter submitted to the Com-
3 mission under paragraph (6). Any copying under the pre-
4 ceding sentence shall be at the expense of the person who
5 requests the copying.

6 “(ii) Under the regulations, mail matter shall be
7 made available within 2 weeks after the date on which it
8 is requested in accordance with applicable procedures.

9 “(8) For the purpose of this subsection—

10 “(A) the term ‘mass mailing’ means, with re-
11 spect to a session of Congress, any mailing of news-
12 letters or other pieces of mail with substantially
13 identical content (whether such mail is deposited sin-
14 gly or in bulk, or at the same time or different
15 times), totaling more than 250 pieces in that ses-
16 sion, except that such term does not include—

17 “(i)(I) any mailing of matter in direct re-
18 sponse to a communication from a person to
19 whom the matter is mailed; or

20 “(II) a single follow-up to any such direct
21 response, if it is made before the end of the
22 Congress in which the direct response was
23 made, it occurs within 6 weeks after any signifi-
24 cant congressional action (as defined by the
25 House Commission on Congressional Mailing

1 Standards) on the subject matter involved, and
2 it complies with any requirements which would
3 be applicable to it under clause (i) or (ii)(II)
4 of section 3210(a)(6)(A) of title 39, United
5 States Code, if it were a mass mailing;

6 “(ii) any mailing from a Member of Con-
7 gress to other Members of Congress, or to Fed-
8 eral, State, or local government officials;

9 “(iii) any mailing of a news release to the
10 communications media; or

11 “(iv) any mailing described in clause (iv)
12 or (v) of section 6(b)(1)(B) of the Legislative
13 Branch Appropriations Act, 1995 (39 U.S.C.
14 3210 note), subject to the same restriction as
15 specified in such clause (iv) with respect to a
16 Member of the Senate;

17 “(B) the term ‘franked mail’ has the meaning
18 given such term by section 3201(4) of title 39,
19 United States Code; and

20 “(C) the term ‘town meeting notice’ means (in-
21 cluding for purposes of subparagraph (A)(iv)) any
22 mailing which—

23 “(i) relates solely to a notice of the time
24 and place at which a Member of the House of
25 Representatives or 1 or more members of the

1 Member's staff will be available to meet con-
2 stituents regarding legislative issues or prob-
3 lems with Federal programs;

4 “(ii) appears on a mailing 5½” x 8” or
5 smaller;

6 “(iii) includes not more than 3 references
7 to the Member (excluding any reference appear-
8 ing as the frank, consisting of the signature
9 and name at the end of the mailing, or other-
10 wise specified in regulations of the House Com-
11 mission on Congressional Mailing Standards);
12 and

13 “(iv) does not include any picture, sketch,
14 or other likeness of the Member.”.

15 **SEC. 305. PROVISIONS RELATING TO MEMBERS' OFFICIAL**
16 **MAIL ALLOWANCE.**

17 (a) REDUCTION IN MAXIMUM ALLOCATION.—Section
18 311(e)(2)(B)(i) of the Legislative Branch Appropriations
19 Act, 1991 (2 U.S.C. 59e(e)(2)(B)(i)) is amended by strik-
20 ing “3” and inserting “0.5”.

21 (b) LIMITATION ON TRANSFERS.—Paragraph (3) of
22 section 311(e) of such Act is amended to read as follows:

23 “(3)(A) Except as provided in subparagraph (B), no
24 amount may be transferred to or from the Official Mail
25 Allowance of a Member of the House of Representatives.

1 “(B) A Member of the House of Representatives may
2 transfer amounts from the Official Mass Mailing Allow-
3 ance of the Member to the Official Mail Allowance of the
4 Member.”.

5 **SEC. 306. INTENT OF CONGRESS.**

6 It is the intent of Congress that any funds realized
7 by section 304 of the Federal Election Reform Act of 1996
8 shall be designated to pay for the benefits provided in sec-
9 tion 103.

10 **SEC. 307. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.**

11 (a) DIRECT APPEAL TO SUPREME COURT.—An ap-
12 peal may be taken directly to the Supreme Court of the
13 United States from any interlocutory order or final judg-
14 ment, decree, or order issued by any court ruling on the
15 constitutionality of any provision of this Act or amend-
16 ment made by this Act.

17 (b) ACCEPTANCE AND EXPEDITION.—The Supreme
18 Court shall, if it has not previously ruled on the question
19 addressed in the ruling below, accept jurisdiction over, ad-
20 vance on the docket, and expedite the appeal to the great-
21 est extent possible.

22 **SEC. 308. EFFECTIVE DATE.**

23 Except as otherwise provided in this Act, the amend-
24 ments made by, and the provisions of, this Act shall take
25 effect on January 1, 1997.

1 **SEC. 309. REGULATIONS.**

2 The Federal Election Commission shall prescribe any
3 regulations required to carry out this Act not later than
4 9 months after the effective date of this Act.

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