

105TH CONGRESS  
2D SESSION

# H. R. 3476

To reform the financing of Federal elections.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 1998

Mr. LEVIN introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committees on Ways and Means, Education and the Workforce, Government Reform and Oversight, and the Judiciary, 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

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## A BILL

To reform the financing of Federal elections.

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; TABLE OF CONTENTS.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Campaign Finance Improvement Act of 1998”.

6       (b) **TABLE OF CONTENTS.**—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

### TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

Sec. 101. Soft money of political parties.

- Sec. 102. Increased contribution limits for State committees of political parties and aggregate contribution limit for individuals.
- Sec. 103. Reporting requirements.

#### TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

- Sec. 201. Definitions.
- Sec. 202. Civil penalty.
- Sec. 203. Reporting requirements for certain independent expenditures.
- Sec. 204. Independent versus coordinated expenditures by party.
- Sec. 205. Coordination with candidates.

#### TITLE III—DISCLOSURE

- Sec. 301. Filing of reports using computers and facsimile machines.
- Sec. 302. Prohibition of deposit of contributions with incomplete contributor information.
- Sec. 303. Audits.
- Sec. 304. Reporting requirements for contributions of \$50 or more.
- Sec. 305. Use of candidates' names.
- Sec. 306. Prohibition of false representation to solicit contributions.
- Sec. 307. Soft money of persons other than political parties.
- Sec. 308. Campaign advertising.

#### TITLE IV—PERSONAL WEALTH OPTION

- Sec. 401. Voluntary personal funds expenditure limit.
- Sec. 402. Political party committee coordinated expenditures.

#### TITLE V—MISCELLANEOUS

- Sec. 501. Codification of Beck decision.
- Sec. 502. Use of contributed amounts for certain purposes.
- Sec. 503. Limit on congressional use of the franking privilege.
- Sec. 504. Prohibition of fundraising on Federal property.
- Sec. 505. Penalties for knowing and willful violations.
- Sec. 506. Strengthening foreign money ban.
- Sec. 507. Prohibition of contributions by minors.
- Sec. 508. Expedited procedures.
- Sec. 509. Initiation of enforcement proceeding.
- Sec. 510. Limitations on political activity by tax-exempt organizations.
- Sec. 511. Definitions of political committee and political organization.

#### TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

- Sec. 601. Severability.
- Sec. 602. Review of constitutional issues.
- Sec. 603. Effective date.
- Sec. 604. Regulations.

1           **TITLE I—REDUCTION OF**  
2           **SPECIAL INTEREST INFLUENCE**

3           **SEC. 101. SOFT MONEY OF POLITICAL PARTIES.**

4           Title III of the Federal Election Campaign Act of  
5           1971 (2 U.S.C. 431 et seq.) is amended by adding at the  
6           end the following:

7           **“SEC. 323. SOFT MONEY OF POLITICAL PARTIES.**

8           “(a) NATIONAL COMMITTEES.—

9                   “(1) IN GENERAL.—A national committee of a  
10           political party (including a national congressional  
11           campaign committee of a political party) and any of-  
12           ficers or agents of such party committees, shall not  
13           solicit, receive, or direct to another person a con-  
14           tribution, donation, or transfer of funds, or spend  
15           any funds, that are not subject to the limitations,  
16           prohibitions, and reporting requirements of this Act.

17                   “(2) APPLICABILITY.—This subsection shall  
18           apply to an entity that is directly or indirectly estab-  
19           lished, financed, maintained, or controlled by a na-  
20           tional committee of a political party (including a na-  
21           tional congressional campaign committee of a politi-  
22           cal party), or an entity acting on behalf of a national  
23           committee, and an officer or agent acting on behalf  
24           of any such committee or entity.

25           “(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

1           “(1) IN GENERAL.—An amount that is ex-  
2           pended or disbursed by a State, district, or local  
3           committee of a political party (including an entity  
4           that is directly or indirectly established, financed,  
5           maintained, or controlled by a State, district, or  
6           local committee of a political party and an officer or  
7           agent acting on behalf of such committee or entity)  
8           for Federal election activity shall be made from  
9           funds subject to the limitations, prohibitions, and re-  
10          porting requirements of this Act.

11           “(2) FEDERAL ELECTION ACTIVITY.—

12           “(A) IN GENERAL.—The term ‘Federal  
13          election activity’ means—

14                   “(i) voter registration activity during  
15                   the period that begins on the date that is  
16                   120 days before the date a regularly sched-  
17                   uled Federal election is held and ends on  
18                   the date of the election;

19                   “(ii) voter identification, get-out-the-  
20                   vote activity, or generic campaign activity  
21                   conducted in connection with an election in  
22                   which a candidate for Federal office ap-  
23                   pears on the ballot (regardless of whether  
24                   a candidate for State or local office also  
25                   appears on the ballot); and

1           “(iii) a communication that refers to a  
2           clearly identified candidate for Federal of-  
3           fice (regardless of whether a candidate for  
4           State or local office is also mentioned or  
5           identified) and is made for the purpose of  
6           influencing a Federal election (regardless  
7           of whether the communication is express  
8           advocacy).

9           “(B) EXCLUDED ACTIVITY.—The term  
10          ‘Federal election activity’ does not include an  
11          amount expended or disbursed by a State, dis-  
12          trict, or local committee of a political party  
13          for—

14               “(i) campaign activity conducted sole-  
15               ly on behalf of a clearly identified can-  
16               didate for State or local office, provided  
17               the campaign activity is not a Federal elec-  
18               tion activity described in subparagraph  
19               (A);

20               “(ii) a contribution to a candidate for  
21               State or local office, provided the contribu-  
22               tion is not designated or used to pay for a  
23               Federal election activity described in sub-  
24               paragraph (A);

1           “(iii) the costs of a State, district, or  
2 local political convention;

3           “(iv) the costs of grassroots campaign  
4 materials, including buttons, bumper stick-  
5 ers, and yard signs, that name or depict  
6 only a candidate for State or local office;

7           “(v) the non-Federal share of a State,  
8 district, or local party committee’s admin-  
9 istrative and overhead expenses (but not  
10 including the compensation in any month  
11 of an individual who spends more than 20  
12 percent of the individual’s time on Federal  
13 election activity) as determined by a regu-  
14 lation promulgated by the Commission to  
15 determine the non-Federal share of a  
16 State, district, or local party committee’s  
17 administrative and overhead expenses; and

18           “(vi) the cost of constructing or pur-  
19 chasing an office facility or equipment for  
20 a State, district or local committee.

21           “(c) FUNDRAISING COSTS.—An amount spent by a  
22 national, State, district, or local committee of a political  
23 party, by an entity that is established, financed, main-  
24 tained, or controlled by a national, State, district, or local  
25 committee of a political party, or by an agent or officer

1 of any such committee or entity, to raise funds that are  
2 used, in whole or in part, to pay the costs of a Federal  
3 election activity shall be made from funds subject to the  
4 limitations, prohibitions, and reporting requirements of  
5 this Act.

6 “(d) TAX-EXEMPT ORGANIZATIONS.—A national,  
7 State, district, or local committee of a political party (in-  
8 cluding a national congressional campaign committee of  
9 a political party, an entity that is directly or indirectly  
10 established, financed, maintained, or controlled by any  
11 such national, State, district, or local committee or its  
12 agent, an agent acting on behalf of any such party com-  
13 mittee, and an officer or agent acting on behalf of any  
14 such party committee or entity), shall not solicit any funds  
15 for, or make or direct any donations to, an organization  
16 that is described in section 501(c) of the Internal Revenue  
17 Code of 1986 and exempt from taxation under section  
18 501(a) of such Code (or has submitted an application to  
19 the Secretary of the Internal Revenue Service for deter-  
20 mination of tax-exemption under such section).

21 “(e) CANDIDATES.—

22 “(1) IN GENERAL.—A candidate, individual  
23 holding Federal office, or agent of a candidate or in-  
24 dividual holding Federal office shall not solicit, re-  
25 ceive, direct, transfer, or spend funds for a Federal

1 election activity on behalf of such candidate, individ-  
2 ual, agent or any other person, unless the funds are  
3 subject to the limitations, prohibitions, and reporting  
4 requirements of this Act.

5 “(2) STATE LAW.—Paragraph (1) does not  
6 apply to the solicitation or receipt of funds by an in-  
7 dividual who is a candidate for a State or local office  
8 if the solicitation or receipt of funds is permitted  
9 under State law for any activity other than a Fed-  
10 eral election activity.

11 “(3) FUNDRAISING EVENTS.—Paragraph (1)  
12 does not apply in the case of a candidate who at-  
13 tends, speaks, or is a featured guest at a fundraising  
14 event sponsored by a State, district, or local commit-  
15 tee of a political party.”

16 **SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE**  
17 **COMMITTEES OF POLITICAL PARTIES AND**  
18 **AGGREGATE CONTRIBUTION LIMIT FOR INDI-**  
19 **VIDUALS.**

20 (a) CONTRIBUTION LIMIT FOR STATE COMMITTEES  
21 OF POLITICAL PARTIES.—Section 315(a)(1) of the Fed-  
22 eral Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1))  
23 is amended—

24 (1) in subparagraph (B), by striking “or” at  
25 the end;

1 (2) in subparagraph (C)—

2 (A) by inserting “(other than a committee  
3 described in subparagraph (D))” after “com-  
4 mittee”; and

5 (B) by striking the period at the end and  
6 inserting “; or”; and

7 (3) by adding at the end the following:

8 “(D) to a political committee established and  
9 maintained by a State committee of a political party  
10 in any calendar year that, in the aggregate, exceed  
11 \$10,000”.

12 (b) **AGGREGATE CONTRIBUTION LIMIT FOR INDIVID-**  
13 **UAL.**—Section 315(a)(3) of the Federal Election Cam-  
14 paign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by  
15 striking “\$25,000” and inserting “\$30,000”.

16 **SEC. 103. REPORTING REQUIREMENTS.**

17 (a) **REPORTING REQUIREMENTS.**—Section 304 of the  
18 Federal Election Campaign Act of 1971 (2 U.S.C. 434)  
19 (as amended by section 203) is amended by adding at the  
20 end the following:

21 “(e) **POLITICAL COMMITTEES.**—

22 “(1) **NATIONAL AND CONGRESSIONAL POLITI-**  
23 **CAL COMMITTEES.**—The national committee of a po-  
24 litical party, any national congressional campaign  
25 committee of a political party, and any subordinate

1 committee of either, shall report all receipts and dis-  
2 bursements during the reporting period.

3 “(2) OTHER POLITICAL COMMITTEES TO WHICH  
4 SECTION 323 APPLIES.—A political committee (not  
5 described in paragraph (1)) to which section  
6 323(b)(1) applies shall report all receipts and dis-  
7 bursements made for activities described in para-  
8 graphs (2) and (3)(A)(v) of section 323(b).

9 “(3) ITEMIZATION.—If a political committee  
10 has receipts or disbursements to which this sub-  
11 section applies from any person aggregating in ex-  
12 cess of \$200 for any calendar year, the political  
13 committee shall separately itemize its reporting for  
14 such person in the same manner as required in para-  
15 graphs (3)(A), (5), and (6) of subsection (b).

16 “(4) REPORTING PERIODS.—Reports required  
17 to be filed under this subsection shall be filed for the  
18 same time periods required for political committees  
19 under subsection (a).”.

20 (b) BUILDING FUND EXCEPTION TO THE DEFINI-  
21 TION OF CONTRIBUTION.—Section 301(8)(B) of the Fed-  
22 eral Election Campaign Act of 1971 (2 U.S.C. 431(8)(B))  
23 is amended—

24 (1) by striking clause (viii); and

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

3           **TITLE II—INDEPENDENT AND**  
4           **COORDINATED EXPENDITURES**

5           **SEC. 201. DEFINITIONS.**

6           (a) DEFINITION OF INDEPENDENT EXPENDITURE.—  
7           Section 301 of the Federal Election Campaign Act (2  
8           U.S.C. 431) is amended by striking paragraph (17) and  
9           inserting the following:

10           “(17) INDEPENDENT EXPENDITURE.—

11           “(A) IN GENERAL.—The term ‘independ-  
12           ent expenditure’ means an expenditure by a  
13           person—

14           “(i) for a communication that is ex-  
15           press advocacy; and

16           “(ii) that is not provided in coordina-  
17           tion with a candidate or a candidate’s  
18           agent or a person who is coordinating with  
19           a candidate or a candidate’s agent.”.

20           (b) DEFINITION OF EXPRESS ADVOCACY.—Section  
21           301 of the Federal Election Campaign Act of 1971 (2  
22           U.S.C. 431) is amended by adding at the end the follow-  
23           ing:

24           “(20) EXPRESS ADVOCACY.—

1           “(A) IN GENERAL.—The term ‘express ad-  
2           vocacy’ means a communication that advocates  
3           the election or defeat of a candidate by—

4                   “(i) containing a phrase such as ‘vote  
5                   for’, ‘re-elect’, ‘support’, ‘cast your ballot  
6                   for’, ‘(name of candidate) for Congress’,  
7                   ‘(name of candidate) in 1997’, ‘vote  
8                   against’, ‘defeat’, ‘reject’, or a campaign  
9                   slogan or words that in context can have  
10                  no reasonable meaning other than to advo-  
11                  cate the election or defeat of 1 or more  
12                  clearly identified candidates;

13                  “(ii) referring to 1 or more clearly  
14                  identified candidates in a paid advertise-  
15                  ment that is broadcast by a radio broad-  
16                  cast station or a television broadcast sta-  
17                  tion within 60 calendar days preceding the  
18                  date of an election of the candidate and  
19                  that appears in the State in which the elec-  
20                  tion is occurring, except that with respect  
21                  to a candidate for the office of Vice Presi-  
22                  dent or President, the time period is within  
23                  60 calendar days preceding the date of a  
24                  general election; or

1 “(iii) expressing unmistakable and un-  
2 ambiguous support for or opposition to 1  
3 or more clearly identified candidates when  
4 taken as a whole and with limited ref-  
5 erence to external events, such as proxim-  
6 ity to an election.

7 “(B) VOTING RECORD AND VOTING GUIDE  
8 EXCEPTION.—The term ‘express advocacy’ does  
9 not include a printed communication that—

10 “(i) presents information in an edu-  
11 cational manner solely about the voting  
12 record or position on a campaign issue of  
13 2 or more candidates;

14 “(ii) that is not made in coordination  
15 with a candidate, political party, or agent  
16 of the candidate or party; or a candidate’s  
17 agent or a person who is coordinating with  
18 a candidate or a candidate’s agent;

19 “(iii) does not contain a phrase such  
20 as ‘vote for’, ‘re-elect’, ‘support’, ‘cast your  
21 ballot for’, ‘(name of candidate) for Con-  
22 gress’, ‘(name of candidate) in 1997’, ‘vote  
23 against’, ‘defeat’, or ‘reject’, or a campaign  
24 slogan or words that in context can have  
25 no reasonable meaning other than to urge

1           the election or defeat of 1 or more clearly  
2           identified candidates.”.

3           (c)    DEFINITION    OF    EXPENDITURE.—Section  
4 301(9)(A) of the Federal Election Campaign Act of 1971  
5 (2 U.S.C. 431(9)(A)) is amended—

6           (1) in clause (i), by striking “and” at the end;

7           (2) in clause (ii), by striking the period at the  
8           end and inserting “; and”; and

9           (3) by adding at the end the following:

10           “(iii) a payment for a communication that is  
11           express advocacy; and

12           “(iv) a payment made by a person for a com-  
13           munication that—

14           “(I) refers to a clearly identified candidate;

15           “(II) is provided in coordination with the  
16           candidate, the candidate’s agent, or the political  
17           party of the candidate; and

18           “(III) is for the purpose of influencing a  
19           Federal election (regardless of whether the com-  
20           munication is express advocacy).”.

21 **SEC. 202. CIVIL PENALTY.**

22           Section 309 of the Federal Election Campaign Act  
23 of 1971 (2 U.S.C. 437g) is amended—

24           (1) in subsection (a)—

25           (A) in paragraph (4)(A)—

1 (i) in clause (i), by striking “clause  
2 (ii)” and inserting “clauses (ii) and (iii)”;  
3 and

4 (ii) by adding at the end the follow-  
5 ing:

6 “(iii) If the Commission determines by an affirmative  
7 vote of 4 of its members that there is probable cause to  
8 believe that a person has made a knowing and willful viola-  
9 tion of section 304(c), the Commission shall not enter into  
10 a conciliation agreement under this paragraph and may  
11 institute a civil action for relief under paragraph (6)(A).”;  
12 and

13 (B) in paragraph (6)(B), by inserting “(ex-  
14 cept an action instituted in connection with a  
15 knowing and willful violation of section  
16 304(c))” after “subparagraph (A)”; and  
17 (2) in subsection (d)(1)—

18 (A) in subparagraph (A), by striking “Any  
19 person” and inserting “Except as provided in  
20 subparagraph (D), any person”; and

21 (B) by adding at the end the following:

22 “(D) In the case of a knowing and willful violation  
23 of section 304(c) that involves the reporting of an inde-  
24 pendent expenditure, the violation shall not be subject to  
25 this subsection.”.

1 **SEC. 203. REPORTING REQUIREMENTS FOR CERTAIN INDE-**  
2 **PENDENT EXPENDITURES.**

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

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

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

9 (3) by inserting after paragraph (2) (as amend-  
10 ed by paragraph (1)) the following:

11 “(d) **TIME FOR REPORTING CERTAIN EXPENDI-**  
12 **TURES.—**

13 “(1) **EXPENDITURES AGGREGATING \$1,000.—**

14 “(A) **INITIAL REPORT.—**A person (includ-  
15 ing a political committee) that makes or con-  
16 tracts to make independent expenditures aggre-  
17 gating \$1,000 or more after the 20th day, but  
18 more than 24 hours, before the date of an elec-  
19 tion shall file a report describing the expendi-  
20 tures within 24 hours after that amount of  
21 independent expenditures has been made.

22 “(B) **ADDITIONAL REPORTS.—**After a per-  
23 son files a report under subparagraph (A), the  
24 person shall file an additional report within 24  
25 hours after each time the person makes or con-  
26 tracts to make independent expenditures aggre-

1           gating an additional \$1,000 with respect to the  
2           same election as that to which the initial report  
3           relates.

4           “(2) EXPENDITURES AGGREGATING \$10,000.—

5                 “(A) INITIAL REPORT.—A person (includ-  
6           ing a political committee) that makes or con-  
7           tracts to make independent expenditures aggreg-  
8           gating \$10,000 or more at any time up to and  
9           including the 20th day before the date of an  
10          election shall file a report describing the ex-  
11          penditures within 48 hours after that amount  
12          of independent expenditures has been made.

13                 “(B) ADDITIONAL REPORTS.—After a per-  
14          son files a report under subparagraph (A), the  
15          person shall file an additional report within 48  
16          hours after each time the person makes or con-  
17          tracts to make independent expenditures aggreg-  
18          gating an additional \$10,000 with respect to  
19          the same election as that to which the initial re-  
20          port relates.

21                 “(3) PLACE OF FILING; CONTENTS.—A report  
22          under this subsection—

23                         “(A) shall be filed with the Commission;  
24                         and

1           “(B) shall contain the information required  
2           by subsection (b)(6)(B)(iii), including the name  
3           of each candidate whom an expenditure is in-  
4           tended to support or oppose.”.

5 **SEC. 204. INDEPENDENT VERSUS COORDINATED EXPENDI-**  
6 **TURES BY PARTY.**

7           Section 315(d) of the Federal Election Campaign Act  
8 (2 U.S.C. 441a(d)) is amended—

9           (1) in paragraph (1), by striking “and (3)” and  
10          inserting “, (3), and (4)”; and

11          (2) by adding at the end the following:

12          “(4) INDEPENDENT VERSUS COORDINATED EX-  
13          PENDITURES BY PARTY.—

14                 “(A) IN GENERAL.—On or after the date  
15                 on which a political party nominates a can-  
16                 didate, a committee of the political party shall  
17                 not make both expenditures under this sub-  
18                 section and independent expenditures (as de-  
19                 fined in section 301(17)) with respect to the  
20                 candidate during the election cycle.

21                 “(B) CERTIFICATION.—Before making a  
22                 coordinated expenditure under this subsection  
23                 with respect to a candidate, a committee of a  
24                 political party shall file with the Commission a  
25                 certification, signed by the treasurer of the

1 committee, that the committee has not and  
2 shall not make any independent expenditure  
3 with respect to the candidate during the same  
4 election cycle.

5 “(C) APPLICATION.—For the purposes of  
6 this paragraph, all political committees estab-  
7 lished and maintained by a national political  
8 party (including all congressional campaign  
9 committees) and all political committees estab-  
10 lished and maintained by a State political party  
11 (including any subordinate committee of a State  
12 committee) shall be considered to be a single  
13 political committee.

14 “(D) TRANSFERS.—A committee of a po-  
15 litical party that submits a certification under  
16 subparagraph (B) with respect to a candidate  
17 shall not, during an election cycle, transfer any  
18 funds to, assign authority to make coordinated  
19 expenditures under this subsection to, or receive  
20 a transfer of funds from, a committee of the po-  
21 litical party that has made or intends to make  
22 an independent expenditure with respect to the  
23 candidate.”.

1 **SEC. 205. COORDINATION WITH CANDIDATES.**

2 (a) DEFINITION OF COORDINATION WITH CAN-  
3 DIDATES.—

4 (1) SECTION 301(8).—Section 301(8) of the  
5 Federal Election Campaign Act of 1971 (2 U.S.C.  
6 431(8)) is amended—

7 (A) in subparagraph (A)—

8 (i) by striking “or” at the end of  
9 clause (i);

10 (ii) by striking the period at the end  
11 of clause (ii) and inserting “; or”; and

12 (iii) by adding at the end the follow-  
13 ing:

14 “(iii) anything of value provided by a  
15 person in coordination with a candidate for  
16 the purpose of influencing a Federal elec-  
17 tion, regardless of whether the value being  
18 provided is a communication that is ex-  
19 press advocacy, in which such candidate  
20 seeks nomination or election to Federal of-  
21 fice.”; and

22 (B) by adding at the end the following:

23 “(C) The term ‘provided in coordination  
24 with a candidate’ includes—

25 “(i) a payment made by a person in  
26 cooperation, consultation, or concert with,

1 at the request or suggestion of, or pursu-  
2 ant to any general or particular under-  
3 standing with a candidate, the candidate's  
4 authorized committee, or an agent acting  
5 on behalf of a candidate or authorized  
6 committee;

7 “(ii) a payment made by a person for  
8 the production, dissemination, distribution,  
9 or republication, in whole or in part, of any  
10 broadcast or any written, graphic, or other  
11 form of campaign material prepared by a  
12 candidate, a candidate's authorized com-  
13 mittee, or an agent of a candidate or au-  
14 thorized committee (not including a com-  
15 munication described in paragraph  
16 (9)(B)(i) or a communication that ex-  
17 pressly advocates the candidate's defeat);

18 “(iii) a payment made by a person  
19 based on information about a candidate's  
20 plans, projects, or needs provided to the  
21 person making the payment by the can-  
22 didate or the candidate's agent who pro-  
23 vides the information with the intent that  
24 the payment be made;

1           “(iv) a payment made by a person if,  
2           in the same election cycle in which the pay-  
3           ment is made, the person making the pay-  
4           ment is serving or has served as a member,  
5           employee, fundraiser, or agent of the can-  
6           didate’s authorized committee in an execu-  
7           tive or policymaking position;

8           “(v) a payment made by a person if  
9           the person making the payment has served  
10          in any formal policy making or advisory  
11          position with the candidate’s campaign or  
12          has participated in formal strategic or for-  
13          mal policymaking discussions with the can-  
14          didate’s campaign relating to the can-  
15          didate’s pursuit of nomination for election,  
16          or election, to Federal office, in the same  
17          election cycle as the election cycle in which  
18          the payment is made;

19          “(vi) a payment made by a person if,  
20          in the same election cycle, the person mak-  
21          ing the payment retains the professional  
22          services of any person that has provided or  
23          is providing campaign-related services in  
24          the same election cycle to a candidate in  
25          connection with the candidate’s pursuit of

1 nomination for election, or election, to  
2 Federal office, including services relating  
3 to the candidate’s decision to seek Federal  
4 office, and the person retained is retained  
5 to work on activities relating to that can-  
6 didate’s campaign;

7 “(vii) a payment made by a person  
8 who has engaged in a coordinated activity  
9 with a candidate described in clauses (i)  
10 through (vi) for a communication that  
11 clearly refers to the candidate and is for  
12 the purpose of influencing an election (re-  
13 gardless of whether the communication is  
14 express advocacy);

15 “(viii) direct participation by a person  
16 in fundraising activities with the candidate  
17 or in the solicitation or receipt of contribu-  
18 tions on behalf of the candidate;

19 “(ix) communication by a person with  
20 the candidate or an agent of the candidate,  
21 occurring after the declaration of can-  
22 didacy (including a pollster, media consult-  
23 ant, vendor, advisor, or staff member), act-  
24 ing on behalf of the candidate, about ad-  
25 vertising message, allocation of resources,

1 fundraising, or other campaign matters re-  
2 lated to the candidate’s campaign, includ-  
3 ing campaign operations, staffing, tactics,  
4 or strategy; or

5 “(x) the provision of in-kind profes-  
6 sional services or polling data to the can-  
7 didate or candidate’s agent.

8 “(D) For purposes of subparagraph (C),  
9 the term ‘professional services’ includes services  
10 in support of a candidate’s pursuit of nomina-  
11 tion for election, or election, to Federal office  
12 such as polling, media advice, direct mail, fund-  
13 raising, or campaign research.

14 “(E) For purposes of subparagraph (C),  
15 all political committees established and main-  
16 tained by a national political party (including  
17 all congressional campaign committees) and all  
18 political committees established and maintained  
19 by a State political party (including any subor-  
20 dinate committee of a State committee) shall be  
21 considered to be a single political committee.”.

22 (2) SECTION 315(a)(7).—Section 315(a)(7) (2  
23 U.S.C. 441a(a)(7)) is amended by striking subpara-  
24 graph (B) and inserting the following:

1           “(B) a thing of value provided in coordina-  
2           tion with a candidate, as described in section  
3           301(8)(A)(iii), shall be considered to be a con-  
4           tribution to the candidate, and in the case of a  
5           limitation on expenditures, shall be treated as  
6           an expenditure by the candidate.

7           (b) MEANING OF CONTRIBUTION OR EXPENDITURE  
8           FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2)  
9           of the Federal Election Campaign Act of 1971 (2 U.S.C.  
10          441b(b)) is amended by striking “shall include” and in-  
11          serting “includes a contribution or expenditure, as those  
12          terms are defined in section 301, and also includes”.

### 13                   **TITLE III—DISCLOSURE**

#### 14           **SEC. 301. FILING OF REPORTS USING COMPUTERS AND** 15                   **FACSIMILE MACHINES.**

16           Section 302(a) of the Federal Election Campaign Act  
17           of 1971 (2 U.S.C. 434(a)) is amended by striking para-  
18           graph (11) and inserting the following:

19                   “(11)(A) The Commission shall promulgate a  
20                   regulation under which a person required to file a  
21                   designation, statement, or report under this Act—

22                           “(i) is required to maintain and file a des-  
23                           ignation, statement, or report for any calendar  
24                           year in electronic form accessible by computers  
25                           if the person has, or has reason to expect to

1           have, aggregate contributions or expenditures in  
2           excess of a threshold amount determined by the  
3           Commission; and

4                   “(ii) may maintain and file a designation,  
5           statement, or report in electronic form or an al-  
6           ternative form, including the use of a facsimile  
7           machine, if not required to do so under the reg-  
8           ulation promulgated under clause (i).

9                   “(B) The Commission shall make a designation,  
10          statement, report, or notification that is filed elec-  
11          tronically with the Commission accessible to the pub-  
12          lic on the Internet not later than 24 hours after the  
13          designation, statement, report, or notification is re-  
14          ceived by the Commission.

15                   “(C) In promulgating a regulation under this  
16          paragraph, the Commission shall provide methods  
17          (other than requiring a signature on the document  
18          being filed) for verifying designations, statements,  
19          and reports covered by the regulation. Any document  
20          verified under any of the methods shall be treated  
21          for all purposes (including penalties for perjury) in  
22          the same manner as a document verified by signa-  
23          ture.”.

1 **SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS**  
2 **WITH INCOMPLETE CONTRIBUTOR INFORMA-**  
3 **TION.**

4 Section 302 of Federal Election Campaign Act of  
5 1971 (2 U.S.C. 432) is amended by adding at the end  
6 the following:

7 “(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of  
8 a candidate’s authorized committee shall not deposit, ex-  
9 cept in an escrow account, or otherwise negotiate a con-  
10 tribution from a person who makes an aggregate amount  
11 of contributions in excess of \$200 during a calendar year  
12 unless the treasurer verifies that the information required  
13 by this section with respect to the contributor is com-  
14 plete.”.

15 **SEC. 303. AUDITS.**

16 (a) RANDOM AUDITS.—Section 311(b) of the Federal  
17 Election Campaign Act of 1971 (2 U.S.C. 438(b)) is  
18 amended—

19 (1) by inserting “(1) IN GENERAL.—” before  
20 “The Commission”; and

21 (2) by adding at the end the following:

22 “(2) RANDOM AUDITS.—

23 “(A) IN GENERAL.—Notwithstanding para-  
24 graph (1), the Commission may conduct ran-  
25 dom audits and investigations to ensure vol-  
26 untary compliance with this Act. The selection

1 of any candidate for a random audit or inves-  
2 tigation shall be based on criteria adopted by a  
3 vote of at least 4 members of the Commission.

4 “(B) LIMITATION.—The Commission shall  
5 not conduct an audit or investigation of a can-  
6 didate’s authorized committee under subpara-  
7 graph (A) until the candidate is no longer a  
8 candidate for the office sought by the candidate  
9 in an election cycle.

10 “(C) APPLICABILITY.—This paragraph  
11 does not apply to an authorized committee of a  
12 candidate for President or Vice President sub-  
13 ject to audit under section 9007 or 9038 of the  
14 Internal Revenue Code of 1986.”.

15 (b) EXTENSION OF PERIOD DURING WHICH CAM-  
16 PAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the  
17 Federal Election Campaign Act of 1971 (2 U.S.C. 438(b))  
18 is amended by striking “6 months” and inserting “12  
19 months”.

20 **SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBU-**  
21 **TIONS OF \$50 OR MORE.**

22 Section 304(b)(3)(A) of the Federal Election Cam-  
23 paign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

24 (1) by striking “\$200” and inserting “\$50”;  
25 and

1           (2) by striking the semicolon and inserting “,  
2           except that in the case of a person who makes con-  
3           tributions aggregating at least \$50 but not more  
4           than \$200 during the calendar year, the identifica-  
5           tion need include only the name and address of the  
6           person;”.

7   **SEC. 305. USE OF CANDIDATES’ NAMES.**

8           Section 302(e) of the Federal Election Campaign Act  
9           of 1971 (2 U.S.C. 432(e)) is amended by striking para-  
10          graph (4) and inserting the following:

11           “(4)(A) The name of each authorized commit-  
12          tee shall include the name of the candidate who au-  
13          thorized the committee under paragraph (1).

14           “(B) A political committee that is not an au-  
15          thorized committee shall not—

16           “(i) include the name of any candidate in  
17          its name; or

18           “(ii) except in the case of a national,  
19          State, or local party committee, use the name  
20          of any candidate in any activity on behalf of the  
21          committee in such a context as to suggest that  
22          the committee is an authorized committee of  
23          the candidate or that the use of the candidate’s  
24          name has been authorized by the candidate.”.

1 **SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO**  
2 **SOLICIT CONTRIBUTIONS.**

3 Section 322 of the Federal Election Campaign Act  
4 of 1971 (2 U.S.C. 441h) is amended—

5 (1) by inserting after “SEC. 322.” the follow-  
6 ing: “(a) IN GENERAL.—”; and

7 (2) by adding at the end the following:

8 “(b) SOLICITATION OF CONTRIBUTIONS.—No person  
9 shall solicit contributions by falsely representing himself  
10 or herself as a candidate or as a representative of a can-  
11 didate, a political committee, or a political party.”.

12 **SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITI-**  
13 **CAL PARTIES.**

14 (a) IN GENERAL.—Section 304 of the Federal Elec-  
15 tion Campaign Act of 1971 (2 U.S.C. 434) (as amended  
16 by section 103(c)) is amended by adding at the end the  
17 following:

18 “(g) DISBURSEMENTS OF PERSONS OTHER THAN  
19 POLITICAL PARTIES.—

20 “(1) IN GENERAL.—A person, other than a po-  
21 litical committee or a person described in section  
22 501(d) of the Internal Revenue Code of 1986, that  
23 makes an aggregate amount of disbursements in ex-  
24 cess of \$50,000 during a calendar year for activities  
25 described in paragraph (2) shall file a statement  
26 with the Commission—

1           “(A) on a monthly basis as described in  
2 subsection (a)(4)(B); or

3           “(B) in the case of disbursements that are  
4 made within 20 days of an election, within 24  
5 hours after the disbursements are made.

6           “(2) ACTIVITY.—The activity described in this  
7 paragraph is—

8           “(A) Federal election activity;

9           “(B) an activity described in section  
10 316(b)(2)(A) that expresses support for or op-  
11 position to a candidate for Federal office or a  
12 political party; and

13           “(C) an activity described in subparagraph  
14 (C) of section 316(b)(2).

15           “(3) APPLICABILITY.—This subsection does not  
16 apply to—

17           “(A) a candidate or a candidate’s author-  
18 ized committees; or

19           “(B) an independent expenditure.

20           “(4) CONTENTS.—A statement under this sec-  
21 tion shall contain such information about the dis-  
22 bursements made during the reporting period as the  
23 Commission shall prescribe, including—

24           “(A) the aggregate amount of disburse-  
25 ments made;

1           “(B) the name and address of the person  
2           or entity to whom a disbursement is made in an  
3           aggregate amount in excess of \$200;

4           “(C) the date made, amount, and purpose  
5           of the disbursement; and

6           “(D) if applicable, whether the disburse-  
7           ment was in support of, or in opposition to, a  
8           candidate or a political party, and the name of  
9           the candidate or the political party.”.

10       (b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—  
11 Section 301 of the Federal Election Campaign Act of  
12 1971 (2 U.S.C. 431 et seq.), as amended by section  
13 201(b), is further amended by adding at the end the fol-  
14 lowing:

15       “(21) GENERIC CAMPAIGN ACTIVITY.—The term ‘ge-  
16 neric campaign activity’ means an activity that promotes  
17 a political party and does not promote a candidate or non-  
18 Federal candidate.”.

19 **SEC. 308. CAMPAIGN ADVERTISING.**

20       Section 318 of the Federal Election Campaign Act  
21 of 1971 (2 U.S.C. 441d) is amended—

22           (1) in subsection (a)—

23               (A) in the matter preceding paragraph

24               (1)—

1 (i) by striking “Whenever” and insert-  
2 ing “Whenever a political committee makes  
3 a disbursement for the purpose of financ-  
4 ing any communication through any broad-  
5 casting station, newspaper, magazine, out-  
6 door advertising facility, mailing, or any  
7 other type of general public political adver-  
8 tising, or whenever”;

9 (ii) by striking “an expenditure” and  
10 inserting “a disbursement”; and

11 (iii) by striking “direct”; and

12 (B) in paragraph (3), by inserting “and  
13 permanent street address” after “name”; and

14 (2) by adding at the end the following:

15 “(c) Any printed communication described in sub-  
16 section (a) shall—

17 “(1) be of sufficient type size to be clearly read-  
18 able by the recipient of the communication;

19 “(2) be contained in a printed box set apart  
20 from the other contents of the communication; and

21 “(3) be printed with a reasonable degree of  
22 color contrast between the background and the  
23 printed statement.

24 “(d)(1) Any broadcast or cablecast communication  
25 described in paragraphs (1) or (2) of subsection (a) shall

1 include, in addition to the requirements of that paragraph,  
2 an audio statement by the candidate that identifies the  
3 candidate and states that the candidate has approved the  
4 communication.

5 “(2) If a broadcast or cablecast communication de-  
6 scribed in paragraph (1) is broadcast or cablecast by  
7 means of television, the communication shall include, in  
8 addition to the audio statement under paragraph (1), a  
9 written statement that—

10 “(A) appears at the end of the communication  
11 in a clearly readable manner with a reasonable de-  
12 gree of color contrast between the background and  
13 the printed statement, for a period of at least 4 sec-  
14 onds; and

15 “(B) is accompanied by a clearly identifiable  
16 photographic or similar image of the candidate.

17 “(e) Any broadcast or cablecast communication de-  
18 scribed in paragraph (3) of subsection (a) shall include,  
19 in addition to the requirements of that paragraph, in a  
20 clearly spoken manner, the following statement:  
21 ‘\_\_\_\_\_ is responsible for the content of this  
22 advertisement.’ (with the blank to be filled in with the  
23 name of the political committee or other person paying  
24 for the communication and the name of any connected or-  
25 ganization of the payor). If broadcast or cablecast by

1 means of television, the statement shall also appear in a  
 2 clearly readable manner with a reasonable degree of color  
 3 contrast between the background and the printed state-  
 4 ment, for a period of at least 4 seconds.”.

5 **TITLE IV—PERSONAL WEALTH**  
 6 **OPTION**

7 **SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE**  
 8 **LIMIT.**

9 Title III of the Federal Election Campaign Act of  
 10 1971 (2 U.S.C. 431 et seq.) (as amended by section 101)  
 11 is amended by adding at the end the following:

12 **“SEC. 324. VOLUNTARY PERSONAL FUNDS EXPENDITURE**  
 13 **LIMIT.**

14 “(a) **ELIGIBLE HOUSE CANDIDATE.**—

15 “(1) **PRIMARY ELECTION.**—

16 “(A) **DECLARATION.**—A candidate is an el-  
 17 igible primary election House candidate if the  
 18 candidate files with the Commission a declara-  
 19 tion that the candidate and the candidate’s au-  
 20 thorized committees will not make expenditures  
 21 in excess of the personal funds expenditure  
 22 limit.

23 “(B) **TIME TO FILE.**—The declaration  
 24 under subparagraph (A) shall be filed not later  
 25 than the date on which the candidate files with

1 the appropriate State officer as a candidate for  
2 the primary election.

3 “(2) GENERAL ELECTION.—

4 “(A) DECLARATION.—A candidate is an el-  
5 igible general election House candidate if the  
6 candidate files with the Commission—

7 “(i) a declaration under penalty of  
8 perjury, with supporting documentation as  
9 required by the Commission, that the can-  
10 didate and the candidate’s authorized com-  
11 mittees did not exceed the personal funds  
12 expenditure limit in connection with the  
13 primary election; and

14 “(ii) a declaration that the candidate  
15 and the candidate’s authorized committees  
16 will not make expenditures in excess of the  
17 personal funds expenditure limit.

18 “(B) TIME TO FILE.—The declaration  
19 under subparagraph (A) shall be filed not later  
20 than 7 days after the earlier of—

21 “(i) the date on which the candidate  
22 qualifies for the general election ballot  
23 under State law; or

24 “(ii) if under State law, a primary or  
25 run-off election to qualify for the general

1 election ballot occurs after September 1,  
2 the date on which the candidate wins the  
3 primary or runoff election.

4 “(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

5 “(1) IN GENERAL.—The aggregate amount of  
6 expenditures that may be made in connection with  
7 an election by an eligible House candidate or the  
8 candidate’s authorized committees from the sources  
9 described in paragraph (2) shall not exceed \$50,000.

10 “(2) SOURCES.—A source is described in this  
11 paragraph if the source is—

12 “(A) personal funds of the candidate and  
13 members of the candidate’s immediate family;  
14 or

15 “(B) proceeds of indebtedness incurred by  
16 the candidate or a member of the candidate’s  
17 immediate family.

18 “(c) CERTIFICATION BY THE COMMISSION.—

19 “(1) IN GENERAL.—The Commission shall de-  
20 termine whether a candidate has met the require-  
21 ments of this section and, based on the determina-  
22 tion, issue a certification stating whether the can-  
23 didate is an eligible House candidate.

24 “(2) TIME FOR CERTIFICATION.—Not later  
25 than 7 business days after a candidate files a dec-

1 laration under paragraph (1) or (2) of subsection  
2 (a), the Commission shall certify whether the can-  
3 didate is an eligible House candidate.

4 “(3) REVOCATION.—The Commission shall re-  
5 voke a certification under paragraph (1), based on  
6 information submitted in such form and manner as  
7 the Commission may require or on information that  
8 comes to the Commission by other means, if the  
9 Commission determines that a candidate violates the  
10 personal funds expenditure limit.

11 “(4) DETERMINATIONS BY COMMISSION.—A de-  
12 termination made by the Commission under this  
13 subsection shall be final, except to the extent that  
14 the determination is subject to examination and  
15 audit by the Commission and to judicial review.

16 “(d) PENALTY.—If the Commission revokes the cer-  
17 tification of an eligible House candidate—

18 “(1) the Commission shall notify the candidate  
19 of the revocation; and

20 “(2) the candidate and a candidate’s authorized  
21 committees shall pay to the Commission an amount  
22 equal to the amount of expenditures made by a na-  
23 tional committee of a political party or a State com-  
24 mittee of a political party in connection with the

1 general election campaign of the candidate under  
2 section 315(d).”.

3 **SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED**  
4 **EXPENDITURES.**

5 Section 315(d) of the Federal Election Campaign Act  
6 of 1971 (2 U.S.C. 441a(d)) (as amended by section 204)  
7 is amended by adding at the end the following:

8 “(5) This subsection does not apply to expendi-  
9 tures made in connection with the general election  
10 campaign of a candidate for the House of Rep-  
11 resentatives who is not an eligible House candidate  
12 (as defined in section 324(a)).”.

13 **TITLE V—MISCELLANEOUS**

14 **SEC. 501. CODIFICATION OF BECK DECISION.**

15 Section 8 of the National Labor Relations Act (29  
16 U.S.C. 158) is amended by adding at the end the following  
17 new subsection:

18 “(h) **NONUNION MEMBER PAYMENTS TO LABOR OR-**  
19 **GANIZATION.—**

20 “(1) **IN GENERAL.—**It shall be an unfair labor  
21 practice for any labor organization which receives a  
22 payment from an employee pursuant to an agree-  
23 ment that requires employees who are not members  
24 of the organization to make payments to such orga-  
25 nization in lieu of organization dues or fees not to

1 establish and implement the objection procedure de-  
2 scribed in paragraph (2).

3 “(2) OBJECTION PROCEDURE.—The objection  
4 procedure required under paragraph (1) shall meet  
5 the following requirements:

6 “(A) The labor organization shall annually  
7 provide to employees who are covered by such  
8 agreement but are not members of the organi-  
9 zation—

10 “(i) reasonable personal notice of the  
11 objection procedure, the employees eligible  
12 to invoke the procedure, and the time,  
13 place, and manner for filing an objection;  
14 and

15 “(ii) reasonable opportunity to file an  
16 objection to paying for organization ex-  
17 penditures supporting political activities  
18 unrelated to collective bargaining, includ-  
19 ing but not limited to the opportunity to  
20 file such objection by mail.

21 “(B) If an employee who is not a member  
22 of the labor organization files an objection  
23 under the procedure in subparagraph (A), such  
24 organization shall—

1           “(i) reduce the payments in lieu of or-  
2           ganization dues or fees by such employee  
3           by an amount which reasonably reflects the  
4           ratio that the organization’s expenditures  
5           supporting political activities unrelated to  
6           collective bargaining bears to such organi-  
7           zation’s total expenditures;

8           “(ii) provide such employee with a  
9           reasonable explanation of the organiza-  
10          tion’s calculation of such reduction, includ-  
11          ing calculating the amount of organization  
12          expenditures supporting political activities  
13          unrelated to collective bargaining.

14          “(3) DEFINITION.—In this subsection, the term  
15          ‘expenditures supporting political activities unrelated  
16          to collective bargaining’ means expenditures in con-  
17          nection with a Federal, State, or local election or in  
18          connection with efforts to influence legislation unre-  
19          lated to collective bargaining.”.

20   **SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN**  
21                           **PURPOSES.**

22          Title III of the Federal Election Campaign Act of  
23   1971 (2 U.S.C. 431 et seq.) is amended by striking section  
24   313 and inserting the following:

1 **“SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN**  
2 **PURPOSES.**

3 “(a) PERMITTED USES.—A contribution accepted by  
4 a candidate, and any other amount received by an individ-  
5 ual as support for activities of the individual as a holder  
6 of Federal office, may be used by the candidate or individ-  
7 ual—

8 “(1) for expenditures in connection with the  
9 campaign for Federal office of the candidate or indi-  
10 vidual;

11 “(2) for ordinary and necessary expenses in-  
12 curred in connection with duties of the individual as  
13 a holder of Federal office;

14 “(3) for contributions to an organization de-  
15 scribed in section 170(c) of the Internal Revenue  
16 Code of 1986; or

17 “(4) for transfers to a national, State, or local  
18 committee of a political party.

19 “(b) PROHIBITED USE.—

20 “(1) IN GENERAL.—A contribution or amount  
21 described in subsection (a) shall not be converted by  
22 any person to personal use.

23 “(2) CONVERSION.—For the purposes of para-  
24 graph (1), a contribution or amount shall be consid-  
25 ered to be converted to personal use if the contribu-  
26 tion or amount is used to fulfill any commitment,

1 obligation, or expense of a person that would exist  
2 irrespective of the candidate’s election campaign or  
3 individual’s duties as a holder of Federal office-  
4 holder, including—

5 “(A) a home mortgage, rent, or utility pay-  
6 ment;

7 “(B) a clothing purchase;

8 “(C) a noncampaign-related automobile ex-  
9 pense;

10 “(D) a country club membership;

11 “(E) a vacation or other noncampaign-re-  
12 lated trip;

13 “(F) a household food item;

14 “(G) a tuition payment;

15 “(H) admission to a sporting event, con-  
16 cert, theater, or other form of entertainment  
17 not associated with an election campaign; and

18 “(I) dues, fees, and other payments to a  
19 health club or recreational facility.”.

20 **SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**  
21 **ING PRIVILEGE.**

22 Section 3210(a)(6) of title 39, United States Code,  
23 is amended by striking subparagraph (A) and inserting  
24 the following:

1           “(A) A Member of Congress shall not mail  
2           any mass mailing as franked mail during a year  
3           in which there will be an election for the seat  
4           held by the Member during the period between  
5           January 1 of that year and the date of the gen-  
6           eral election for that Office, unless the Member  
7           has made a public announcement that the  
8           Member will not be a candidate for reelection to  
9           that year or for election to any other Federal  
10          office.”.

11 **SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL**  
12 **PROPERTY.**

13          Section 607 of title 18, United States Code, is  
14 amended by—

15           (1) striking subsection (a) and inserting the fol-  
16          lowing:

17          “(a) PROHIBITION.—

18           “(1) IN GENERAL.—It shall be unlawful for any  
19          person to solicit or receive a donation of money or  
20          other thing of value for a political committee or a  
21          candidate for Federal, State or local office from a  
22          person who is located in a room or building occupied  
23          in the discharge of official duties by an officer or  
24          employee of the United States. An individual who is  
25          an officer or employee of the Federal Government,

1 including the President, Vice President, and Mem-  
2 bers of Congress, shall not solicit a donation of  
3 money or other thing of value for a political commit-  
4 tee or candidate for Federal, State or local office,  
5 while in any room or building occupied in the dis-  
6 charge of official duties by an officer or employee of  
7 the United States, from any person.

8 “(2) PENALTY.—A person who violates this sec-  
9 tion shall be fined not more than \$5,000, imprisoned  
10 more than 3 years, or both.”

11 (2) inserting in subsection (b) after “Congress”  
12 “or Executive Office of the President”.

13 **SEC. 505. PENALTIES FOR KNOWING AND WILLFUL VIOLA-**  
14 **TIONS.**

15 (a) INCREASED PENALTIES.—Section 309(a) of the  
16 Federal Election Campaign Act of 1971 (2 U.S.C.  
17 437g(a)) is amended—

18 (1) in paragraphs (5)(A), (6)(A), and (6)(B),  
19 by striking “\$5,000” and inserting “\$10,000”; and

20 (2) in paragraphs (5)(B) and (6)(C), by strik-  
21 ing “\$10,000 or an amount equal to 200 percent”  
22 and inserting “\$20,000 or an amount equal to 300  
23 percent”.

24 (b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of  
25 the Federal Election Campaign Act of 1971 (2 U.S.C.

1 437g(a)(5)) is amended by striking the period at the end  
2 and inserting “, and may include equitable remedies or  
3 penalties, including disgorgement of funds to the Treasury  
4 or community service requirements (including require-  
5 ments to participate in public education programs).”.

6 (c) AUTOMATIC PENALTY FOR LATE FILING.—Sec-  
7 tion 309(a) of the Federal Election Campaign Act of 1971  
8 (2 U.S.C. 437g(a)) is amended—

9 (1) by adding at the end the following:

10 “(13) PENALTY FOR LATE FILING.—

11 “(A) IN GENERAL.—

12 “(i) MONETARY PENALTIES.—The  
13 Commission shall establish a schedule of  
14 mandatory monetary penalties that shall  
15 be imposed by the Commission for failure  
16 to meet a time requirement for filing under  
17 section 304.

18 “(ii) REQUIRED FILING.—In addition  
19 to imposing a penalty, the Commission  
20 may require a report that has not been  
21 filed within the time requirements of sec-  
22 tion 304 to be filed by a specific date.

23 “(iii) PROCEDURE.—A penalty or fil-  
24 ing requirement imposed under this para-

1 graph shall not be subject to paragraph  
2 (1), (2), (3), (4), (5), or (12).

3 “(B) FILING AN EXCEPTION.—

4 “(i) TIME TO FILE.—A political com-  
5 mittee shall have 30 days after the imposi-  
6 tion of a penalty or filing requirement by  
7 the Commission under this paragraph in  
8 which to file an exception with the Com-  
9 mission.

10 “(ii) TIME FOR COMMISSION TO  
11 RULE.—Within 30 days after receiving an  
12 exception, the Commission shall make a  
13 determination that is a final agency action  
14 subject to exclusive review by the United  
15 States Court of Appeals for the District of  
16 Columbia Circuit under section 706 of title  
17 5, United States Code, upon petition filed  
18 in that court by the political committee or  
19 treasurer that is the subject of the agency  
20 action, if the petition is filed within 30  
21 days after the date of the Commission ac-  
22 tion for which review is sought.”;

23 (2) in paragraph (5)(D)—

24 (A) by inserting after the first sentence the  
25 following: “In any case in which a penalty or

1 filing requirement imposed on a political com-  
2 mittee or treasurer under paragraph (13) has  
3 not been satisfied, the Commission may insti-  
4 tute a civil action for enforcement under para-  
5 graph (6)(A).”; and

6 (B) by inserting before the period at the  
7 end of the last sentence the following: “or has  
8 failed to pay a penalty or meet a filing require-  
9 ment imposed under paragraph (13)”;

10 (3) in paragraph (6)(A), by striking “paragraph  
11 (4)(A)” and inserting “paragraph (4)(A) or (13)”.

12 **SEC. 506. STRENGTHENING FOREIGN MONEY BAN.**

13 Section 319 of the Federal Election Campaign Act  
14 of 1971 (2 U.S.C. 441e) is amended—

15 (1) by striking the heading and inserting the  
16 following: “CONTRIBUTIONS AND DONATIONS BY  
17 FOREIGN NATIONALS”; and

18 (2) by striking subsection (a) and inserting the  
19 following:

20 “(a) PROHIBITION.—It shall be unlawful for—

21 “(1) a foreign national, directly or indirectly, to  
22 make—

23 “(A) a donation of money or other thing of  
24 value, or to promise expressly or impliedly to  
25 make a donation, in connection with a Federal,

1 State, or local election to a political committee  
2 or a candidate for Federal office; or

3 “(ii) a contribution or donation to a  
4 committee of a political party; or

5 “(B) for a person to solicit, accept, or re-  
6 ceive such contribution or donation from a for-  
7 eign national.”.

8 **SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.**

9 Title III of the Federal Election Campaign Act of  
10 1971 (2 U.S.C. 431 et seq.) (as amended by sections 101  
11 and 401) is amended by adding at the end the following:

12 **“SEC. 325. PROHIBITION OF CONTRIBUTIONS BY MINORS.**

13 An individual who is 17 years old or younger shall  
14 not make a contribution to a candidate or a contribution  
15 or donation to a committee of a political party.”.

16 **SEC. 508. EXPEDITED PROCEDURES.**

17 (a) IN GENERAL.—Section 309(a) of the Federal  
18 Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as  
19 amended by section 505(c)) is amended by adding at the  
20 end the following:

21 “(14)(A) If the complaint in a proceeding was  
22 filed within 60 days preceding the date of a general  
23 election, the Commission may take action described  
24 in this subparagraph.

1           “(B) If the Commission determines, on the  
2 basis of facts alleged in the complaint and other  
3 facts available to the Commission, that there is clear  
4 and convincing evidence that a violation of this Act  
5 has occurred, is occurring, or is about to occur, the  
6 Commission may order expedited proceedings, short-  
7 ening the time periods for proceedings under para-  
8 graphs (1), (2), (3), and (4) as necessary to allow  
9 the matter to be resolved in sufficient time before  
10 the election to avoid harm or prejudice to the inter-  
11 ests of the parties.

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

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

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

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

3           (b) REFERRAL TO ATTORNEY GENERAL.—Section  
4 309(a)(5) of the Federal Election Campaign Act of 1971  
5 (2 U.S.C. 437g(a)(5)) is amended by striking subpara-  
6 graph (C) and inserting the following:

7           “(C) The Commission may at any time, by an affirm-  
8 ative vote of at least 4 of its members, refer a possible  
9 violation of this Act or chapter 95 or 96 of title 26, United  
10 States Code, to the Attorney General of the United States,  
11 without regard to any limitation set forth in this section.”.

12 **SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.**

13           Section 309(a)(2) of the Federal Election Campaign  
14 Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking  
15 “reason to believe that” and inserting “reason to inves-  
16 tigate whether”.

17 **SEC. 510. LIMITATIONS ON POLITICAL ACTIVITY BY TAX-EX-**  
18 **EMPT ORGANIZATIONS.**

19           (a) TAX-EXEMPT ORGANIZATIONS.—Section 501 of  
20 the Internal Revenue Code of 1986 (relating to exemption  
21 from tax on corporations, certain trusts, etc.) is amend-  
22 ed—

23           (1) by redesignating subsection (o) as sub-  
24           section (p); and

1           (2) by inserting after subsection (n) the follow-  
2           ing new subsection:

3           “(o) SPECIAL RULES FOR ORGANIZATIONS EXEMPT  
4 UNDER PARAGRAPH (3) OR (4) OF SUBSECTION (c).—

5           “(1) IN GENERAL.—An organization described  
6           in paragraph (3) or (4) of subsection (c) shall be de-  
7           nied exemption from taxation under subsection (a) if  
8           such organization—

9           “(A) solicits or accepts a contribution (as  
10           defined in section 271(b)(2)) from a committee  
11           of a political party or an authorized committee  
12           of a candidate (as defined in section 301 of the  
13           Federal Election Campaign Act of 1971 (2  
14           U.S.C. 431)),

15           “(B) makes or directs a contribution to a  
16           committee of a political party or an authorized  
17           committee of a candidate,

18           “(C) makes a disbursement for electioneer-  
19           ing advertising (as defined in paragraph (2)),  
20           except to the extent that—

21           “(i) the disbursement constitutes an  
22           independent expenditure (as defined in sec-  
23           tion 301(17) of the Federal Election Cam-  
24           paign Act of 1971 (2 U.S.C. 431(17)), or

25           “(ii) the advertising is—

1                   “(I) described in paragraph  
2                   (2)(B)(i)(II),

3                   “(II) otherwise permitted by law,  
4                   and

5                   “(III) made more than—

6                   “(aa) 60 days before the  
7                   date of a general, special, or run-  
8                   off election in which the identi-  
9                   fied candidates are seeking office,  
10                  or

11                  “(bb) 30 days before the  
12                  date of a primary or preference  
13                  election or a convention or cau-  
14                  cus of a political party that has  
15                  authority to nominate a can-  
16                  didate for the office for which the  
17                  identified candidates are seeking  
18                  election, or

19                  “(D) participates in a coordinated dis-  
20                  bursement.

21                  “(2) DEFINITIONS.—For purposes of this sub-  
22                  section—

23                  “(A) COORDINATED DISBURSEMENT.—

24                  “(i) IN GENERAL.—The term ‘coordi-  
25                  nated disbursement’ means a purchase,

1 payment, distribution, loan, advance, de-  
2 posit, or gift of money or anything of  
3 value, made in connection with any broad-  
4 casting, newspaper, magazine, billboard,  
5 direct mail, phone bank, widely distributed  
6 electronic mail, or similar type of general  
7 public communication or advertising by a  
8 person (who is not a candidate or a can-  
9 didate’s authorized committee) in coopera-  
10 tion, consultation, or concert with, or at  
11 the request or suggestion of, a candidate,  
12 a member of the candidate’s immediate  
13 family (as defined in section 9004(e)), the  
14 candidate’s authorized committees, or a  
15 committee of a political party.

16 “(ii) EXCEPTION.—The term ‘coordi-  
17 nated disbursement’ does not include a dis-  
18 bursement for a bona fide newscast, news  
19 interview, news documentary (if the ap-  
20 pearance of the candidate is incidental to  
21 the presentation of the subject or subjects  
22 covered by the news documentary), edi-  
23 torial, or on-the-spot coverage of bona fide  
24 news events.

25 “(B) ELECTIONEERING ADVERTISING.—

1           “(i) IN GENERAL.—The term ‘elec-  
2           tioneering advertising’ means a commu-  
3           nication—

4                   “(I) containing a phrase such as  
5                   ‘vote for’, ‘re-elect’, ‘support’, ‘cast  
6                   your ballot for’, ‘(name of individual)  
7                   for President’, ‘(name of individual) in  
8                   (calendar year)’, ‘vote against’, ‘de-  
9                   feat’, ‘reject’, or a campaign slogan or  
10                  words that in context can have no rea-  
11                  sonable meaning other than to rec-  
12                  ommend the election or defeat of 1 or  
13                  more clearly identified candidates  
14                  such as ‘(name of candidate)’s the  
15                  One’ or ‘(name of candidate)’; or

16                   “(II) referring to 1 or more  
17                   clearly identified candidates in a com-  
18                   munication that is widely dissemi-  
19                   nated to the electorate for the election  
20                   in which the identified candidates are  
21                   seeking office through a broadcasting  
22                   station, newspaper, magazine, outdoor  
23                   advertising facility, direct mailing, or  
24                   any other type of general public com-  
25                   munication.

1                   “(ii) VOTING RECORD AND VOTING  
2                   GUIDE EXCEPTION.—The term ‘electioneer-  
3                   ing advertising’ does not include a printed  
4                   communication that—

5                   “(I) presents information in an  
6                   educational manner solely about the  
7                   voting record or position on a cam-  
8                   paign issue of 2 or more individuals;

9                   “(II) is not made in coordination  
10                  with an individual, political party, or  
11                  agent of the individual or party;

12                  “(III) in the case of a voter guide  
13                  based on a questionnaire, provides  
14                  each individual seeking a particular  
15                  seat or office an equal opportunity to  
16                  respond to the questionnaire and have  
17                  the individual’s responses incorporated  
18                  into the voter guide;

19                  “(IV) does not present an indi-  
20                  vidual with greater prominence than  
21                  any other individual; and

22                  “(V) does not contain a phrase  
23                  such as ‘vote for’, ‘re-elect’, ‘support’,  
24                  ‘cast your ballot for’, ‘(name of indi-  
25                  vidual) for President’, ‘(name of indi-

1                   vidual) in 1997’, ‘vote against’, ‘de-  
2                   feat’, or ‘reject’, or a campaign slogan  
3                   or words that in context can have no  
4                   reasonable meaning other than to  
5                   urge the election or defeat of 1 or  
6                   more clearly identified individuals.”.

7           (b) REGULATIONS.—The Federal Election Commis-  
8   sion and the Commissioner of the Internal Revenue Code  
9   of 1986 shall—

10           (1) promulgate regulations as necessary to en-  
11   force this section; and

12           (2) in the promulgation of regulations under  
13   paragraph (1), provide an exception to any provision  
14   that the Commission or Commissioner determines  
15   necessary to serve the public interest.

16   **SEC. 511. DEFINITIONS OF POLITICAL COMMITTEE AND PO-**  
17                                   **LITICAL ORGANIZATION.**

18           (a) DEFINITION OF POLITICAL COMMITTEE.—Sec-  
19   tion 301(4) of the Federal Election Campaign Act of 1971  
20   (2 U.S.C. 431(4)) is amended—

21           (1) in subparagraph (B), by striking “or” at  
22   the end;

23           (2) in subparagraph (C), by striking the period  
24   at the end and inserting “; or”; and

25           (3) by adding at the end the following:

1           “(D) a political organization (as defined in  
2 section 527(e)(1) of the Internal Revenue Code  
3 of 1986 and subject to section 527 of such  
4 Code) unless—

5           “(i) the activities of the organization  
6 are for the primary purpose of influencing  
7 or attempting to influence the selection,  
8 nomination, election, or appointment of  
9 any individual or individuals to any State  
10 or local public office or office in a State or  
11 local political organization; and

12           “(ii) the organization does not engage  
13 in any activity aimed at influencing or at-  
14 tempting to influence the selection, elec-  
15 tion, or appointment of any individual to  
16 any Federal office or the election of Presi-  
17 dential or Vice Presidential electors.”.

18           (b) DEFINITION OF POLITICAL ORGANIZATION.—

19 Paragraph (e)(1) of section 527 of the Internal Revenue  
20 Code of 1986 (relating to political organizations) is  
21 amended by striking “incorporated) organized and oper-  
22 ated” and all that follows through the period and inserting  
23 “incorporated)—

24           “(A) organized and operated primarily for  
25 the purpose of directly or indirectly accepting

1 contributions or making expenditures, or both,  
2 for an exempt function, and

3 “(B) that is a political committee described  
4 in section 301(4) of the Federal Election Cam-  
5 paign Act of 1971 (2 U.S.C. 431(4)) except to  
6 the extent that—

7 “(i) the activities of the organization  
8 are for the primary purpose of influencing  
9 or attempting to influence the selection,  
10 nomination, election, or appointment of  
11 any individual or individuals to any State  
12 or local public office or office in a State or  
13 local political organization; and

14 “(ii) the organization does not engage  
15 in any activity aimed at influencing or at-  
16 tempting to influence the selection, elec-  
17 tion, or appointment of any individual to  
18 any Federal office or the election of Presi-  
19 dential or Vice Presidential electors.”.

20 (c) REGULATIONS.—The Federal Election Commis-  
21 sion and the Commissioner of the Internal Revenue Code  
22 of 1986 shall—

23 (1) promulgate regulations as necessary to en-  
24 force this section; and

1           (2) in the promulgation of regulations under  
2           paragraph (1), provide an exception to any provision  
3           that the Commission or Commissioner determines  
4           necessary to serve the public interest.

5 **TITLE VI—SEVERABILITY; CON-**  
6 **STITUTIONALITY; EFFECTIVE**  
7 **DATE; REGULATIONS**

8 **SEC. 601. SEVERABILITY.**

9           If any provision of this Act or amendment made by  
10          this Act, or the application of a provision or amendment  
11          to any person or circumstance, is held to be unconstitu-  
12          tional, the remainder of this Act and amendments made  
13          by this Act, and the application of the provisions and  
14          amendment to any person or circumstance, shall not be  
15          affected by the holding.

16 **SEC. 602. REVIEW OF CONSTITUTIONAL ISSUES.**

17          An appeal may be taken directly to the Supreme  
18          Court of the United States from any final judgment, de-  
19          cree, or order issued by any court ruling on the constitu-  
20          tionality of any provision of this Act or amendment made  
21          by this Act.

22 **SEC. 603. EFFECTIVE DATE.**

23          Except as otherwise provided in this Act, this Act and  
24          the amendments made by this Act take effect January 1,  
25          1999.

1 **SEC. 604. REGULATIONS.**

2       The Federal Election Commission shall prescribe any  
3 regulations required to carry out this Act and the amend-  
4 ments made by this Act not later than 270 days after the  
5 effective date of this Act.

○