

105TH CONGRESS
1ST SESSION

S. 1057

To amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 1997

Mr. REED (for himself, Mr. BRYAN, Mr. HOLLINGS, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

A BILL

To amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Campaign Spending Control Act of 1997”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Statement of purpose.

Sec. 3. Findings of fact.

TITLE I—SENATE ELECTION SPENDING LIMITS

Sec. 101. Senate election spending limits.

TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

Sec. 201. Adding definition of coordination to definition of contribution.

Sec. 202. Treatment of certain coordinated contributions and expenditures.

Sec. 203. Political party committees.

Sec. 204. Limit on independent expenditures.

Sec. 205. Clarification of definitions relating to independent expenditures.

Sec. 206. Elimination of leadership PACs.

TITLE III—SOFT MONEY

Sec. 301. Soft money of political party committee.

Sec. 302. State party grassroots funds.

Sec. 303. Reporting requirements.

Sec. 304. Soft money of persons other than political parties.

TITLE IV—ENFORCEMENT

Sec. 401. Filing of reports using computers and facsimile machines.

Sec. 402. Audits.

Sec. 403. Authority to seek injunction.

Sec. 404. Increase in penalty for knowing and willful violations.

Sec. 405. Prohibition of contributions by individuals not qualified to vote.

Sec. 406. Use of candidates' names.

Sec. 407. Expedited procedures.

TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

Sec. 501. Severability.

Sec. 502. Regulations.

Sec. 503. Effective date.

1 **SEC. 2. STATEMENT OF PURPOSE.**

2 The purposes of this Act are to—

3 (1) restore the public confidence in and the in-
4 tegrity of our democratic system;

5 (2) strengthen and promote full and free dis-
6 cussion and debate during election campaigns;

7 (3) relieve Federal officeholders from limita-
8 tions on their attention to the affairs of the Federal

1 government that can arise from excessive attention
2 to fundraising;

3 (4) relieve elective office-seekers and office-
4 holders from the limitations on purposeful political
5 conduct and discourse that can arise from excessive
6 attention to fundraising;

7 (5) reduce corruption and undue influence, or
8 the appearance thereof, in the financing of Federal
9 election campaigns; and

10 (6) provide non-preferential terms of access to
11 elected Federal officeholders by all interested mem-
12 bers of the public in order to uphold the constitu-
13 tionally guaranteed right to petition the Government
14 for redress of grievances.

15 **SEC. 3. FINDINGS OF FACT.**

16 Congress finds the following:

17 (1) The current Federal campaign finance sys-
18 tem, with its perceived preferential access to law-
19 makers for interest groups capable of contributing
20 sizable sums of money to lawmakers' campaigns, has
21 caused a widespread loss of public confidence in the
22 fairness and responsiveness of elective government
23 and undermined the belief, necessary to a function-
24 ing democracy, that the Government exists to serve
25 the needs of all people.

1 (2) The United States Supreme Court, in Buck-
2 ley v. Valeo, 424 U.S. 1 (1976), disapproved the use
3 of mandatory spending limits as a remedy for such
4 effects, while approving the use of campaign con-
5 tribution limits.

6 (3) Since that time, campaign expenditures
7 have risen steeply in Federal elections with spending
8 by successful candidates for the United States Sen-
9 ate between 1976 and 1996 rising from \$609,100 to
10 \$3,775,000, an increase that is twice the rate of in-
11 flation.

12 (4) As campaign spending has escalated, voter
13 turnout has steadily declined and in 1996 voter
14 turnout fell to its lowest point since 1924, and
15 stands now at the lowest level of any democracy in
16 the world.

17 (5) Coupled with out-of-control campaign
18 spending has come the constant necessity of fund-
19 raising, arising, to a large extent, from candidates
20 adopting a defensive “arms race” posture of con-
21 stant readiness against the risk of massively fi-
22 nanced attacks against whatever the candidate may
23 say or do.

24 (6) The current campaign finance system has
25 had a deleterious effect on those who hold public of-

1 fice as endless fundraising pressures intrude upon
2 the performance of constitutionally required duties.
3 Capable and dedicated officials have left office in
4 dismay over these distractions and the negative pub-
5 lic perceptions that the fundraising process engen-
6 ders and numerous qualified citizens have declined
7 to seek office because of the prospect of having to
8 raise the extraordinary amounts of money needed in
9 today's elections.

10 (7) The requirement for candidates to
11 fundraise, the average 1996 expenditure level re-
12 quired a successful Senate candidate to raise more
13 than \$12,099 a week for 6 years, significantly im-
14 pedes on the ability of Senators and other office-
15 holders to tend to their official duties, and limits the
16 ability of candidates to interact with the electorate
17 while also tending to professional responsibilities.

18 (8) As talented incumbent and potential public
19 servants are deterred from seeking office in Con-
20 gress because of such fundraising pressures, the
21 quality of representation suffers and those who do
22 serve are impeded in their effort to devote full atten-
23 tion to matters of the Government by the campaign
24 financing system.

1 (9) Contribution limits are inadequate to con-
2 trol all of these trends and as long as campaign
3 spending is effectively unrestrained, supporters can
4 find ways to protect their favored candidates from
5 being outspent. Since 1976 major techniques have
6 been found and exploited to get around and evade
7 contribution limits.

8 (10) Techniques to evade contribution limits in-
9 clude personal spending by wealthy candidates, inde-
10 pendent expenditures that assist or attack an identi-
11 fied candidate, media campaigns by corporations,
12 labor unions, and nonprofit organizations to advo-
13 cate the election or defeat of candidates, and the use
14 of national, State, or local political parties as a con-
15 duit for money that assists or attacks such can-
16 didates.

17 (11) Wealthy candidates may, under the
18 present Federal campaign financing system, spend
19 any amount they want out of their own resources
20 and while such spending may not be self-corrupting,
21 it introduces the very defects the Supreme Court
22 wants to avoid. The effectively limitless character of
23 such resources obliges a wealthy candidate's oppo-
24 nent to reach for larger amounts of outside support,
25 causing the deleterious effects previously described.

1 (12) Experience shows that there is an identity
2 of interest between candidates and political parties
3 because the parties exist to support candidates, not
4 the other way around. Party expenditures in support
5 of, or in opposition to, an identifiable candidate are,
6 therefore, effectively spending on behalf of a candi-
7 didate.

8 (13) Political experience shows that so-called
9 “independent” support, whether by individuals, com-
10 mittees, or other entities, can be and often is coordi-
11 nated with a candidate’s campaign by means of tacit
12 understandings without losing its nominally inde-
13 pendent character and, similarly, contributions to a
14 political party, ostensibly for “party-building” pur-
15 poses, can be and often are routed, by undeclared
16 design, to the support of identified candidates.

17 (14) The actual, case-by-case detection of co-
18 ordination between candidate, party, and independ-
19 ent contributor is, as a practical matter, impossible
20 in a fast-moving campaign environment.

21 (15) So-called “issue advocacy” communica-
22 tions, by or through political parties or independent
23 contributors, need not, as a practical matter, advo-
24 cate expressly for the election or defeat of a named
25 candidate in order to cross the line into election

1 campaign advocacy; any clear, objective indication of
2 purpose, such that voters may readily observe where
3 their electoral support is invited, can suffice as evi-
4 dence of intent to impact a Federal election cam-
5 paign.

6 (16) When State political parties or other enti-
7 ties operating under State law receive funds, often
8 called “soft money”, for use in Federal elections,
9 they become de facto agents of the national political
10 party and the inclusion of these funds under applica-
11 ble Federal limitations is necessary and proper for
12 the effective regulation of Federal election cam-
13 paigns.

14 (17) The exorbitant level of money in the politi-
15 cal system has served to distort our democracy by
16 giving some contributors, who constitute less than 3
17 percent of the citizenry, the appearance of favored
18 access to elected officials, thus undermining the abil-
19 ity of ordinary citizens to petition their Government.
20 Concerns over the potential for corruption and
21 undue influence, and the appearances thereof, has
22 left citizens cynical, the reputation of elected offi-
23 cials tarnished, and the moral authority of Govern-
24 ment weakened.

1 (18) The 2 decades of experience since the Su-
2 preme Court’s Buckley v. Valeo ruling in 1976 have
3 made it evident that reasonable limits on election
4 campaign expenditures are now necessary and these
5 limits must comprehensively address all types of ex-
6 penditures to prevent circumvention of such limits.

7 (19) The Supreme Court based its Buckley v.
8 Valeo decision on a concern that spending limits
9 could narrow political speech “by restricting the
10 number of issues discussed, the depth of their explo-
11 ration, and the size of the audience reached”. The
12 experience of the past 20 years has been otherwise
13 as experience shows that unlimited expenditures can
14 drown out or distort political discourse in a flood of
15 distractive repetition. Reasonable spending limits
16 will increase the opportunity for previously muted
17 voices to be heard and thereby increase the number,
18 depth, and diversity of ideas presented to the public.

19 (20) Issue advocacy communications that do
20 not promote or oppose an identified candidate should
21 remain unregulated, as should the traditional free-
22 dom of the press to report and editorialize about
23 candidates and campaigns.

24 (21) In establishing reasonable limits on cam-
25 paign spending, it is necessary that the limits reflect

1 the realities of modern campaigning in a large, di-
2 verse population with sophisticated and expensive
3 modes of communication. The limits must allow citi-
4 zens to benefit from a full and free debate of issues
5 and permit candidates to garner the resources nec-
6 essary to engage in that debate.

7 (22) The expenditure limits established in this
8 Act for election to the United States Senate were de-
9 termined after careful review of historical spending
10 patterns in Senate campaigns as well as the particu-
11 lar spending level of the 3 most recent elections as
12 evidenced by the following:

13 (A) The limit formula allows candidates a
14 level of spending which guarantees an ability to
15 disseminate their message by accounting for the
16 size of the population in each State as well as
17 historical spending trends including the dem-
18 onstrated trend of lower campaign spending per
19 voter in larger States as compared to voter
20 spending in smaller States.

21 (B) The candidate expenditure limits in-
22 cluded in this legislation would have restricted
23 80 percent of the incumbent candidates in the
24 last 3 elections, while only impeding 18 percent
25 of the challengers.

1 (C) It is clear from recent experience that
 2 expenditure limits as set by the formula in this
 3 Act will be high enough to allow an effective
 4 level of competition, encourage candidate dia-
 5 logue with constituents, and circumscribe the
 6 most egregiously high spending levels, so as to
 7 be a bulwark against future campaign finance
 8 excesses and the resulting voter disenfranchise-
 9 ment.

10 **TITLE I—SENATE ELECTION**
 11 **SPENDING LIMITS**

12 **SEC. 101. SENATE ELECTION SPENDING LIMITS.**

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

16 **“SEC. 324. SPENDING LIMITS FOR SENATE ELECTION**
 17 **CAMPAIGNS**

18 “(a) IN GENERAL.—The amount of funds expended
 19 by a candidate for election to the Senate and the can-
 20 didate’s authorized committees with respect to an election
 21 may not exceed the election expenditure limits of sub-
 22 sections (b), (c), and (d).

23 “(b) PRIMARY ELECTION EXPENDITURE LIMIT.—
 24 The aggregate amount of expenditures for a primary elec-
 25 tion by a Senate candidate and the candidate’s authorized

1 committees shall not exceed 67 percent of the general elec-
 2 tion expenditure limit under subsection (d).

3 “(c) RUNOFF ELECTION EXPENDITURE LIMIT.—The
 4 aggregate amount of expenditures for a runoff election by
 5 a Senate candidate and the candidate’s authorized com-
 6 mittees shall not exceed 20 percent of the general election
 7 expenditure limit under subsection (d).

8 “(d) GENERAL ELECTION EXPENDITURE LIMIT.—

9 “(1) IN GENERAL.—The aggregate amount of
 10 expenditures for a general election by a Senate can-
 11 didate and the candidate’s authorized committees
 12 shall not exceed the greater of—

13 “(A) \$1,182,500; or

14 “(B) \$500,000; plus

15 “(i) 37.5 cents multiplied by the vot-
 16 ing age population not in excess of
 17 4,000,000; and

18 “(ii) 31.25 cents multiplied by the
 19 voting age population in excess of
 20 4,000,000.

21 “(2) EXCEPTION.—In the case of a Senate can-
 22 didate in a State that has not more than 1 transmit-
 23 ter for a commercial Very High Frequency (VHF)
 24 television station licensed to operate in that State,
 25 paragraph (1)(B) shall be applied by substituting—

1 “(A) ‘\$1.00’ for ‘37.5 cents’ in clause (i);

2 and

3 “(B) ‘87.5 cents’ for ‘31.25 cents’ in

4 clause (ii).

5 “(3) INDEXING.—The monetary amounts in
6 paragraphs (1) and (2) shall be increased as of the
7 beginning of each calendar year based on the in-
8 crease in the price index determined under section
9 315(c), except that the base period shall be calendar
10 year 1997.

11 “(e) EXEMPTED EXPENDITURES.—In determining
12 the amount of funds expended for purposes of this section,
13 there shall be excluded any amounts expended for—

14 “(1) Federal, State, or local taxes with respect
15 to earnings on contributions raised;

16 “(2) legal and accounting services provided
17 solely in connection with complying with the require-
18 ments of this Act;

19 “(3) legal services related to a recount of the
20 results of a Federal election or an election contest
21 concerning a Federal election; or

22 “(4) payments made to or on behalf of an em-
23 ployee of a candidate’s authorized committees for
24 employee benefits—

25 “(A) including—

1 “(i) health care insurance;
 2 “(ii) retirement plans; and
 3 “(iii) unemployment insurance; but
 4 “(B) not including salary, any form of
 5 compensation, or amounts intended to reim-
 6 burse the employee.”.

7 **TITLE II—COORDINATED AND** 8 **INDEPENDENT EXPENDITURES**

9 **SEC. 201. ADDING DEFINITION OF COORDINATION TO** 10 **DEFINITION OF CONTRIBUTION.**

11 (a) DEFINITION OF CONTRIBUTION.—Section 301(8)
 12 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 13 431(8)) is amended—

14 (1) in subparagraph (A)—

15 (A) in clause (i), by striking “or” at the
 16 end;

17 (B) in clause (ii) by striking the period
 18 and inserting “; or”; and

19 (C) by adding at the end the following:

20 “(iii) a payment made for a communication or
 21 anything of value that is for the purpose of influenc-
 22 ing an election for Federal office and that is a pay-
 23 ment made in coordination with a candidate.”; and

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

1 “(C) PAYMENT MADE IN COORDINATION WITH.—The
2 term ‘payment made in coordination with’ means—

3 “(i) a payment made by any person in coopera-
4 tion, consultation, or concert with, at the request or
5 suggestion of, or pursuant to any general or particu-
6 lar understanding with, a candidate, a candidate’s
7 authorized committees, an agent acting on behalf of
8 a candidate or a candidate’s authorized committee,
9 or (for purposes of paragraphs (9) and (10) of sec-
10 tion 315(a)) another person;

11 “(ii) the financing by any person of the dissemi-
12 nation, distribution, or republication, in whole or in
13 part, of any broadcast or any written, graphic, or
14 other form of campaign materials prepared by the
15 candidate or the candidate’s authorized committees
16 (not including a communication described in para-
17 graph (9)(B)(i) or a communication that expressly
18 advocates the candidate’s defeat); or

19 “(iii) payments made based on information
20 about the candidate’s plans, projects, or needs pro-
21 vided to the person making the payment by the can-
22 didate, the candidate’s authorized committees, or an
23 agent of a candidate or a candidate’s authorized
24 committees.”.

25 (b) CONFORMING AMENDMENTS.—

1 “(10) For purposes of this section, an independent
2 expenditure made by a person in coordination with (within
3 the meaning of section 301(8)(C)) another person shall
4 be considered to have been made by a single person.”.

5 **SEC. 203. POLITICAL PARTY COMMITTEES.**

6 (a) LIMIT ON COORDINATED AND INDEPENDENT EX-
7 PENDITURES BY POLITICAL PARTY COMMITTEES.—Sec-
8 tion 315(d) of the Federal Election Campaign Act of 1971
9 (2 U.S.C. 441a(d)) is amended—

10 (1) in paragraph (1), by inserting “and inde-
11 pendent expenditures” after “Federal office”; and

12 (2) in paragraph (3)—

13 (A) by inserting “, including expenditures
14 made” after “make any expenditure”; and

15 (B) by inserting “and independent expend-
16 itures advocating the election or defeat of a
17 candidate,” after “such party”.

18 (b) RULES APPLICABLE WHEN LIMITS NOT IN EF-
19 FECT.—For purposes of the Federal Election Campaign
20 Act of 1971 (2 U.S.C. 431 et seq.), during any period
21 beginning after the effective date of this Act in which the
22 limitation under section 315(d)(3) (as amended by sub-
23 section (a)) is not in effect the following amendments shall
24 be effective:

1 (1) INDEPENDENT VERSUS COORDINATED EX-
2 PENDITURES BY A POLITICAL PARTY COMMITTEE.—
3 Section 315(d) of the Federal Election Campaign
4 Act of 1971 (2 U.S.C. 441a(d)) is amended—

5 (A) in paragraph (1)—

6 (i) by striking “(2) and (3) of this
7 subsection” and inserting “(2), (3), and
8 (4) of this subsection”; and

9 (ii) by inserting “coordinated” after
10 “make”;

11 (B) in paragraph (3), by inserting “coordi-
12 nated” after “make”; and

13 (C) by adding at the end the following:

14 “(4) PROHIBITION AGAINST MAKING BOTH COORDI-
15 NATED EXPENDITURES AND INDEPENDENT EXPENDI-
16 TURES.—

17 “(A) IN GENERAL.—A committee of a political
18 party shall not make both a coordinated expenditure
19 in excess of \$5,000 and an independent expenditure
20 with respect to the same candidate during an elec-
21 tion cycle.

22 “(B) CERTIFICATION.—Before making a coordi-
23 nated expenditure in excess of \$5,000 in connection
24 with a general election campaign for Federal office,
25 a committee of a political party that is subject to

1 this subsection shall file with the Commission a cer-
2 tification, signed by the treasurer, stating that the
3 committee will not make independent expenditures
4 with respect to such candidate.

5 “(C) TRANSFERS.—A party committee that cer-
6 tifies under this paragraph that the committee will
7 make coordinated expenditures with respect to any
8 candidate shall not, in the same election cycle, make
9 a transfer of funds to, or receive a transfer of funds
10 from, any other party committee unless that com-
11 mittee has certified under this paragraph that it will
12 only make coordinated expenditures with respect to
13 candidates.

14 “(D) DEFINITION OF COORDINATED EXPENDI-
15 TURE.—In this paragraph, the term ‘coordinated ex-
16 penditure’ shall have the meaning given the term
17 ‘payments made in coordination with’ in section
18 301(8)(C).”.

19 (2) LIMIT ON CONTRIBUTIONS TO POLITICAL
20 PARTY COMMITTEES.—Section 315(a) of Federal
21 Election Campaign Act of 1971 (2 U.S.C. 441a(a))
22 is amended—

23 (A) in paragraph (1)(B), by striking
24 “which, in the aggregate, exceed \$20,000” and
25 inserting “that—

1 “(i) in the case of a political committee
2 that certifies under subsection (d)(4) that it will
3 not make independent expenditures in connec-
4 tion with the general election campaign of any
5 candidate, in the aggregate, exceed \$20,000; or

6 “(ii) in the case of a political committee
7 that does not certify under subsection (d)(4)
8 that it will not make independent expenditures
9 in connection with the general election cam-
10 paign of any candidate, in the aggregate, exceed
11 \$5,000”; and

12 (B) in paragraph (2)(B), by striking
13 “which, in the aggregate, exceed \$15,000” and
14 inserting “that—

15 “(i) in the case of a political committee
16 that certifies under subsection (d)(4) that it will
17 not make independent expenditures in connec-
18 tion with the general election campaign of any
19 candidate, in the aggregate, exceed \$15,000; or

20 “(ii) in the case of a political committee
21 that does not certify under subsection (d)(4)
22 that it will not make independent expenditures
23 in connection with the general election cam-
24 paign of any candidate, in the aggregate, exceed
25 \$5,000”.

1 (c) DEFINITION OF ELECTION CYCLE.—Section 301
2 of the Federal Election Campaign Act of 1971 (2 U.S.C.
3 431) is amended by adding at the end the following:

4 “(20) ELECTION CYCLE.—The term ‘election cycle’
5 means—

6 “(A) in the case of a candidate or the au-
7 thorized committees of a candidate, the period
8 beginning on the day after the date of the most
9 recent general election for the specific office or
10 seat that the candidate is seeking and ending
11 on the date of the next general election for that
12 office or seat; and

13 “(B) in the case of all other persons, the
14 period beginning on the first day following the
15 date of the last general election and ending on
16 the date of the next general election.”.

17 **SEC. 204. LIMIT ON INDEPENDENT EXPENDITURES.**

18 (a) IN GENERAL.—Section 315 of the Federal Elec-
19 tion Campaign Act of 1971 (2 U.S.C. 441a) is amended
20 by adding at the end the following:

21 “(i) LIMIT ON INDEPENDENT EXPENDITURES.—No
22 person shall make an amount of independent expenditures
23 advocating the election or defeat of a candidate during an
24 election cycle in an aggregate amount greater than the

1 limit applicable to the candidate under section
2 315(d)(3).”.

3 (b) RULES APPLICABLE WHEN RULES IN SUB-
4 SECTION (a) NOT IN EFFECT.—For purposes of the Fed-
5 eral Election Campaign Act of 1971, during any period
6 beginning after the effective date of this Act in which the
7 limit on independent expenditures under section 315(i) of
8 the Federal Election Campaign Act of 1971, as added by
9 subsection (a), is not in effect section 324 of such Act,
10 as added by section 101(a), is amended by adding at the
11 end the following:

12 “(f) INCREASE IN EXPENDITURE LIMIT IN RE-
13 SPONSE TO INDEPENDENT EXPENDITURES.—

14 “(1) IN GENERAL.—The applicable election ex-
15 penditure limit for a candidate shall be increased by
16 the aggregate amount of independent expenditures
17 made in excess of the limit applicable to the can-
18 didate under section 315(d)(3)—

19 “(A) on behalf of an opponent of the can-
20 didate; or

21 “(B) in opposition to the candidate.

22 “(2) NOTIFICATION.—

23 “(A) IN GENERAL.—A candidate shall no-
24 tify the Commission of an intent to increase an
25 expenditure limit under paragraph (1).

1 “(B) COMMISSION RESPONSE.—Within 3
2 business days of receiving a notice under sub-
3 paragraph (A), the Commission must approve
4 or deny the increase in expenditure limit.

5 “(C) ADDITIONAL NOTIFICATION.—A can-
6 didate who has increased an expenditure limit
7 under paragraph (1) shall notify the Commis-
8 sion of each additional increase in increments of
9 \$50,000.”.

10 **SEC. 205. CLARIFICATION OF DEFINITIONS RELATING TO**
11 **INDEPENDENT EXPENDITURES.**

12 (a) DEFINITION OF INDEPENDENT EXPENDITURE.—
13 Section 301 of the Federal Election Campaign Act of
14 1971 (2 U.S.C. 431) is amended by striking paragraph
15 (17) and inserting the following:

16 “(17) INDEPENDENT EXPENDITURE.—The term
17 ‘independent expenditure’ means an expenditure that—

18 (A) contains express advocacy; and

19 (B) is made without the participation or co-
20 operation of, or without consultation with, or with-
21 out coordination with a candidate or a candidate’s
22 authorized committee or agent (within the meaning
23 of section 301(8)(C)).”.

24 (b) DEFINITION OF EXPRESS ADVOCACY.—Section
25 301 of Federal Election Campaign Act of 1971 (2 U.S.C.

1 431), as amended by section 202(c), is amended by adding
2 at the end the following:

3 “(21) EXPRESS ADVOCACY.—The term ‘express advo-
4 cacy’ includes—

5 “(i) a communication that conveys a message
6 that advocates the election or defeat of a clearly
7 identified candidate for Federal office by using an
8 expression such as ‘vote for,’ ‘elect,’ ‘support,’ ‘vote
9 against,’ ‘defeat,’ ‘reject,’ ‘(name of candidate) for
10 Congress,’ ‘vote pro-life,’ or ‘vote pro-choice,’ accom-
11 panied by a listing or picture of a clearly identified
12 candidate described as ‘pro-life’ or ‘pro-choice,’ ‘re-
13 ject the incumbent,’ or an expression susceptible to
14 no other reasonable interpretation but an unmistak-
15 able and unambiguous exhortation to vote for or
16 against a specific candidate; or

17 “(ii) a communication that is made through a
18 broadcast medium, newspaper, magazine, billboard,
19 direct mail, or similar type of general public commu-
20 nication or political advertising—

21 “(A) that is made on or after a date that
22 is 90 days before the date of a general election
23 of the candidate;

24 “(B) that refers to the character, qualifica-
25 tions, or accomplishments of a clearly identified

1 candidate, group of candidates, or candidate of
2 a clearly identified political party; and

3 “(C) that does not have as its sole purpose
4 an attempt to urge action on legislation that
5 has been introduced in or is being considered by
6 a legislature that is in session.”.

7 **SEC. 206. ELIMINATION OF LEADERSHIP PACS.**

8 (a) DESIGNATION AND ESTABLISHMENT OF AU-
9 THORIZED COMMITTEE.—Section 302(e) of the Federal
10 Election Campaign Act of 1971 (2 U.S.C. 432(e)) is
11 amended by—

12 (1) striking paragraph (3) and inserting the fol-
13 lowing:

14 “(3) No political committee that supports, or has
15 supported, more than one candidate may be designated as
16 an authorized committee, except that—

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

24 “(B) a candidate may designate a political com-
25 mittee established solely for the purpose of joint

1 fundraising by such candidates as an authorized
2 committee.”; and

3 (2) adding at the end the following:

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

16 “(B) A political committee prohibited by subpara-
17 graph (A), that is established before the date of enactment
18 of this Act, may continue to make contributions for a pe-
19 riod that ends on the date that is 1 year after the date
20 of enactment of this paragraph. At the end of such period
21 the political committee shall disburse all funds by 1 or
22 more of the following means:

23 “(1) Making contributions to an entity de-
24 scribed in section 501(c)(3) of the Internal Revenue
25 Code of 1986 and exempt from taxation under sec-

1 tion 501(a) of such Act that is not established,
2 maintained, financed, or controlled directly or indi-
3 rectly by any candidate for Federal office or any in-
4 dividual holding Federal office.

5 “(2) Making a contribution to the Treasury.

6 “(3) Making contributions to the national,
7 State, or local committees of a political party.

8 “(4) Making contributions not to exceed \$1,000
9 to candidates for elective office.”.

10 **TITLE III—SOFT MONEY**

11 **SEC. 301. SOFT MONEY OF POLITICAL PARTY COMMITTEE.**

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

15 **“SEC. 325. SOFT MONEY OF PARTY COMMITTEES.**

16 “(a) NATIONAL COMMITTEES.—A national commit-
17 tee of a political party (including a national congressional
18 campaign committee of a political party), an entity that
19 is directly or indirectly established, financed, maintained,
20 or controlled by a national committee or its agent, an en-
21 tity acting on behalf of a national committee, and an offi-
22 cer or agent acting on behalf of any such committee or
23 entity (but not including an entity regulated under sub-
24 section (b)) shall not solicit or receive any contributions,
25 donations, or transfers of funds, or spend any funds, that

1 are not subject to the limitations, prohibitions, and report-
2 ing requirements of this Act.

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

4 “(1) IN GENERAL.—Any amount that is ex-
5 pended or disbursed by a State, district, or local
6 committee of a political party (including an entity
7 that is directly or indirectly established, financed,
8 maintained, or controlled by a State, district, or
9 local committee of a political party and an officer or
10 agent acting on behalf of any such committee or en-
11 tity) during a calendar year in which a Federal elec-
12 tion is held, for any activity that might affect the
13 outcome of a Federal election, including any voter
14 registration or get-out-the-vote activity, any generic
15 campaign activity, and any communication that re-
16 fers to a candidate (regardless of whether a can-
17 didate for State or local office is also mentioned or
18 identified) shall be made from funds subject to the
19 limitations, prohibitions, and reporting requirements
20 of this Act.

21 “(2) ACTIVITY EXCLUDED FROM PARAGRAPH
22 (1).—

23 “(A) IN GENERAL.—Paragraph (1) shall
24 not apply to an expenditure or disbursement

1 made by a State, district, or local committee of
2 a political party for—

3 “(i) a contribution to a candidate for
4 State or local office if the contribution is
5 not designated or otherwise earmarked to
6 pay for an activity described in paragraph
7 (1);

8 “(ii) the costs of a State, district, or
9 local political convention;

10 “(iii) the non-Federal share of a
11 State, district, or local party committee’s
12 administrative and overhead expenses (but
13 not including the compensation in any
14 month of any individual who spends more
15 than 20 percent of the individual’s time on
16 activity during the month that may affect
17 the outcome of a Federal election) except
18 that for purposes of this paragraph, the
19 non-Federal share of a party committee’s
20 administrative and overhead expenses shall
21 be determined by applying the ratio of the
22 non-Federal disbursements to the total
23 Federal expenditures and non-Federal dis-
24 bursements made by the committee during
25 the previous presidential election year to

1 the committee's administrative and over-
2 head expenses in the election year in ques-
3 tion;

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

9 “(v) the cost of any campaign activity
10 conducted solely on behalf of a clearly
11 identified candidate for State or local of-
12 fice, if the candidate activity is not an ac-
13 tivity described in paragraph (1).

14 “(B) FUNDRAISING COSTS.—Any amount
15 spent by a national, State, district, or local
16 committee, by an entity that is established, fi-
17 nanced, maintained, or controlled by a State,
18 district, or local committee of a political party,
19 or by an agent or officer of any such committee
20 or entity to raise funds that are used, in whole
21 or in part, to pay the costs of an activity de-
22 scribed in paragraph (1) shall be made from
23 funds subject to the limitations, prohibitions,
24 and reporting requirements of this Act.

1 “(c) TAX-EXEMPT ORGANIZATIONS.—A national,
2 State, district, or local committee of a political party (in-
3 cluding a national congressional campaign committee of
4 a political party, an entity that is directly or indirectly
5 established, financed, maintained, or controlled by any
6 such national, State, district, or local committee or its
7 agent, an agent acting on behalf of any such party com-
8 mittee, and an officer or agent acting on behalf of any
9 such party committee or entity), shall not solicit any funds
10 for or make any donations to an organization that is ex-
11 empt from Federal taxation under section 501(c) of the
12 Internal Revenue Code of 1986.

13 “(d) CANDIDATES.—

14 “(1) IN GENERAL.—A candidate, individual
15 holding Federal office, or agent of a candidate or in-
16 dividual holding Federal office shall not—

17 “(A) solicit, receive, transfer, or spend
18 funds in connection with an election for Federal
19 office unless the funds are subject to the limita-
20 tions, prohibitions, and reporting requirements
21 of this Act;

22 “(B) solicit, receive, or transfer funds that
23 are to be expended in connection with any elec-
24 tion other than a Federal election unless the
25 funds—

1 “(i) are not in excess of the amounts
2 permitted with respect to contributions to
3 candidates and political committees under
4 section 315(a) (1) and (2); and

5 “(ii) are not from sources prohibited
6 by this Act from making contributions with
7 respect to an election for Federal office; or

8 “(C) solicit, receive, or transfer any funds
9 on behalf of any person that are not subject to
10 the limitations, prohibitions, and reporting re-
11 quirements of the Act if the funds are for use
12 in financing any campaign-related activity or
13 any communication that refers to a clearly iden-
14 tified candidate for Federal office.

15 “(2) EXCEPTION.—Paragraph (1) does not
16 apply to the solicitation or receipt of funds by an in-
17 dividual who is a candidate for a State or local office
18 if the solicitation or receipt of funds is permitted
19 under State law for the individual’s State or local
20 campaign committee.”.

21 **SEC. 302. STATE PARTY GRASSROOTS FUNDS.**

22 (a) INDIVIDUAL CONTRIBUTIONS.—Section
23 315(a)(1) of the Federal Election Campaign Act of 1971
24 (2 U.S.C. 441a(a)(1)) is amended—

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

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

5 (3) by inserting after subparagraph (C) the fol-
6 lowing:

7 “(D) to—

8 “(i) a State Party Grassroots Fund estab-
9 lished and maintained by a State committee of
10 a political party in any calendar year which, in
11 the aggregate, exceed \$20,000;

12 “(ii) any other political committee estab-
13 lished and maintained by a State committee of
14 a political party in any calendar year which, in
15 the aggregate, exceed \$5,000;

16 except that the aggregate contributions described in
17 this subparagraph that may be made by a person to
18 the State Party Grassroots Fund and all committees
19 of a State Committee of a political party in any
20 State in any calendar year shall not exceed
21 \$20,000.”.

22 (b) LIMITS.—

23 (1) IN GENERAL.—Section 315(a) of the Fed-
24 eral Election Campaign Act of 1971 (2 U.S.C.

1 441a(a)) is amended by striking paragraph (3) and
2 inserting the following:

3 “(3) OVERALL LIMITS.—

4 “(A) INDIVIDUAL LIMIT.—No individual
5 shall make contributions during any calendar
6 year that, in the aggregate, exceed \$30,000.

7 “(B) CALENDAR YEAR.—No individual
8 shall make contributions during any calendar
9 year—

10 “(i) to all candidates and their au-
11 thorized political committees that, in the
12 aggregate, exceed \$25,000; or

13 “(ii) to all political committees estab-
14 lished and maintained by State committees
15 of a political party that, in the aggregate,
16 exceed \$20,000.

17 “(C) NONELECTION YEARS.—For purposes
18 of subparagraph (B)(i), any contribution made
19 to a candidate or the candidate’s authorized po-
20 litical committees in a year other than the cal-
21 endar year in which the election is held with re-
22 spect to which the contribution is made shall be
23 treated as being made during the calendar year
24 in which the election is held.”.

1 (c) DEFINITIONS.—Section 301 of the Federal Elec-
2 tion Campaign Act of 1970 (2 U.S.C. 431), as amended
3 by section 205(b), is amended by adding at the end the
4 following:

5 “(22) GENERIC CAMPAIGN ACTIVITY.—The
6 term ‘generic campaign activity’ means a campaign
7 activity that promotes a political party and does not
8 refer to any particular Federal or non-Federal can-
9 didate.

10 “(23) STATE PARTY GRASSROOTS FUND.—The
11 term ‘State Party Grassroots Fund’ means a sepa-
12 rate segregated fund established and maintained by
13 a State committee of a political party solely for pur-
14 poses of making expenditures and other disburse-
15 ments described in section 326(d).”.

16 (d) STATE PARTY GRASSROOTS FUNDS.—Title III of
17 the Federal Election Campaign Act of 1971 (2 U.S.C. 431
18 et seq.), as amended by section 301, is amended by adding
19 at the end the following:

20 **“SEC. 326. STATE PARTY GRASSROOTS FUNDS.**

21 “(a) DEFINITION.—In this section, the term ‘State
22 or local candidate committee’ means a committee estab-
23 lished, financed, maintained, or controlled by a candidate
24 for other than Federal office.

1 “(b) TRANSFERS.—Notwithstanding section
 2 315(a)(4), no funds may be transferred by a State com-
 3 mittee of a political party from its State Party Grassroots
 4 Fund to any other State Party Grassroots Fund or to any
 5 other political committee, except a transfer may be made
 6 to a district or local committee of the same political party
 7 in the same State if the district or local committee—

8 “(1) has established a separate segregated fund
 9 for the purposes described in subsection (d); and

10 “(2) uses the transferred funds solely for those
 11 purposes.

12 “(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS
 13 FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

14 “(1) IN GENERAL.—Any amount received by a
 15 State Party Grassroots Fund from a State or local
 16 candidate committee for expenditures described in
 17 subsection (d) that are for the benefit of that can-
 18 didate shall be treated as meeting the requirements
 19 of 325(b)(1) and section 304(e) if—

20 “(A) the amount is derived from funds
 21 which meet the requirements of this Act with
 22 respect to any limitation or prohibition as to
 23 source or dollar amount specified in section
 24 315(a) (1)(A) and (2)(A); and

1 “(B) the State or local candidate commit-
2 tee—

3 “(i) maintains, in the account from
4 which payment is made, records of the
5 sources and amounts of funds for purposes
6 of determining whether those requirements
7 are met; and

8 “(ii) certifies that the requirements
9 were met.

10 “(2) DETERMINATION OF COMPLIANCE.—For
11 purposes of paragraph (1)(A), in determining wheth-
12 er the funds transferred meet the requirements of
13 this Act described in paragraph (1)(A)—

14 “(A) a State or local candidate commit-
15 tee’s cash on hand shall be treated as consisting
16 of the funds most recently received by the com-
17 mittee; and

18 “(B) the committee must be able to dem-
19 onstrate that its cash on hand contains funds
20 meeting those requirements sufficient to cover
21 the transferred funds.

22 “(3) REPORTING.—Notwithstanding paragraph
23 (1), any State Party Grassroots Fund that receives
24 a transfer described in paragraph (1) from a State
25 or local candidate committee shall be required to

1 meet the reporting requirements of this Act, and
2 shall submit to the Commission all certifications re-
3 ceived, with respect to receipt of the transfer from
4 the candidate committee.

5 “(d) DISBURSEMENTS AND EXPENDITURES.—A
6 State committee of a political party may make disburse-
7 ments and expenditures from its State Party Grassroots
8 Fund only for—

9 “(1) any generic campaign activity;

10 “(2) payments described in clauses (v), (ix),
11 and (xi) of paragraph (8)(B) and clauses (iv), (viii),
12 and (ix) of paragraph (9)(B) of section 301;

13 “(3) subject to the limitations of section
14 315(d), payments described in clause (xii) of para-
15 graph (8)(B), and clause (ix) of paragraph (9)(B),
16 of section 301 on behalf of candidates other than for
17 President and Vice President;

18 “(4) voter registration; and

19 “(5) development and maintenance of voter files
20 during an even-numbered calendar year.”.

21 **SEC. 303. REPORTING REQUIREMENTS.**

22 (a) REPORTING REQUIREMENTS.—Section 304 of the
23 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
24 is amended by adding at the end the following:

25 “(e) POLITICAL COMMITTEES.—

1 “(1) NATIONAL AND CONGRESSIONAL POLITI-
2 CAL COMMITTEES.—The national committee of a po-
3 litical party, any congressional campaign committee
4 of a political party, and any subordinate committee
5 of either, shall report all receipts and disbursements
6 during the reporting period, whether or not in con-
7 nection with an election for Federal office.

8 “(2) OTHER POLITICAL COMMITTEES TO WHICH
9 SECTION 325 APPLIES.—A political committee (not
10 described in paragraph (1)) to which section
11 325(b)(1) applies shall report all receipts and dis-
12 bursements made for activities described in para-
13 graphs (1) and (2)(iii) of section 325(b).

14 “(3) OTHER POLITICAL COMMITTEES.—Any po-
15 litical committee to which paragraph (1) or (2) does
16 not apply shall report any receipts or disbursements
17 that are used in connection with a Federal election.

18 “(4) ITEMIZATION.—If a political committee
19 has receipts or disbursements to which this sub-
20 section applies from any person aggregating in ex-
21 cess of \$200 for any calendar year, the political
22 committee shall separately itemize its reporting for
23 such person in the same manner as required in para-
24 graphs (3)(A), (5), and (6) of subsection (b).

1 “(5) REPORTING PERIODS.—Reports required
2 to be filed under this subsection shall be filed for the
3 same time periods required for political committees
4 under subsection (a).”.

5 (b) BUILDING FUND EXCEPTION TO THE DEFINI-
6 TION OF CONTRIBUTION.—Section 301(8) of the Federal
7 Election Campaign Act of 1971 (2 U.S.C. 431(8)) is
8 amended—

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

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

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

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

22 (d) OTHER REPORTING REQUIREMENTS.—

23 (1) AUTHORIZED COMMITTEES.—Section
24 304(b)(4) of the Federal Election Campaign Act of
25 1971 (2 U.S.C. 434(b)(4)) is amended—

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

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

5 (C) by adding at the end the following new
6 subparagraph:

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

11 (2) NAMES AND ADDRESSES.—Section
12 304(b)(5)(A) of the Federal Election Campaign Act
13 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by in-
14 serting “, and the election to which the operating ex-
15 penditure relates” after “operating expenditure”.

16 **SEC. 304. SOFT MONEY OF PERSONS OTHER THAN**
17 **POLITICAL PARTIES.**

18 Section 304 of the Federal Election Campaign Act
19 of 1971 (2 U.S.C. 434), as amended by subsection 303,
20 is amended by adding at the end the following:

21 “(g) ELECTION ACTIVITY OF PERSONS OTHER THAN
22 POLITICAL PARTIES.—

23 “(1) IN GENERAL.—A person other than a com-
24 mittee of a political party that makes aggregate dis-
25 bursements totaling in excess of \$10,000 for activi-

1 ties described in paragraph (2) shall file a statement
2 with the Commission—

3 “(A) within 48 hours after the disburse-
4 ments are made; or

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

8 “(2) ACTIVITY.—The activity described in this
9 paragraph is—

10 “(A) any activity described in section
11 316(b)(2)(A) that refers to any candidate for
12 Federal office, any political party, or any Fed-
13 eral election; and

14 “(B) any activity described in subpara-
15 graph (B) or (C) of section 316(b)(2).

16 “(3) ADDITIONAL STATEMENTS.—An additional
17 statement shall be filed each time additional dis-
18 bursements aggregating \$10,000 are made by a per-
19 son described in paragraph (1).

20 “(4) APPLICABILITY.—This subsection does not
21 apply to—

22 “(A) a candidate or a candidate’s author-
23 ized committees; or

24 “(B) an independent expenditure.

1 “(5) CONTENTS.—A statement under this sec-
 2 tion shall contain such information about the dis-
 3 bursements as the Commission shall prescribe, in-
 4 cluding—

5 “(A) the name and address of the person
 6 or entity to whom the disbursement was made;

7 “(B) the amount and purpose of the dis-
 8 bursement; and

9 “(C) if applicable, whether the disburse-
 10 ment was in support of, or in opposition to, a
 11 candidate or a political party, and the name of
 12 the candidate or the political party.”.

13 **TITLE IV—ENFORCEMENT**

14 **SEC. 401. 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) FILING OF REPORTS USING COMPUTERS
 20 AND FACSIMILE MACHINES.—

21 “(A) REQUIRED FILING.—The Commission
 22 may promulgate a regulation under which a
 23 person required to file a designation, statement,
 24 or report under this Act—

1 “(i) is required to maintain and file a
2 designation, statement, or report for any
3 calendar year in electronic form accessible
4 by computers if the person has, or has rea-
5 son to expect to have, aggregate contribu-
6 tions or expenditures in excess of a thresh-
7 old amount determined by the Commission;
8 and

9 “(ii) may maintain and file a designa-
10 tion, statement, or report in that manner
11 if not required to do so under regulations
12 prescribed under clause (i).

13 “(B) FACSIMILE MACHINE.—The Commis-
14 sion shall promulgate a regulation that allows a
15 person to file a designation, statement, or re-
16 port required by this Act through the use of
17 facsimile machines.

18 “(C) VERIFICATION OF SIGNATURE.—

19 “(i) IN GENERAL.—In promulgating a
20 regulation under this paragraph, the Com-
21 mission shall provide methods (other than
22 requiring a signature on the document
23 being filed) for verifying a designation,
24 statement, or report covered by the regula-
25 tions.

1 “(ii) TREATMENT OF VERIFICA-
2 TION.—A document verified under any of
3 the methods shall be treated for all pur-
4 poses (including penalties for perjury) in
5 the same manner as a document verified
6 by signature.”.

7 **SEC. 402. AUDITS.**

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

11 (1) by inserting “(1)” before “The Commis-
12 sion”; and

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

14 “(2) RANDOM AUDITS.—

15 “(A) IN GENERAL.—Notwithstanding para-
16 graph (1), the Commission may conduct ran-
17 dom audits and investigations to ensure vol-
18 untary compliance with this Act.

19 “(B) LIMITATION.—The Commission shall
20 not institute an audit or investigation of a can-
21 didate’s authorized committee under subpara-
22 graph (A) until the candidate is no longer a
23 candidate for the office sought by the candidate
24 in that election cycle.

1 “(C) APPLICABILITY.—This paragraph
2 does not apply to an authorized committee of a
3 candidate for President or Vice President sub-
4 ject to audit under section 9007 or 9038 of the
5 Internal Revenue Code of 1986.”.

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

11 **SEC. 403. AUTHORITY TO SEEK INJUNCTION.**

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

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

15 “(13) AUTHORITY TO SEEK INJUNCTION.—

16 “(A) IN GENERAL.—If, at any time in a pro-
17 ceeding described in paragraph (1), (2), (3), or (4),
18 the Commission believes that—

19 “(i) there is a substantial likelihood that a
20 violation of this Act is occurring or is about to
21 occur;

22 “(ii) the failure to act expeditiously will re-
23 sult in irreparable harm to a party affected by
24 the potential violation;

1 “(iii) expeditious action will not cause
2 undue harm or prejudice to the interests of oth-
3 ers; and

4 “(iv) the public interest would be best
5 served by the issuance of an injunction;

6 the Commission may initiate a civil action for a temporary
7 restraining order or a preliminary injunction pending the
8 outcome of the proceedings described in paragraphs (1),
9 (2), (3), and (4).

10 “(B) VENUE.—An action under subparagraph
11 (A) shall be brought in the United States district
12 court for the district in which the defendant resides,
13 transacts business, or may be found, or in which the
14 violation is occurring, has occurred, or is about to
15 occur.”;

16 (2) in paragraph (7), by striking “(5) or (6)”
17 and inserting “(5), (6), or (13)”;

18 (3) in paragraph (11), by striking “(6)” and in-
19 serting “(6) or (13)”.

20 **SEC. 404. INCREASE IN PENALTY FOR KNOWING AND**
21 **WILLFUL VIOLATIONS.**

22 Section 309(a)(5)(B) of the Federal Election Cam-
23 paign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended
24 by striking “the greater of \$10,000 or an amount equal

1 to 200 percent” and inserting “the greater of \$15,000 or
2 an amount equal to 300 percent”.

3 **SEC. 405. PROHIBITION OF CONTRIBUTIONS BY**
4 **INDIVIDUALS NOT QUALIFIED TO VOTE.**

5 (a) PROHIBITION.—Section 319 of the Federal Elec-
6 tion Campaign Act of 1971 (2 U.S.C. 441e) is amended—

7 (1) in the heading by adding “AND INDIVID-
8 UALS NOT QUALIFIED TO REGISTER TO
9 VOTE” at the end; and

10 (2) in subsection (a)—

11 (A) by striking “(a) It shall” and inserting
12 the following:

13 “(a) PROHIBITIONS.—

14 “(1) FOREIGN NATIONALS.—It shall”; and

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

16 “(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—

17 It shall be unlawful for an individual who is not
18 qualified to register to vote in a Federal election to
19 make a contribution, or to promise expressly or
20 impliedly to make a contribution, in connection with
21 a Federal election; or for any person to knowingly
22 solicit, accept, or receive a contribution in connection
23 with a Federal election from an individual who is not
24 qualified to register to vote in a Federal election.”.

1 (b) INCLUSION IN DEFINITION OF IDENTIFICA-
2 TION.—Section 301(13) of the Federal Election Campaign
3 Act of 1971 (2 U.S.C. 431(13)) is amended—

4 (1) in subparagraph (A)—

5 (A) by striking “and” the first place it ap-
6 pears; and

7 (B) by inserting “, and an affirmation that
8 the individual is an individual who is not pro-
9 hibited by section 319 from making a contribu-
10 tion” after “employer”; and

11 (2) in subparagraph (B) by inserting “and an
12 affirmation that the person is a person that is not
13 prohibited by section 319 from making a contribu-
14 tion” after “such person”.

15 **SEC. 406. USE OF CANDIDATES’ NAMES.**

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

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

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

24 “(i) include the name of any can-
25 didate in its name, or

1 “(ii) except in the case of a national,
2 State, or local party committee, use the
3 name of any candidate in any activity on
4 behalf of such committee in such a context
5 as to suggest that the committee is an au-
6 thorized committee of the candidate or
7 that the use of the candidate’s name has
8 been authorized by the candidate.”.

9 **SEC. 407. EXPEDITED PROCEDURES.**

10 Section 309(a) of the Federal Election Campaign Act
11 of 1971 (2 U.S.C. 437g(a)), as amended by section 403,
12 is amended by adding at the end the following:

13 “(14) EXPEDITED PROCEDURE.—

14 “(A) 60 DAYS PRECEDING AN ELECTION.—

15 If the complaint in a proceeding was filed with-
16 in 60 days immediately preceding a general
17 election, the Commission may take action de-
18 scribed in this subparagraph.

19 “(B) RESOLUTION BEFORE ELECTION.—If

20 the Commission determines, on the basis of
21 facts alleged in the complaint and other facts
22 available to the Commission, that there is clear
23 and convincing evidence that a violation of this
24 Act has occurred, is occurring, or is about to
25 occur and it appears that the requirements for

1 relief stated in paragraph (13)(A) (ii), (iii), and
2 (iv) are met, the Commission may—

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

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

15 “(C) COMPLAINT WITHOUT MERIT.—If the
16 Commission determines, on the basis of facts
17 alleged in the complaint and other facts avail-
18 able to the Commission, that the complaint is
19 clearly without merit, the Commission may—

20 “(i) order expedited proceedings,
21 shortening the time periods for proceedings
22 under paragraphs (1), (2), (3), and (4) as
23 necessary to allow the matter to be re-
24 solved in sufficient time before the election

1 to avoid harm or prejudice to the interests
2 of the parties; or

3 “(ii) if the Commission determines
4 that there is insufficient time to conduct
5 proceedings before the election, summarily
6 dismiss the complaint.”.

7 **TITLE V—SEVERABILITY;**
8 **REGULATIONS; EFFECTIVE DATE**

9 **SEC. 501. SEVERABILITY.**

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

17 **SEC. 502. REGULATIONS.**

18 The Federal Election Commission shall promulgate
19 any regulations required to carry out this Act and the
20 amendments made by this Act.

21 **SEC. 503. EFFECTIVE DATE.**

22 Except as otherwise provided in this Act, this Act and
23 the amendments made by this Act take effect on the date
24 that is 30 days after the date of enactment of this Act.

○