

105TH CONGRESS
2D SESSION

S. 1689

To reform Federal election law.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 26, 1998

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

A BILL

To reform Federal election law.

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 “Grassroots Campaign and Common Sense Federal Elec-
6 tion Reform Act of 1998”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Restriction on out-of-state contributions.
- Sec. 3. Limitation on political action committees.
- Sec. 4. Use of personal wealth for campaign purposes.
- Sec. 5. Increase in contribution limits.
- Sec. 6. Limit on soft money donations to political parties.
- Sec. 7. Increased disclosure for certain communications.
- Sec. 8. Use of union dues for political purposes.

Sec. 9. Prohibition of fundraising on Federal property and other criminal prohibitions.

Sec. 10. Contributions to defray legal expenses of certain officials.

Sec. 11. Increased criminal penalties for violations of foreign national provisions and contributions in the name of another.

Sec. 12. Filing of reports using computers and facsimile machines.

Sec. 13. Term limits for Federal Election Commission.

1 **SEC. 2. RESTRICTION ON OUT-OF-STATE CONTRIBUTIONS.**

2 (a) IN GENERAL.—Title III of the Federal Election
3 Campaign Act of 1971 (2 U.S.C. 301 et seq.) is amended
4 by adding at the end the following:

5 **“SEC. 324. LIMIT ON OUT-OF-STATE CONTRIBUTIONS.**

6 “A candidate for nomination to, or election to, the
7 Senate or House of Representatives or the candidate’s au-
8 thorized committees shall not accept an aggregate amount
9 of funds during an election cycle from individuals, sepa-
10 rate segregated funds, and multicandidate political com-
11 mittees that do not reside or have their headquarters with-
12 in the candidate’s State in excess of an amount equal to
13 40 percent of the total amount of contributions accepted
14 by the candidate and the candidate’s authorized commit-
15 tees.”.

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

19 “(20) ELECTION CYCLE.—The term ‘election
20 cycle’ means the period beginning on the day after
21 the date of the most recent general election for the
22 specific office or seat that a candidate is seeking and

1 ending on the date of the next general election for
2 that office or seat.”.

3 **SEC. 3. LIMITATION ON POLITICAL ACTION COMMITTEES.**

4 (a) PROHIBITION OF SEPARATE SEGREGATED
5 FUNDS.—Section 316(b)(2) of the Federal Election Cam-
6 paign Act of 1971 (2 U.S.C. 441b(b)(2)) is amended—

7 (1) in subparagraph (A), by inserting “and”
8 after the semicolon;

9 (2) in subparagraph (B), by striking “; and”
10 and inserting a period; and

11 (3) by striking subparagraph (C).

12 (b) PROHIBITION OF CERTAIN DISBURSEMENTS BY
13 BANKS, CORPORATIONS, AND LABOR ORGANIZATIONS.—
14 Section 316 of the Federal Election Campaign Act of
15 1971 (2 U.S.C. 441b) is amended by adding at the end
16 the following:

17 “(c) PROHIBITED DISBURSEMENTS.—A bank, labor
18 organization, or corporation referred to in subsection (a)
19 shall not make a disbursement for the establishment or
20 administration of a political committee or the solicitation
21 of contributions to such committee.”

22 (c) LIMITATION ON CONTRIBUTIONS BY MULTI-
23 CANDIDATE POLITICAL COMMITTEES.—Section 315(a)(2)
24 of the Federal Election Campaign Act of 1971 (2 U.S.C.
25 441a(a)(2)) is amended—

1 (1) in subparagraph (A), by striking “\$5,000”
2 and inserting “\$500”; and

3 (2) in subparagraph (C), by striking “in any”
4 and all that follows through “\$5,000”.

5 **SEC. 4. USE OF PERSONAL WEALTH FOR CAMPAIGN PUR-**
6 **POSES.**

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

10 “(i)(1)(A) Not later than 15 days after the date a
11 candidate qualifies for a ballot, under State law, the can-
12 didate shall file with the Commission a declaration stating
13 whether or not the candidate intends to expend personal
14 funds in connection with the candidate’s election for office,
15 in an aggregate amount equal to or greater than—

16 “(i) in the case of a candidate for the Senate,
17 \$250,000, ; and

18 “(ii) in the case of a candidate for the House
19 of Representatives, \$100,000.

20 “(B) In this subsection, the term ‘personal funds’
21 means—

22 “(i) funds of the candidate or funds from obli-
23 gations incurred by the candidate in connection with
24 the candidate’s campaign; and

1 “(ii) funds of the candidate’s spouse, a child,
2 stepchild, parent, grandparent, brother, sister, half-
3 brother, or half-sister of the candidate and the
4 spouse of any such person, and a child, stepchild,
5 parent, grandparent, brother, half-brother, sister, or
6 half-sister of the candidate’s spouse and the spouse
7 of such person.

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

11 “(2) Notwithstanding any other provision of law, in
12 any election in which a candidate declares an intention to
13 expend more personal funds than the limits described in
14 paragraph (1)(A), expends personal funds in excess of
15 such limits, or fails to file the declaration required by this
16 subsection—

17 “(A) subsection (h) shall apply to other eligible
18 candidates in the same election without regard to
19 the \$17,500 limit; and

20 “(B) the limitations on contributions in sub-
21 section (a) for other eligible candidates in the same
22 election shall be increased for such election as fol-
23 lows:

1 “(i) The limitations under subsection
2 (a)(1)(A) shall be increased to an amount equal
3 to 1,000 percent of such limitation; and

4 “(ii) The limitations under subsection
5 (a)(3) shall be increased to an amount equal to
6 150 percent of such limitation, but only to the
7 extent that contributions above such limitation
8 are made to candidates affected by the in-
9 creased levels provided in clause (i).

10 “(3) For purposes of this paragraph, an eligible can-
11 didate is a candidate who is not required to file a declara-
12 tion under paragraph (1) or notice under paragraph (5).

13 “(4) If the limitations described in paragraph (2) are
14 increased under paragraph (2) for a convention or a pri-
15 mary election, as they relate to an individual candidate,
16 and such individual candidate is not a candidate in any
17 subsequent election in such campaign, including the gen-
18 eral election, the provisions of paragraph (2) shall no
19 longer apply.

20 “(5) Any candidate who—

21 “(A) declares under paragraph (1) that the
22 candidate does not intend to expend personal funds
23 in an aggregate amount in excess of the limit de-
24 scribed in paragraph (1)(A); and

1 “(B) subsequently does expend personal funds
2 in excess of such limit or intends to expend personal
3 funds in excess of such limits,
4 such candidate shall notify and file an amended declara-
5 tion with the Commission and shall notify all other can-
6 didates for such office within 24 hours after changing such
7 declaration or exceeding such limits, whichever first oc-
8 curs, by sending such notice by certified mail, return re-
9 ceipt requested. A candidate that violates this paragraph
10 shall be subject to a civil penalty in an amount equal to
11 2 times the amount of funds expended in excess of the
12 limits.

13 “(6) Any candidate who incurs personal loans in con-
14 nection with his campaign under this Act shall not repay,
15 either directly or indirectly, such loans from any contribu-
16 tions made to such candidate or any authorized committee
17 of such candidate after the date of such election.

18 “(7) Notwithstanding any other provision of law, no
19 candidate shall make expenditures from personal funds in
20 connection with a general, special, or runoff election for
21 office after the later of—

22 “(A) the date that is 90 days before the date
23 of the election; or

24 “(B) the day after the primary election for such
25 office, whichever date occurs later.

1 The provisions of this paragraph shall apply to all can-
2 didates regardless of whether such candidate has reached
3 the limits provided in paragraph (1) of this subsection.
4 A candidate that violates this paragraph shall be subject
5 to a civil penalty in an amount equal to 3 times the
6 amount of funds expended.

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

11 **SEC. 5. INCREASE IN CONTRIBUTION LIMITS.**

12 (a) INCREASE IN LIMITS.—Section 315(a) of the
13 Federal Election Campaign Act of 1971 (2 U.S.C.
14 441a(a)) is amended—

15 (1) in paragraph (1)—

16 (A) in subparagraph (A), by striking
17 “\$1,000” and inserting “\$5,000”; and

18 (B) in subparagraph (B), by striking
19 “\$20,000” and inserting “\$50,000”; and

20 (2) in paragraph (3), by striking “\$25,000”
21 and inserting “\$50,000”.

22 (b) INDEXING.—Section 315(c) of the Federal Elec-
23 tion Campaign Act of 1971 (2 U.S.C. 441a(c)) is amend-
24 ed—

25 (1) in paragraph (1)—

1 (A) by striking the second and third sen-
2 tences;

3 (B) by inserting before “At the beginning”
4 the following: “(A)”; and

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

6 “(B) Each limitation established by subparagraphs
7 (A) and (B) of paragraph (1) and paragraph (3) of sub-
8 section (a) or subsection (b) or (d) shall be increased by
9 the percent difference determined under subparagraph
10 (A).

11 “(C) Each amount increased under subparagraph (B)
12 shall remain in effect for the calendar year in which the
13 amount is increased.”; and

14 (2) in paragraph (2)(B), by striking “means the
15 calendar year 1974.” and inserting “means—

16 “(i) for purposes of subsections (b) and
17 (d), calendar year 1974; and

18 “(ii) for purposes of subsection (a), cal-
19 endar year 1998.”.

20 **SEC. 6. LIMIT ON SOFT MONEY DONATIONS TO POLITICAL**
21 **PARTIES.**

22 (a) SOFT MONEY OF NATIONAL POLITICAL PARTY
23 COMMITTEES.—Title III of the Federal Election Cam-
24 paign Act of 1971 (2 U.S.C. 431 et seq.) (as amended

1 by section 2) is amended by adding at the end the follow-
 2 ing:

3 **“SEC. 325. SOFT MONEY OF POLITICAL PARTY COMMIT-**
 4 **TEES.**

5 “A national committee of a political party, any subor-
 6 dinate committee of a national committee, a Senatorial or
 7 Congressional Campaign Committee of a national political
 8 party, or an entity that is directly or indirectly established,
 9 financed, maintained, or controlled by a national commit-
 10 tee or a Senatorial or Congressional Campaign Committee
 11 of a national political party or that is an entity acting on
 12 behalf of a national committee or a Senatorial or Congres-
 13 sional Campaign Committee of a national political party
 14 shall not accept donations from any person during a cal-
 15 endar year in an aggregate amount that exceeds
 16 \$100,000.”.

17 **SEC. 7. INCREASED DISCLOSURE FOR CERTAIN COMMU-**
 18 **NICATIONS.**

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

22 “(d) DISCLOSURE OF CERTAIN COMMUNICATIONS.—
 23 “(1) IN GENERAL.—A person shall file a report
 24 under paragraph (2) if the person expends an aggre-
 25 gate amount of funds during a calendar year for

1 communications described in paragraph (3) in excess
2 of—

3 “(A) \$25,000 with respect to a candidate;

4 or

5 “(B) \$100,000 with respect to all can-
6 didates.

7 “(2) REPORT.—

8 “(A) TIME TO FILE.—A report under this
9 paragraph shall be filed in accordance with sub-
10 section (a)(2).

11 “(B) CONTENTS OF REPORT.—A report
12 filed under this paragraph shall contain the
13 same information required for an independent
14 expenditure under subsection (c).

15 “(3) COMMUNICATION DESCRIBED.—A commu-
16 nication described in this paragraph is any commu-
17 nication that—

18 “(A) is broadcast to the general public
19 through radio or television;

20 “(B) mentions or refers to by name, rep-
21 resentation, or likeness any candidate for elec-
22 tion to Federal office;

23 “(C) the payment for which is not a dis-
24 bursement described in clause (i) or (iii) of sec-
25 tion 301(9)(B); and

1 “(D) the payment for which is not an inde-
2 pendent expenditure.”.

3 **SEC. 8. USE OF UNION DUES FOR POLITICAL PURPOSES.**

4 Section 316 of the Federal Election Campaign Act
5 of 1971 (2 U.S.C. 441b) (as amended by section 3) is
6 amended by adding at the end the following:

7 “(d)(1) Except with the separate, prior, written, vol-
8 untary authorization of each individual, it shall be unlaw-
9 ful for any labor organization described in this section to
10 collect from or assess its members or nonmembers any
11 dues, initiation fee, or other payment, if any part of such
12 dues, fee, or payment will be used for political activities.

13 “(2) An authorization described in paragraph (1)
14 shall remain in effect until revoked and may be revoked
15 at any time.

16 “(3) In this subsection, the term ‘political activities’
17 includes communications or other activities which involve
18 carrying on propaganda, attempting to influence legisla-
19 tion, or participating or intervening in any political cam-
20 paign or political party.”.

21 **SEC. 9. PROHIBITION OF FUNDRAISING ON FEDERAL PROP-**
22 **ERTY AND OTHER CRIMINAL PROHIBITIONS.**

23 (a) DEFINITION OF DONATION.—Section 301 of the
24 Federal Election Campaign Act of 1971 (2 U.S.C. 431)

1 (as amended by section 2) is amended by adding at the
2 end the following:

3 “(21) DONATION.—The term ‘donation’ means a gift,
4 subscription, loan, advance, or deposit of money or any-
5 thing else of value made by any person to a national com-
6 mittee of a political party or a Senatorial or Congressional
7 Campaign Committee of a national political party for any
8 purpose, but does not include a contribution (as defined
9 in paragraph (8)).”.

10 (b) PROHIBITION OF FUNDRAISING ON FEDERAL
11 PROPERTY.—Section 607 of title 18, United States Code,
12 is amended—

13 (1) in subsection (a), by inserting “or donation
14 within the meaning of section 301(20)” after “sec-
15 tion 301(8)”; and

16 (2) in subsection (b)—

17 (A) by inserting “or donations” after “con-
18 tributions” each place it appears;

19 (B) by inserting “or donation” after “con-
20 tribution”; and

21 (C) by inserting “donator” after “contribu-
22 tor”.

23 (c) AMENDMENT OF TITLE 18 TO INCLUDE PROHI-
24 BITION OF DONATIONS.—Chapter 29 of title 18, United
25 States Code, is amended—

1 (1) in section 602(a)(4), by inserting “or dona-
2 tion within the meaning of section 301(20)” after
3 “section 301(8)”; and

4 (2) in section 603(a)—

5 (A) by inserting “or donation within the
6 meaning of section 301(20)” after “section
7 301(8)”; and

8 (B) by inserting “or donation” after “con-
9 tribution” the second and third time it appears.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to violations occurring on or after
12 the date of enactment of this Act.

13 **SEC. 10. CONTRIBUTIONS TO DEFRAY LEGAL EXPENSES OF**
14 **CERTAIN OFFICIALS.**

15 (a) CONTRIBUTIONS TO DEFRAY LEGAL EX-
16 PENSES.—

17 (1) PROHIBITION ON MAKING OF CONTRIBU-
18 TIONS.—It shall be unlawful for any person to make
19 a contribution to a candidate for nomination to, or
20 election to, a Federal office (as defined in section
21 301(3) of the Federal Election Campaign Act of
22 1971 (2 U.S.C. 431(3))), an individual who is a
23 holder of a Federal office, or any head of an Execu-
24 tive department, or any entity established on behalf

1 of any such individual, to defray legal expenses of
2 such individual—

3 (A) to the extent it would result in the ag-
4 gregate amount of such contributions from such
5 person to or on behalf of such individual to ex-
6 ceed \$10,000 for any calendar year; or

7 (B) if the person is—

8 (i) a foreign national (as defined in
9 section 319(b) of the Federal Election
10 Campaign Act of 1971 (2 U.S.C.
11 441e(b))); or

12 (ii) a person prohibited from contrib-
13 uting to the campaign of a candidate
14 under section 316 of the Federal Election
15 Campaign Act of 1971 (2 U.S.C. 441b).

16 (2) PROHIBITION ON ACCEPTANCE OF CON-
17 TRIBUTIONS.—No person shall accept a contribution
18 if the contribution would violate paragraph (1).

19 (3) PENALTY.—A person that knowingly and
20 willfully commits a violation of paragraph (1) or (2)
21 shall be fined an amount not to exceed the greater
22 of \$25,000 or 300 percent of the contribution in-
23 volved in such violation, imprisoned for not more
24 than 1 year, or both.

1 (4) CONSTRUCTION OF PROHIBITION.—Nothing
2 in this section shall be construed to permit the mak-
3 ing of a contribution that is otherwise prohibited by
4 law.

5 (b) REPORTING REQUIREMENTS.—A candidate for
6 nomination to, or election to, a Federal office, an individ-
7 ual who is a holder of a Federal office, or any head of
8 an Executive department, or any entity established on be-
9 half of any such individual, that accepts contributions to
10 defray legal expenses of such individual shall file a quar-
11 terly report with the Federal Election Commission includ-
12 ing the following information:

13 (1) The name and address of each contributor
14 who makes a contribution in excess of \$25.

15 (2) The amount of each contribution.

16 (3) The name and address of each individual or
17 entity receiving disbursements from the fund.

18 (4) A brief description of the nature and
19 amount of each disbursement.

20 (5) The name and address of any provider of
21 pro bono services to the fund.

22 (6) The fair market value of any pro bono serv-
23 ices provided to the fund.

1 **SEC. 11. INCREASED CRIMINAL PENALTIES FOR VIOLA-**
2 **TIONS OF FOREIGN NATIONAL PROVISIONS**
3 **AND CONTRIBUTIONS IN THE NAME OF AN-**
4 **OTHER.**

5 Section 309(d)(1) of the Federal Election Campaign
6 Act of 1971 (2 U.S.C. 437g(d)(1)) is amended by adding
7 at the end the following:

8 “(D) In the case of a person who knowingly and will-
9 fully violates section 319 or 320, the person shall be fined
10 an amount not to exceed \$10,000, imprisoned for not more
11 than 10 years, or both.”.

12 **SEC. 12. FILING OF REPORTS USING COMPUTERS AND FAC-**
13 **SIMILE MACHINES.**

14 Section 304(a) of the Federal Election Campaign Act
15 of 1971 (2 U.S.C. 434(a)) is amended by striking para-
16 graph (11) and inserting the following:

17 “(11) FILING REPORTS USING COMPUTERS AND
18 FACSIMILE MACHINES.—

19 “(A) SOFTWARE.—The Commission shall—

20 “(i) develop software for use to file a des-
21 ignation, statement, or report under this Act;
22 and

23 “(ii) provide a copy of the software at no
24 cost to a person required to file a designation,
25 statement, or report under this Act.

1 “(B) COMPUTERS.—The Commission shall pro-
2 mulgate a regulation under which a person required
3 to file a designation, statement, or report under this
4 Act—

5 “(i) is required to maintain and file the
6 designation, statement, or report for any cal-
7 endar year in electronic form accessible by com-
8 puters if the person has, or has reason to ex-
9 pect to have, aggregate contributions or expend-
10 itures in excess of a threshold amount deter-
11 mined by the Commission; and

12 “(ii) may maintain and file a designation,
13 statement, or report in that manner if not re-
14 quired to do so under a regulation promulgated
15 under clause (i).

16 “(C) FACSIMILE MACHINE.—The Commission
17 shall promulgate a regulation which allows a person
18 to file a designation, statement, or report required
19 by this Act through the use of a facsimile machine.

20 “(D) VERIFICATION OF SIGNATURE.—In pro-
21 mulgating a regulation under this paragraph, the
22 Commission shall provide methods (other than re-
23 quiring a signature on the document being filed) for
24 verifying a designation, statement, or report covered
25 by the regulation. A document verified under any of

1 the methods shall be treated for all purposes (includ-
2 ing penalties for perjury) in the same manner as a
3 document verified by signature.”.

4 **SEC. 13. TERM LIMITS FOR FEDERAL ELECTION COMMIS-**
5 **SION.**

6 (a) **IN GENERAL.**—Section 306(a)(2)(A) of the Fed-
7 eral Election Campaign Act of 1971 (2 U.S.C.
8 437c(a)(2)(A)) is amended in the matter preceding clause
9 (i) by striking “terms of 6 years” and inserting “no more
10 than 1 term of 8 years”.

11 (b) **EFFECTIVE DATE.**—The amendment made by
12 subsection (a) shall apply to appointments made after the
13 date of enactment of this Act and to Commissioners serv-
14 ing a term on the date of enactment of this section except
15 that such Commissioner shall continue to serve until the
16 expiration of such term.

○