

105TH CONGRESS
1ST SESSION

S. 976

To reform the financing of Federal elections.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 1997

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

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 “Common Sense Campaign Reform 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.

TITLE I—REFORMS TO POLITICAL PARTY FUNDRAISING

Sec. 101. Soft money of political party committees.

Sec. 102. State party grassroots funds.

Sec. 103. Reporting requirements.

Sec. 104. Raising limits on contributions.

Sec. 105. Elimination of limit on coordinated spending.

TITLE II—LIMITS ON FRANKING PRIVILEGE; PAYCHECK
PROTECTIONS

Sec. 201. Limit on congressional use of the franking privilege.

Sec. 202. Political activity of corporations, national banks, and labor organizations.

TITLE III—EXPANDED DISCLOSURE

Sec. 301. Required reporting for contributions received within 20 days of election.

TITLE IV—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE
DATE; REGULATIONS

Sec. 401. Severability.

Sec. 402. Review of constitutional issues.

Sec. 403. Effective date.

Sec. 404. Regulations.

1 **TITLE I—REFORMS TO**
2 **POLITICAL PARTY FUNDRAISING**

3 **SEC. 101. SOFT MONEY OF POLITICAL PARTY COMMITTEES.**

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. 324. SOFT MONEY OF PARTY COMMITTEES.**

8 “(a) NATIONAL COMMITTEES.—A national commit-
9 tee of a political party (including a national congressional
10 campaign committee of a political party), an entity that
11 is directly or indirectly established, financed, maintained,
12 or controlled by a national committee or its agent, an en-
13 tity acting on behalf of a national committee, and an offi-
14 cer or agent acting on behalf of any such committee or
15 entity (but not including an entity regulated under sub-
16 section (b)) shall not solicit or receive any contributions,
17 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 **SEC. 102. STATE PARTY GRASSROOTS FUNDS.**

2 (a) INDIVIDUAL CONTRIBUTIONS.—Section
3 315(a)(1) of the Federal Election Campaign Act of 1971
4 (2 U.S.C. 441a(a)(1)) is amended—

5 (1) in subparagraph (B) by striking “or” at the
6 end;

7 (2) by redesignating subparagraph (C) as sub-
8 paragraph (D); and

9 (3) by inserting after subparagraph (B) the fol-
10 lowing:

11 “(C) to—

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

16 “(ii) any other political committee estab-
17 lished and maintained by a State committee of
18 a political party in any calendar year which, in
19 the aggregate, exceed \$5,000;

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

1 (b) LIMITS.—Section 315(a)(3) of the Federal Elec-
2 tion Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended
3 to read as follows:

4 “(3) OVERALL LIMITS.—

5 “(A) INDIVIDUAL LIMIT.—No individual
6 shall make contributions during any calendar
7 year that, in the aggregate, exceed \$25,000.

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

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

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

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

4 “(20) The term ‘generic campaign activity’
 5 means a campaign activity that promotes a political
 6 party and does not refer to any particular Federal
 7 or non-Federal candidate.

8 “(21) The term ‘State Party Grassroots Fund’
 9 means a separate segregated fund established and
 10 maintained by a State committee of a political party
 11 solely for purposes of making expenditures and other
 12 disbursements described in section 325(d).”.

13 (d) STATE PARTY GRASSROOTS FUNDS.—Title III of
 14 the Federal Election Campaign Act of 1971 (2 U.S.C. 431
 15 et seq.) (as amended by section 101) is amended by adding
 16 at the end the following:

17 **“SEC. 325. STATE PARTY GRASSROOTS FUNDS.**

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

22 “(b) TRANSFERS.—Notwithstanding section
 23 315(a)(4), no funds may be transferred by a State com-
 24 mittee of a political party from its State Party Grassroots
 25 Fund to any other State Party Grassroots Fund or to any

1 other political committee, except a transfer may be made
2 to a district or local committee of the same political party
3 in the same State if the district or local committee—

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

6 “(2) uses the transferred funds solely for those
7 purposes.

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

10 “(1) IN GENERAL.—Any amount received by a
11 State Party Grassroots Fund from a State or local
12 candidate committee for expenditures described in
13 subsection (d) that are for the benefit of that can-
14 didate shall be treated as meeting the requirements
15 of 324(b)(1) and section 304(e) if—

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

21 “(B) the State or local candidate commit-
22 tee—

23 “(i) maintains, in the account from
24 which payment is made, records of the
25 sources and amounts of funds for purposes

1 of determining whether those requirements
2 are met; and

3 “(ii) certifies that the requirements
4 were met.

5 “(2) DETERMINATION OF COMPLIANCE.—For
6 purposes of paragraph (1)(A), in determining wheth-
7 er the funds transferred meet the requirements of
8 this Act described in paragraph (1)(A)—

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

13 “(B) the committee must be able to dem-
14 onstrate that its cash on hand contains funds
15 meeting those requirements sufficient to cover
16 the transferred funds.

17 “(3) REPORTING.—Notwithstanding paragraph
18 (1), any State Party Grassroots Fund that receives
19 a transfer described in paragraph (1) from a State
20 or local candidate committee shall be required to
21 meet the reporting requirements of this Act, and
22 shall submit to the Commission all certifications re-
23 ceived, with respect to receipt of the transfer from
24 the candidate committee.

1 “(d) DISBURSEMENTS AND EXPENDITURES.—A
 2 State committee of a political party may make disburse-
 3 ments and expenditures from its State Party Grassroots
 4 Fund only for—

5 “(1) any generic campaign activity;

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

9 “(3) subject to the limitations of section
 10 315(d), payments described in clause (xii) of para-
 11 graph (8)(B), and clause (ix) of paragraph (9)(B),
 12 of section 301 on behalf of candidates other than for
 13 President and Vice President;

14 “(4) voter registration; and

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

17 **SEC. 103. REPORTING REQUIREMENTS.**

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

21 “(d) POLITICAL COMMITTEES.—

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

1 of either, shall report all receipts and disbursements
2 during the reporting period, whether or not in con-
3 nection with an election for Federal office.

4 “(2) OTHER POLITICAL COMMITTEES TO WHICH
5 SECTION 324 APPLIES.—A political committee (not
6 described in paragraph (1)) to which section
7 324(b)(1) applies shall report all receipts and dis-
8 bursements made for activities described in para-
9 graphs (1) and (2)(A)(iii) of section 324(b).

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

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

21 “(5) REPORTING PERIODS.—Reports required
22 to be filed under this subsection shall be filed for the
23 same time periods required for political committees
24 under subsection (a).”.

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

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

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

8 (c) REPORTS BY STATE COMMITTEES.—Section 304
9 of the Federal Election Campaign Act of 1971 (2 U.S.C.
10 434) (as amended by subsection (a)) is amended by adding
11 at the end the following:

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

18 (d) OTHER REPORTING REQUIREMENTS.—

19 (1) AUTHORIZED COMMITTEES.—Section
20 304(b)(4) of the Federal Election Campaign Act of
21 1971 (2 U.S.C. 434(b)(4)) is amended—

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

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

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

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

6 (2) NAMES AND ADDRESSES.—Section
7 304(b)(5)(A) of the Federal Election Campaign Act
8 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by in-
9 serting “, and the election to which the operating ex-
10 penditure relates” after “operating expenditure”.

11 **SEC. 104. RAISING LIMITS ON CONTRIBUTIONS.**

12 (a) CONTRIBUTIONS TO POLITICAL PARTY; INDIVID-
13 UAL AGGREGATE CONTRIBUTION LIMIT.—Section 315(a)
14 of the Federal Election Campaign Act of 1971 (2 U.S.C.
15 441a(a)) is amended—

16 (1) in paragraph (1)(B), by striking “\$20,000”
17 and inserting “\$60,000”;

18 (2) in paragraph (2)(B), by striking “\$15,000”
19 and inserting “\$45,000”; and

20 (3) in paragraph (3)(A) (as redesignated by
21 section 102(b)), by striking “\$25,000” and inserting
22 “\$75,000”.

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

1 (1) in paragraph (1)—

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

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

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

7 “(B) A limitation established by subsection (a) or (b)
8 shall be increased by the percent difference determined
9 under subparagraph (A).

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

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

15 “(i) for purposes of subsection (b), cal-
16 endar year 1974; and

17 “(ii) for purposes of subsection (a), cal-
18 endar year 1997.”.

19 **SEC. 105. ELIMINATION OF LIMIT ON COORDINATED**
20 **SPENDING.**

21 Section 315(d) of the Federal Election Campaign Act
22 of 1971 (2 U.S.C. 441a(d)) is amended to read as follows:

23 “(d) **POLITICAL PARTY EXPENDITURES.**—Notwith-
24 standing any other provision of law with respect to limita-
25 tions on expenditures or limitations on contributions, the

1 national committee of a political party and a State com-
2 mittee of a political party, including any subordinate com-
3 mittee of a State committee, may make expenditures in
4 connection with the general election campaign of can-
5 didates for Federal office in any amount.”.

6 **TITLE II—LIMITS ON FRANKING**
7 **PRIVILEGE; PAYCHECK PRO-**
8 **TECTIONS**

9 **SEC. 201. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**
10 **ING PRIVILEGE.**

11 Section 3210(a)(6)(A) of title 39, United States
12 Code, is amended to read as follows:

13 “(A) MASS MAILING.—A Member of Con-
14 gress shall not mail any mass mailing as
15 franked mail during a year in which there will
16 be an election for the seat held by the Member
17 during the period between January 1 of that
18 year and the date of the general election for
19 that Office, unless the Member has made a
20 public announcement that the Member will not
21 be a candidate in that year for reelection to
22 that seat or for election to any other Federal
23 office.”.

1 **SEC. 202. POLITICAL ACTIVITY OF CORPORATIONS, NA-**
2 **TIONAL BANKS, AND LABOR ORGANIZATIONS.**

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

6 “(c) USE OF FUNDS FOR POLITICAL ACTIVITY.—

7 “(1) AUTHORIZATION REQUIRED.—Except with
8 the prior, written, voluntary authorization of each
9 member, stockholder, or employee—

10 “(A) a national bank or corporation de-
11 scribed in this section shall not collect from or
12 assess its stockholders or employees any dues,
13 initiation fee, or other payment as a condition
14 of employment or ownership if any part of the
15 dues, fee, or payment will be used for political
16 activities in which the national bank or corpora-
17 tion, as the case may be, is engaged; and

18 “(B) a labor organization described in this
19 section shall not collect from or assess its mem-
20 bers or nonmembers any dues, initiation fee, or
21 other payment if any part of the dues, fee, or
22 payment will be used for political activities.

23 “(2) LENGTH OF AUTHORIZATION.—An author-
24 ization under paragraph (1) shall cease to be effec-
25 tive on the date that it is revoked by the individual
26 that gave the authorization.

1 “(3) FORM OF AUTHORIZATION.—An authoriza-
 2 tion under paragraph (1) shall be presented to the
 3 individual as a separate document, clearly explaining
 4 the purpose and effect of the authorization.

5 “(4) DEFINITION OF POLITICAL ACTIVITY.—In
 6 this subsection, the term ‘political activity’ means a
 7 communication or other activity that involves carry-
 8 ing on propaganda, attempting to influence legisla-
 9 tion, or participating or intervening in a political
 10 campaign or political party.”

11 **TITLE III—EXPANDED** 12 **DISCLOSURE**

13 **SEC. 301. REQUIRED REPORTING FOR CONTRIBUTIONS RE-** 14 **CEIVED WITHIN 20 DAYS OF ELECTION.**

15 (a) IN GENERAL.—Section 304(a)(6) of the Federal
 16 Election Campaign Act of 1971 (2 U.S.C. 434(a)(6)) is
 17 amended to read as follows:

18 “(6) NOTIFICATION OF CONTRIBUTIONS RECEIVED
 19 WITHIN 20 DAYS OF AN ELECTION.—

20 “(A) IN GENERAL.—Not later than 48 hours
 21 after the acceptance of a contribution in connection
 22 with an election, during the period that begins on
 23 the date that is 20 days before the date of such elec-
 24 tion and ends on the date that is 1 day after such
 25 election, a political committee shall file a notification

1 with the Secretary of the Commission and the Sec-
 2 retary of State, as appropriate.

3 “(B) CONTENTS OF NOTIFICATION.—A notifica-
 4 tion under this paragraph shall be in writing and
 5 contain the following information:

6 “(i) The amount of the contribution.

7 “(ii) The name of the candidate to whom
 8 the contribution is given and the office the can-
 9 didate is seeking (as appropriate).

10 “(iii) The identification of the contributor.

11 “(iv) The date of receipt of the contribu-
 12 tion.

13 “(C) IN ADDITION TO OTHER REPORTING RE-
 14 QUIREMENTS.—The notification required under this
 15 paragraph shall be in addition to all other reporting
 16 requirements under this Act.”.

17 (b) AVAILABILITY OF INFORMATION ON THE
 18 INTERNET.—Section 304(a)(6) of the Federal Election
 19 Campaign Act of 1971 (2 U.S.C. 434(a)(6)) (as amended
 20 by subsection (a)) is amended by adding at the end the
 21 following:

22 “(C) INFORMATION AVAILABILITY.—

23 “(i) IN GENERAL.—The Commission shall make
 24 the information contained in a notification submitted
 25 under this paragraph available on the Internet and

1 publicly available at the offices of the Commission as
2 soon as practicable (but in no case later than 24
3 hours) after the information is received by the Com-
4 mission.

5 “(ii) INTERNET DEFINED.—In this subpara-
6 graph, the term ‘Internet’ means the international
7 computer network of both Federal and non-Federal
8 interoperable packet-switched data networks.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply with respect to elections occurring
11 after December 31, 1998.

12 **TITLE IV—SEVERABILITY; CON-**
13 **STITUTIONALITY; EFFECTIVE**
14 **DATE; REGULATIONS**

15 **SEC. 401. SEVERABILITY.**

16 If any amendment made by this Act, or the applica-
17 tion of an amendment to any person or circumstance, is
18 held to be unconstitutional, the remainder of this Act and
19 amendments made by this Act, and the application of the
20 amendment to any person or circumstance, shall not be
21 affected by the holding.

22 **SEC. 402. REVIEW OF CONSTITUTIONAL ISSUES.**

23 An appeal may be taken directly to the Supreme
24 Court of the United States from any final judgment, de-
25 cree, or order issued by any court ruling on the constitu-

1 tionality of any provision of this Act or amendment made
2 by this Act.

3 **SEC. 403. EFFECTIVE DATE.**

4 Except as otherwise provided, the amendments made
5 by this Act take effect on the date that is 60 days after
6 the date of enactment of this Act.

7 **SEC. 404. REGULATIONS.**

8 The Federal Election Commission shall prescribe any
9 regulations required to carry out this Act and the amend-
10 ments made by this Act not later than 270 days after the
11 effective date of this Act.

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