

106TH CONGRESS
1ST SESSION

H. R. 1641

To amend the Federal Election Campaign Act of 1971 to eliminate PAC contributions to individual House of Representatives candidates, to provide a tax credit and tax deduction for contributions to such candidates, to provide for voluntary expenditure limitations in House of Representatives elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 1999

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

A BILL

To amend the Federal Election Campaign Act of 1971 to eliminate PAC contributions to individual House of Representatives candidates, to provide a tax credit and tax deduction for contributions to such candidates, to provide for voluntary expenditure limitations in House of Representatives elections, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Congressional Cam-
3 paign and Administrative Reform Act of 1999”.

4 **SEC. 2. BAN ON CONTRIBUTIONS BY MULTICANDIDATE PO-
5 LITICAL COMMITTEES TO CANDIDATES IN
6 HOUSE OF REPRESENTATIVES ELECTIONS.**

7 Section 315(a)(2)(A) of the Federal Election Cam-
8 paign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended
9 by inserting after “\$5,000” the following: “, except that
10 in the case of a candidate for the office of Representative
11 in, or Delegate or Resident Commissioner to, the Con-
12 gress, and the authorized committees of such a candidate,
13 a multicandidate political committee may not make any
14 contribution”.

15 **SEC. 3. INCOME TAX CREDIT FOR CONTRIBUTIONS TO
16 HOUSE OF REPRESENTATIVES CAMPAIGNS.**

17 (a) GENERAL RULE.—Subpart A of part IV of sub-
18 chapter A of chapter 1 of the Internal Revenue Code of
19 1986 (relating to nonrefundable personal credits) is
20 amended by inserting after section 23 the following new
21 section:

22 **“SEC. 24. CONTRIBUTIONS TO HOUSE OF REPRESENTA-
23 TIVES CAMPAIGNS.**

24 “(a) GENERAL RULE.—In the case of an individual,
25 there shall be allowed as a credit against the tax imposed
26 by this chapter for the taxable year an amount equal to

1 all House of Representatives campaign contributions made
2 by the individual.

3 “(b) LIMITATION ON AMOUNT OF CREDIT.—The
4 credit allowed by subsection (a) for a taxable year shall
5 not exceed \$50 (\$100 in the case of a joint return).

6 “(c) DEFINITIONS.—For purposes of this section—

7 “(1) HOUSE OF REPRESENTATIVES CAMPAIGN
8 CONTRIBUTION.—

9 “(A) IN GENERAL.—The term ‘House of
10 Representatives campaign contribution’ means
11 a contribution or gift of money, payment of
12 which is made during the taxable year, to an in-
13 dividual who is a candidate for nomination or
14 election to the office of Representative in, or
15 Delegate or Resident Commissioner to, the Con-
16 gress in any primary, general, or special elec-
17 tion, and which—

18 “(i) is from a taxpayer (or either
19 spouse in case of a joint return) who is a
20 resident of the State in which the election
21 is held; and

22 “(ii) is solely for use by the recipient
23 to further his candidacy for nomination or
24 election to such office.

1 “(B) STATE.—The term ‘State’ includes
2 the District of Columbia, any possession of the
3 United States, and the Commonwealth of Puer-
4 to Rico.

5 “(2) CANDIDATE.—The term ‘candidate’ means
6 an individual who—

7 “(A) publicly announces before the close of
8 the calendar year following the calendar year in
9 which the contribution or gift is made that he
10 is a candidate for nomination or election to one
11 of the offices specified in paragraph (1)(A); and

12 “(B) meets the qualifications prescribed by
13 law to hold such office.”

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for subpart A of part IV of subchapter A of chapter 1
16 of such Code is amended by inserting after the item relat-
17 ing to section 23 the following new item:

 “Sec. 24. Contributions to House of Representatives campaigns.”

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to contributions paid after Decem-
20 ber 31, 2000, in taxable years ending after that date.

21 **SEC. 4. INCOME TAX DEDUCTION FOR CONTRIBUTIONS TO**
22 **HOUSE OF REPRESENTATIVES CAMPAIGNS.**

23 (a) GENERAL RULE.—Part VII of subchapter B of
24 chapter 1 of the Internal Revenue Code of 1986 (relating
25 to additional itemized deductions for individuals) is

1 amended by inserting after section 217 the following new
2 section:

3 **“SEC. 218. CONTRIBUTIONS TO HOUSE OF REPRESENTA-**
4 **TIVES CAMPAIGNS.**

5 “(a) GENERAL RULE.—In the case of an individual,
6 there shall be allowed as a deduction any House of Rep-
7 resentatives campaign contribution which is made by such
8 individual.

9 “(b) LIMITATIONS.—

10 “(1) AMOUNT ALLOWED AS CREDIT.—This sec-
11 tion shall not apply with respect to any amount
12 which is allowed as a credit under section 24 (relat-
13 ing to contributions to House of Representatives
14 campaigns).

15 “(2) AMOUNT OF DEDUCTION.—The deduction
16 allowed by subsection (a) for a taxable year shall not
17 exceed an aggregate of \$250 (\$500 in the case of a
18 joint return).

19 “(c) DEFINITIONS.—Terms used in this section
20 which are also used in section 24 (relating to contributions
21 to House of Representatives campaigns) shall have the re-
22 spective meanings given such terms by section 24(c).”

23 (b) CLERICAL AMENDMENT.—The table of sections
24 for part VII of subchapter B of chapter 1 of such Code

1 is amended by inserting after the item relating to section
 2 217 the following new item:

“Sec. 218. Contributions to House of Representatives cam-
 paigns.”

3 (c) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to contributions paid after Decem-
 5 ber 31, 2000, in taxable years ending after that date.

6 **SEC. 5. VOLUNTARY EXPENDITURE LIMITATIONS AND FREE**
 7 **BROADCAST TIME FOR HOUSE OF REP-**
 8 **RESENTATIVES GENERAL ELECTIONS.**

9 The Federal Election Campaign Act of 1971 (2
 10 U.S.C. 431 et seq.) is amended by adding at the end the
 11 following new title:

12 “TITLE V—VOLUNTARY EXPENDITURE LIMITA-
 13 TIONS AND FREE BROADCAST TIME FOR
 14 HOUSE OF REPRESENTATIVES GENERAL
 15 ELECTIONS

16 “DEFINITIONS

17 “SEC. 501. As used in this title, the term—

18 “(1) ‘eligible candidate’ means a candidate who
 19 is eligible under section 502 to receive free broadcast
 20 time;

21 “(2) ‘general election’ means any election which
 22 will directly result in the election of a person to the
 23 office of Representative in, or Delegate or Resident

1 Commissioner to, the Congress but does not include
2 an open primary election; and

3 “(3) ‘election cycle’ means the term beginning
4 on the day after the date of the last previous general
5 election for Representative in, or Delegate or Resi-
6 dent Commissioner to, the Congress and ending on
7 the date of the next general election.

8 “ELIGIBILITY FOR FREE BROADCAST TIME

9 “SEC. 502. (a) LIMITATION ON CONTRIBUTIONS AND
10 EXPENDITURES.—To be eligible to receive free broadcast
11 time under section 315(c) of the Communications Act of
12 1934, a candidate for the office of Representative in, or
13 Delegate or Resident Commissioner to, the Congress who
14 qualifies for the general election ballot under State law
15 shall, not later than 7 days after such qualification, agree
16 in writing that the candidate and the candidate’s author-
17 ized committees—

18 “(1) has not and will not make any expenditure
19 which exceeds the limitation under section 503;

20 “(2) has not and will not accept any contribu-
21 tion which exceeds a limitation under section 315(a);

22 “(3) will deposit all payments received under
23 this section in a separate checking account in a de-
24 pository institution referred to in section 302(h)(1),
25 which shall contain only amounts so received and

1 from which all expenditures of such amounts shall
2 be made; and

3 “(4) will furnish campaign records, evidence of
4 contributions, and other appropriate information to
5 the Commission.

6 “(b) SOURCE OF CONTRIBUTIONS.—To be eligible to
7 receive free broadcast time under section 315(c) of the
8 Communications Act of 1934 (47 U.S.C. 315(c)), a can-
9 didate for the office of Representative in, or Delegate or
10 Resident Commissioner to, the Congress who qualifies for
11 the general election ballot under State law shall certify to
12 the Commission that—

13 “(1) during the period beginning on January 1
14 of the calendar year preceding the year of a general
15 election, or in the case of a special election during
16 the period beginning on the day on which the va-
17 cancy occurs in the office involved, such candidate
18 and the authorized committees of such candidate
19 have received contributions aggregating 10 percent
20 of the applicable limitation under section 503(b);

21 “(2) 80 percent of such contributions have
22 come from individuals residing in such candidate’s
23 State; and

24 “(3) at least one other candidate has qualified
25 for the general election ballot.

1 personal funds of such candidate, which, in the aggregate,
2 exceed \$40,000.

3 “(b) AGGREGATE EXPENDITURES.—Except as pro-
4 vided in subsection (c) and section 504, a candidate who
5 receives free broadcast time under section 315(c) of the
6 Communications Act of 1934 for a general election shall
7 not make expenditures during the election cycle that cover
8 such general election which, in the aggregate, exceed
9 \$500,000.

10 “(c) ADDITIONAL EXPENDITURES PERMITTED FOR
11 RUNOFF ELECTIONS.—A candidate who receives free
12 broadcast time under section 315(c) of the Communica-
13 tions Act of 1934 and who participates in a primary runoff
14 election may make additional expenditures for such pri-
15 mary runoff election which in the aggregate do not exceed
16 \$150,000.

17 “(d) EXCEPTION WHEN OTHER CANDIDATES EX-
18 CEED LIMITATIONS.—An eligible candidate may make ex-
19 penditures without regard to the limitations set forth in
20 this section if any candidate in the same general election
21 makes aggregate expenditures during the election cycle
22 which exceed the amount of the limitation set forth in sub-
23 section (b).

24 “(e) INDEXING OF AMOUNTS.—The limitations es-
25 tablished by subsections (b) and (c) shall be adjusted in

1 the manner provided in section 315(c), except that, for
2 the purposes of such adjustment, the base period shall be
3 calendar year 1996.

4 “REFERENCE TO COMMUNICATIONS ACT OF 1934

5 “SEC. 504. An eligible candidate shall be entitled to
6 receive free radio and television broadcast time under sec-
7 tion 315(c) of the Communications Act of 1934.”.

8 **SEC. 6. ALLOCATION TO HOUSE OF REPRESENTATIVES**

9 **CANDIDATES OF FREE BROADCAST TIME FOR**

10 **POLITICAL ADVERTISING.**

11 (a) **CONDITION OF LICENSE RENEWAL.**—Section
12 309(h) of the Communications Act of 1934 (47 U.S.C.
13 309(h)) is amended by inserting before the period at the
14 end the following: “; and (4) every broadcast station li-
15 cense issued under this Act shall be subject to the free
16 broadcast time obligations imposed by section 315(c)”.

17 (b) **FREE TIME OBLIGATIONS.**—Section 315 of the
18 Communications Act of 1934 (47 U.S.C. 315) is
19 amended—

20 (1) by redesignating subsections (c) and (d) as
21 subsections (d) and (e); and

22 (2) by inserting after subsection (b) the fol-
23 lowing new subsection:

24 “(c)(1) Each licensee for a broadcasting station shall
25 annually make available free broadcast time for political
26 advertising in accordance with the requirements of this

1 subsection. The Commission shall not renew the license
2 of any licensee who substantially fails or refuses to comply
3 with the requirements of this subsection, but such licensee
4 shall not be subject to any other sanction or remedy for
5 such failure or refusal.

6 “(2) A licensee subject to this subsection shall allot
7 free broadcast time to each qualified political candidate
8 in accordance with the following standards:

9 “(A) Such licensee shall allot an equal amount,
10 but not less than 1 hour, of free broadcast time each
11 even-numbered year to each qualified political can-
12 didate in a statewide or national election. In the case
13 of a station whose market does not encompass all of
14 a congressional district, such licensee may apportion
15 to each qualified candidate from such district a frac-
16 tion of such 1 hour that is equal to the fraction of
17 such district’s population that resides within such
18 market, as determined in accordance with regula-
19 tions prescribed by the Commission.

20 “(B) The free broadcast time allotted to any
21 candidate under subparagraph (A) shall be com-
22 posed of units of varying lengths of not more than
23 5 minutes nor less than 30 seconds, as determined
24 by negotiation between such organization and the li-
25 censee.

1 “(C) The broadcast time allotted by any li-
2 censee shall be allotted so that—

3 “(i) at least one-half is broadcast during
4 the hours of 7:00 p.m. to 10:00 p.m.;

5 “(ii) during any election year, at least two-
6 thirds is broadcast during the 2 months imme-
7 diately preceding election day and at least one-
8 half is broadcast during the 3 weeks imme-
9 diately preceding election day;

10 “(iii) each qualified candidate is allotted
11 free broadcast time that is comparable, by time
12 of day and day of week, to the time allotted to
13 other qualified candidates for the same office;
14 and

15 “(iv) no broadcaster shall allot more than
16 2 hours per week of free broadcast time for po-
17 litical advertising and, if the amount of time re-
18 quired to be allotted by this paragraph would
19 exceed 2 hours, the time required to be allotted
20 each qualified candidate shall be reduced pro-
21 portionately.

22 “(D) The broadcast time shall be used solely
23 for programming consisting of unedited segments in
24 which the candidate speaks directly to the audience.

1 “(3) A candidate shall be treated as a qualified polit-
2 ical candidate for purposes of paragraph (2)(A) if the can-
3 didate is an eligible candidate for purposes of section 501
4 of the Federal Election Campaign Act of 1971.

5 “(4) A licensee allots free broadcast time as required
6 by this subsection by broadcasting statements without re-
7 muneration or compensation in any form, whether by pub-
8 lic or private funds, tax deduction or credit, or otherwise.

9 “(5) Nothing in this subsection, and no use of free
10 broadcast time allotted under this subsection, shall be con-
11 strued to restrict or otherwise affect the purchase of ad-
12 vertising time under subsection (b) of this section.”.

13 **SEC. 7. BAN ON SOFT MONEY.**

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

17 “LIMITATIONS AND REPORTING REQUIREMENTS FOR
18 AMOUNTS PAID FOR MIXED POLITICAL ACTIVITIES

19 “SEC. 323. (a) IN GENERAL.—Any payment by the
20 national committee of a political party or a State com-
21 mittee of a political party for a mixed political activity—

22 “(1) shall be subject to limitation and reporting
23 under this Act as if such payment were an expendi-
24 ture; and

25 “(2) may be paid only from an account that is
26 subject to the requirements of this Act.

1 “(b) MIXED POLITICAL ACTIVITY DEFINED.—As
2 used in this section, the term ‘mixed political activity’
3 means, with respect to a payment by the national com-
4 mittee of a political party or a State committee of a polit-
5 ical party, an activity, such as a voter registration pro-
6 gram, a get-out-the-vote drive, or general political adver-
7 tising, that is both for the purpose of influencing an elec-
8 tion for Federal office and for any purpose unrelated to
9 influencing an election for Federal office.”.

10 (b) REPEAL OF BUILDING FUND EXCEPTION TO THE
11 DEFINITION OF THE TERM “CONTRIBUTION”.—Section
12 301(8)(B) of such Act (2 U.S.C. 431(8)(B)) is amended—

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

14 (2) by redesignating clauses (ix) through (xiv)
15 as clauses (viii) through (xiii).

16 **SEC. 8. HOUSE OF REPRESENTATIVES ELECTION LIMITA-**
17 **TION ON CONTRIBUTIONS FROM PERSONS**
18 **OTHER THAN IN-STATE INDIVIDUAL RESI-**
19 **DENTS.**

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

23 “(i)(1) At least 80 percent of the contributions ac-
24 cepted by a candidate for the office of Representative in,
25 or Delegate or Resident Commissioner to, the Congress

1 with respect to a reporting period for an election shall be
2 from in-State individual residents.

3 “(2) As used in this subsection, the term ‘in-State
4 individual resident’ means an individual who resides in the
5 State in which the congressional district involved is lo-
6 cated.

7 “(3)(A) Any candidate who accepts contributions that
8 exceed the limitation under this subsection with respect
9 to the pre-election report period or the post-election report
10 period shall pay to the Commission, for deposit in the
11 Treasury, an amount equal to 5 times the amount of the
12 excess contributions plus a civil penalty in an amount de-
13 termined by the Commission.

14 “(B) Any candidate who accepts contributions that
15 exceed the limitation under this subsection with respect
16 to a period other than a period referred to in subpara-
17 graph (A) shall pay to the Commission, for deposit in the
18 Treasury, an amount equal to 3 times the amount of the
19 excess contributions.

20 “(C) Each report under section 304(a)(6) shall in-
21 clude a certification by the treasurer of the committee that
22 the contributions reported do not exceed the limitation
23 under this subsection.”.

1 **SEC. 9. INCREASED LIMITATION AMOUNT FOR CERTAIN**
2 **CONTRIBUTIONS TO POLITICAL COMMITTEES**
3 **OF STATE POLITICAL PARTIES.**

4 Section 315(a)(1)(B) of the Federal Election Cam-
5 paign Act of 1971 (2 U.S.C. 441a(a)(1)(B)) is amended
6 by inserting after “national” the following: “or State”.

7 **SEC. 10. DISCLOSURE OF ELECTION-RELATED ACTIVITY BY**
8 **CORPORATIONS, LABOR ORGANIZATIONS**
9 **AND NONPROFIT ORGANIZATIONS.**

10 Section 304 of the Federal Election Campaign Act
11 of 1971 (2 U.S.C. 434) is amended by adding at the end
12 the following new subsection:

13 “(d) Any corporation, labor organization, or non-
14 profit organization that makes a payment for a commu-
15 nication or other activity that—

16 “(1) relates to any election for Federal office;
17 and

18 “(2) in the case of a corporation or labor orga-
19 nization, by reason of subparagraph (A) or (B) of
20 paragraph (2) of section 316(b), is not a contribu-
21 tion or expenditure;

22 shall report such payment to the Commission in the same
23 manner as a contribution or expenditure, as the case may
24 be, is reported by a principal campaign committee of a
25 candidate for the House of Representatives or the Senate
26 under this section.”.

1 **SEC. 11. PROHIBITION OF BUNDLING OF CONTRIBUTIONS**
2 **TO CANDIDATES BY POLITICAL ACTION COM-**
3 **MITTEES AND LOBBYISTS.**

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

7 “(c) No nonparty multicandidate political committee
8 or person required to register under the Lobbying Dislo-
9 sure Act of 1995 may act as an intermediary or conduit
10 with respect to a contribution to a candidate for Federal
11 office.”.

12 **SEC. 12. SEVERABILITY.**

13 If any provision of this Act or any amendment made
14 by this Act, or the application of any such provision to
15 any person or circumstance is held invalid, the validity of
16 any other such provision, and the application of such pro-
17 vision to other persons and circumstances shall not be af-
18 fected thereby.

19 **SEC. 13. EFFECTIVE DATE.**

20 Except as may otherwise be specifically provided, this
21 Act and the amendments made by this Act shall apply
22 with respect to elections occurring after 2000.

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